<table>
<thead>
<tr>
<th>Section</th>
<th>Tab</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEPARTMENTAL OVERVIEW</td>
<td>1</td>
</tr>
<tr>
<td>OFFICE OF THE SECRETARY</td>
<td>2</td>
</tr>
<tr>
<td>FAITH BASED AND NEIGHBORHOOD PARTNERSHIPS</td>
<td>3</td>
</tr>
<tr>
<td>OFFICE OF TRIBAL RELATIONS</td>
<td>4</td>
</tr>
<tr>
<td>WHITE HOUSE LIAISON OFFICE</td>
<td>5</td>
</tr>
<tr>
<td>MISSION AREA TEMPLATES</td>
<td></td>
</tr>
<tr>
<td>FARM AND FOREIGN AGRICULTURAL SERVICES</td>
<td>6</td>
</tr>
<tr>
<td>FOOD, NUTRITION AND CONSUMER SERVICES</td>
<td>7</td>
</tr>
<tr>
<td>OFFICE OF FOOD SAFETY</td>
<td>8</td>
</tr>
<tr>
<td>MARKETING AND REGULATORY PROGRAMS</td>
<td>9</td>
</tr>
<tr>
<td>NATURAL RESOURCES AND ENVIRONMENT</td>
<td>10</td>
</tr>
<tr>
<td>RESEARCH, EDUCATION AND ECONOMICS</td>
<td>11</td>
</tr>
<tr>
<td>RURAL DEVELOPMENT</td>
<td>12</td>
</tr>
<tr>
<td>DEPARTMENTAL MANAGEMENT</td>
<td>13</td>
</tr>
<tr>
<td>EXECUTIVE OPERATIONS TEMPLATES</td>
<td></td>
</tr>
<tr>
<td>OFFICE OF ADVOCACY AND OUTREACH</td>
<td>14</td>
</tr>
<tr>
<td>OFFICE OF CIVIL RIGHTS</td>
<td>15</td>
</tr>
<tr>
<td>OFFICE OF THE CHIEF ECONOMIST</td>
<td>16</td>
</tr>
<tr>
<td>OFFICE OF CHIEF FINANCIAL OFFICER</td>
<td>17</td>
</tr>
<tr>
<td>OFFICE OF THE GENERAL COUNSEL</td>
<td>18</td>
</tr>
<tr>
<td>OFFICE OF ETHICS</td>
<td>19</td>
</tr>
<tr>
<td>OFFICE OF BUDGET AND PROGRAM ANALYSIS</td>
<td>20</td>
</tr>
<tr>
<td>OFFICE OF COMMUNICATIONS</td>
<td>21</td>
</tr>
<tr>
<td>OFFICE OF CONGRESSIONAL RELATIONS</td>
<td>22</td>
</tr>
<tr>
<td>OFFICE OF HEARINGS AND APPEALS</td>
<td>23</td>
</tr>
<tr>
<td>OFFICE OF INSPECTOR GENERAL</td>
<td>24</td>
</tr>
<tr>
<td>APPENDIX A: WHITE HOUSE RURAL COUNCIL</td>
<td>25</td>
</tr>
<tr>
<td>APPENDIX B: LITIGATION SUMMARY</td>
<td>26</td>
</tr>
<tr>
<td>APPENDIX C: OPEN OIG AUDITS</td>
<td>27</td>
</tr>
<tr>
<td>APPENDIX D: CRISIS MANAGEMENT AND EMERGENCY RESPONSE</td>
<td>28</td>
</tr>
<tr>
<td>APPENDIX E: ADVISORY BOARDS AND COMMITTEES</td>
<td>29</td>
</tr>
</tbody>
</table>
MISSION AREA BRIEFING MATERIAL

Each Mission Area template contains the following sections:

I. **Organizational Overview**

   Mission Area Fact Sheet
   Organizational Chart
   Biographies for Career and Political Staff in Key Leadership Positions
   Overview of Agency Programs and Operations
   Budget and Staffing Summary

II. **Top Issues/Hot Topics**

   Timeline
   Mission Area Issues
   GAO and OIG Audits
AGENCY BRIEFING MATERIAL

Each Executive Operation template contains the following sections:

I. **Organizational Overview**

   Agency Fact Sheet
   Agency’s Mission/Strategic Plan
   Key Mission Delivery Performance Measures
   Organization’s History
   Organizational Chart
   Biographies of Career Staff in Key Leadership Positions
   Biographies of Political Staff in Key Leadership Positions
   Organizational Budget and Financial Management
   Enterprise Workforce Data

II. **Policies and Regulations**

   Statutory Authorities
   Important Policies and Regulations
   Overview of the Policy/Regulation Review Process
   GAO and OIG Audits

III. **Congressional Relations and Issues**

   Overview

IV. **Internal and External Stakeholders**

   Important Relationships with Other Federal Departments or Organizations
   Stakeholder Group Overview
   Recent Engagements with Stakeholder Groups

V. **Top Issues**

   Hot Topics
   Timeline

**Appendix A: Acronyms**
WHAT WE DO: OUR MISSION

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

WHO WE ARE: OUR WORKFORCE

As of mid-September 2016, USDA had a total of 111,193 employees, including 25,709 part-time employees. This equated to having 95,098 total staff years (SYs).

Of the 111,193 total employees 101,003 were outside the Washington, D.C. area and 10,190 were in the Washington D.C. area.

KEY UPCOMING DECISIONS

Establish Decision-making Process. Incoming policy officials may wish to set forth operating procedures to be followed by agencies and offices with regard to actions that involve significant resource commitments, make public announcements with longer range implications or involve other potentially policy-sensitive actions to ensure incoming policy officers are fully involved in matters of policy interest.

Determine priorities to be addressed in the FY 2018 President’s Budget. Developing a fiscal year 2018 Budget will likely be an immediate priority of the new Administration. The exact timeline and request for information will be subject to guidance from OMB, but it is likely that Departments will be required to provide FY 2018 Budget proposals to OMB within the first month to six weeks of the Administration. In previous Presidential transition years the new Administration has released a budget overview in early February, which outlines key policy priorities from the new Administration. The detailed FY 2018 budget materials will likely be submitted to the Congress in spring, 2017 (historically April or May).

Develop a new USDA Strategic Plan as statutorily required to guide longer term policy priorities. The Government Performance and Results Act (GPRA) Modernization Act of 2010 requires all Departments to produce a new Strategic Plan at the beginning of each new term of an Administration. An initial draft of the new USDA Strategic Plan FY2018 – 2022 is due to OMB June 2nd, 2017.

Identify USDA regulatory priorities. A review of recent regulatory actions and the development of rulemaking priorities will be needed within the first months of the Administration. The current Administration’s Regulatory Plan and Fall Regulatory Agenda are expected to be published sometime in November. The new Administration will likely be publishing its first Regulatory Agenda in the spring of 2017.

Develop a Farm Bill reauthorization strategy. The Agricultural Act of 2014 (2014 Farm Bill) was enacted on February 7, 2014. While some provisions of the 2014 Farm Bill are permanent legislation many other provisions expire with the 2018 crop, calendar, or fiscal year and would need to be reauthorized or amended in order to continue beyond the expiration date. The exact timeline for the development of the next Farm Bill will be determined by Congress, but the incoming Administration will need to determine the extent and process for engaging with stakeholders and the Congress.

The Agricultural Outlook Forum sponsored by the Office of the Chief Economist is currently scheduled to take place in late February. The Forum generally includes a key role for the Secretary. This will be one of the first opportunities for the incoming Administration to communicate policy priorities with a large number of stakeholders.
BUDGET HIGHLIGHTS FY 2016

Approximately 84 percent of USDA budget authority is mandatory and 16 percent is discretionary funding. About 67 percent of the Department’s total budget authority is in the Nutrition Assistance area.

Over half of the $26 billion in FY 2016 discretionary funding is in five programs: the Women, Infants and Children Program; PL 480 Title II; Rental Assistance; Wildland Fire; and Food Safety.

EMPLOYMENT HIGHLIGHTS FY 2016

Total Employment: 111,193
REAL PROPERTY OVERVIEW

As the fourth largest Executive Agency landholder in the Federal Government, and the fifth largest agency in terms of building square foot usage, the Department's real property asset portfolio consists of the following:

- 20,645 owned buildings totaling 41.3 million square feet;
- Approximately 193 million acres of land, 99% of which is public domain and stewardship land;
- 15.2 million square feet of commercially-leased building space with an annual rent of $241 million; and
- Approximately 1,100 GSA space assignments, occupying 10.2 million usable square feet with $228 million in annual rent

Of the USDA agencies and offices that occupy space, four agencies account for approximately 99 percent of the total owned real property portfolio. These are:

- Agricultural Research Service (ARS);
- Animal and Plant Health Inspection Service (APHIS);
- Forest Service (FS); and
- Natural Resources Conservation Service (NRCS)
The United States Department of Agriculture (USDA) works to support the American agricultural economy to strengthen rural communities; to protect and conserve our natural resources; and to provide a safe, sufficient, and nutritious food supply for the American people. The Department’s wide range of programs and responsibilities touches the lives of every American every day. The following pages provide information about some of our agencies and offices, their missions, responsibilities, and services they provide.

Farm and Foreign Agricultural Services

Farm Service Agency
The Farm Service Agency (FSA) ensures the well-being of American agriculture, the environment, and the American public through the administration of farm commodity programs; farm ownership, operating, and emergency loans; conservation and environmental programs; emergency and disaster assistance; and domestic and international food assistance. FSA programs are delivered through an extensive network of field offices in 2,248 USDA County Service Centers and 51 State Offices.

Foreign Agricultural Service
The Foreign Agricultural Service (FAS) works to improve foreign market access for U.S. products and administers market development and export financing programs. FAS helps U.S. exporters develop and maintain markets overseas for U.S. food and agricultural products. FAS helps developing countries improve their agricultural systems and build their trade capacity.

Risk Management Agency
The Risk Management Agency (RMA) administers the Federal Crop Insurance Corporation (FCIC) programs and promotes national welfare by improving the economic stability of agriculture through a secure system of crop insurance and risk management tools. Through a network of public and private-sector partners, RMA creates crop insurance and risk management products, provides risk management education and outreach, and ensures program accessibility and integrity.

Food, Nutrition, and Consumer Services

Food and Nutrition Service
The Food and Nutrition Service (FNS) administers the USDA nutrition assistance programs that provide children and low-income people access to food, a healthful diet, and nutrition education. Programs include the Supplemental Nutrition Assistance Program (SNAP, formerly called the Food Stamp Program), the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), School Lunch and Breakfast, among others.
**Center for Nutrition Policy and Promotion**
The Center for Nutrition Policy and Promotion (CNPP) establishes Federal nutrition policy through the Dietary Guidelines for Americans, sets priorities for nutrition research, sets nutrition standards, and disseminates dietary guidance. It maintains the MyPlate food guidance system.

**Food Safety and Inspection Service**
Touching the lives of millions of people every day, the Food Safety and Inspection Service (FSIS) is the public health agency responsible for ensuring that the Nation's commercial supply of meat, poultry, and processed egg products is safe, wholesome, and correctly labeled and packaged. FSIS also manages the USDA Meat and Poultry Hotline, which provides consumers with answers to their food safety questions.

**Marketing and Regulatory Programs**

**Agricultural Marketing Service**
The Agricultural Marketing Service (AMS) administers programs that facilitate efficient, fair marketing of U.S. agricultural products, including food, fiber, and specialty crops. AMS identifies and promotes the development of marketing opportunities for the agricultural community by conducting and supporting research and providing information on farmer direct marketing activities. AMS programs promote a strategic marketing perspective that adapts product and marketing practices and technologies to the issues of today and the challenges of tomorrow.

**Animal and Plant Health Inspection Service**
The Animal and Plant Health Inspection Service (APHIS) makes a significant contribution to the value of the Nation’s food supply by protecting U.S. agricultural resources from pests and diseases, managing wildlife damage, regulating genetically engineered organisms, and administering the Animal Welfare Act. APHIS programs integrate plant and animal disease surveillance, epidemiology, emergency response, and information delivery to ensure the marketability of U.S. agricultural products. APHIS also works to resolve and manage trade issues related to animal or plant health.

**Grain Inspection, Packers and Stockyards Administration**
The Grain Inspection, Packers and Stockyards Administration (GIPSA) facilitates the marketing of livestock, poultry, meat, cereals, oilseeds, and related agricultural products. The agency promotes fair and competitive trading practices for the overall benefit of consumers and American agriculture.

**Natural Resources and Environment**

**Forest Service**
The Forest Service (FS) manages 193 million acres of public lands in 155 national forests and 20 grasslands and is the largest forestry research operation in the world. The Forest Service provides technical and financial assistance to help rural and urban citizens, including private landowners, care for forest, watersheds, and rangelands in their communities.
The Natural Resources Conservation Service (NRCS) helps people help the land through scientifically based, locally led voluntary conservation efforts and improve natural resources on private lands. NRCS work results in productive lands and a healthy environment through reduced soil erosion; water and air quality; energy conservation; restored woodlands and wetlands; enhanced fish and wildlife habitat; and reduced upstream flooding.

**Research, Education and Economics**

**Agricultural Research Service**  
The Agricultural Research Service (ARS) is the principal in-house research agency of the USDA. ARS is charged with extending the Nation's scientific knowledge through the administration of its national programs, as well as by conducting research projects in animal and crop production and protection, human nutrition, food safety, bioenergy, the environment, and other topics that affect the American people on a daily basis.

**Economic Research Service**  
The Economic Research Service (ERS) is a primary source of economic information and research in USDA. ERS conducts its research program to inform public and private decision making on economic and policy issues involving food, farming, natural resources, and rural development. ERS's economists and social scientists conduct research, analyze food and commodity markets, produce policy studies, and develop economic and statistical indicators. ERS staff disseminates economic information and research results through an array of outlets.

**National Agricultural Statistics Service**  
The National Agricultural Statistics Service (NASS) is the official Federal statistical agency for agriculture. The agency serves U.S. agricultural and rural communities with accurate, timely, and useful statistical products and services that are vital information to monitor the ever-changing agricultural sector and carry out farm policy. Every 5 years NASS conducts the Census of Agriculture, which is the only source of uniform, comprehensive agricultural data for every county in the United States.

**National Institute of Food and Agriculture**  
The National Institute of Food and Agriculture (NIFA) impacts the lives of millions of Americans each day by supporting exemplary research, education, and extension that address many challenges facing our Nation through collaboration with historically Black colleges and universities, Hispanic-serving institutions, and Tribal colleges. You are connected to NIFA through your nearest Extension office, which provides answers to concerns through educational materials and Web-based information.
**Rural Development**

USDA Rural Development (RD) is composed of Rural Business-Cooperative Programs, Rural Housing and Community Facilities Programs, and Rural Utilities Programs. RD offers rural communities a broad array of financial, technical, and educational resources in order to establish and grow rural businesses and cooperatives. RD provides financing for single family homes and multi-family housing developments, and essential community facilities. RD helps to finance the development of electric, telephone, telecommunication, and water and wastewater infrastructures to create affordable utilities.

**Departmental Management**

Departmental Management (DM) provides managerial leadership and integrated services to enable USDA to achieve its priorities and works to ensure through applicable laws, treaties, and regulations that all citizens are provided full access to USDA services and programs.
Strategic Goal 1. Assist Rural Communities to Create Prosperity so They Are Self-sustaining, Repopulating, and Economically Thriving
   1.1 Enhance Rural Prosperity, Including Leveraging Capital Markets to Increase Government’s Investment in Rural America
   1.2 Increase Agricultural Opportunities by Ensuring a Robust Safety Net, Creating New Markets, and Supporting a Competitive Agricultural System
   1.3 Contribute to the Expansion of the Bioeconomy by Supporting Development, Production, and Consumption of Renewable Energy and Biobased Products

Strategic Goal 2: Ensure Our National Forests and Private Working Lands are Conserved, Restored, and Made More Resilient to Climate Change, While Enhancing Our Water Resources
   2.1 Improve the Health of the Nation’s Forest, Grasslands and Working Lands by Managing Our Natural Resources
   2.2 Lead Efforts to Mitigate and Adapt to Climate Change, Drought, and Extreme Weather in Agriculture and Forestry
   2.3 Contribute to Clean and Abundant Water by Protecting and Enhancing Water Resources on National Forests and Working Lands
   2.4 Reduce Risk of Catastrophic Wildfire

Strategic Goal 3: Help America Promote Agricultural Production and Biotechnology Exports as America Works to Increase Food Security
   3.1 Ensure U.S. agricultural resources contribute to enhanced global food security
   3.2 Enhance America’s Ability to Develop and Trade Agricultural Products Derived from New Technologies

Strategic Goal 4: Ensure that All of America’s Children Have Access to Safe, Nutritious, and Balanced Meals
   4.1 Improve Access to Nutritious Food
   4.2 Promote Healthy Diet and Physical Activity Behaviors
   4.3 Protect Public Health by Ensuring Food is Safe
   4.4 Protect Agricultural Health by Minimizing Major Diseases and Pests to Ensure Access to Safe, Plentiful, and Nutritious Food

Strategic Goal 5: Create a USDA for the 21st Century that is High Performing, Efficient, and Adaptable
   5.1 Develop a Customer-centric, Inclusive, and High-performing Workforce by Investing in and Engaging Employees to Improve Service Delivery
   5.2 Build a Safe, Secure, and Efficient Workplace by Leveraging Technology and Shared Solutions across Organizational Boundaries
   5.3 Maximize the Return on Taxpayer Investment in USDA Through Enhanced Stewardship Activities of Resources and Focused Program Evaluation
I. **Organizational Overview**

Organizational Chart

Organizational Chart/Structure: The organizational structure of the immediate Office of the Secretary and Deputy Secretary is at the discretion of the Secretary. The Secretary and Chief of Staff should work in collaboration with the White House Liaison to staff the office and determine the roles and responsibilities of each person.

**Biographies for career and political staff in key leadership positions**

**Secretary of Agriculture Tom Vilsack**

Tom Vilsack serves as the Nation's 30th Secretary of Agriculture. As leader of the U.S. Department of Agriculture (USDA), Vilsack is working hard to strengthen the American agricultural economy, build vibrant rural communities and create new markets for the tremendous innovation of rural America. In more than six years at the Department, Vilsack has worked to implement President Obama's agenda to put Americans back to work and create an economy built to last. USDA has supported America's farmers, ranchers and growers who are driving the rural economy forward, provided food assistance to millions of Americans, carried out record conservation efforts, made record investments in our rural communities and helped provide a safe, sufficient and nutritious food supply for the American people.
The Obama Administration and USDA have made historic investments in America's rural communities, helping create ladders of opportunity for rural people and building thriving rural economies for the long term. As chair of the first-ever White House Rural Council, Secretary Vilsack and USDA are taking steps to strengthen services for rural businesses and entrepreneurs by finding new ways to make the connection between the demand for investment in rural areas and the financial community.

USDA is promoting American agriculture by conducting cutting-edge research and expanding markets at home and abroad. The years 2009-2014 represent the strongest six years in history for agricultural trade, and new trade agreements President Obama signed with Colombia, South Korea and Panama will create even more export opportunities for American farmers and ranchers. Here at home, USDA has helped increase the number of farmers markets by 180 percent since 2006, and made more than 500 investments in local food infrastructure - including food hubs, local processing facilities and distribution networks - to help connect farmers and consumers and create jobs all along the supply chain for local food.

Vilsack knows that conserving natural resources is critical to the long-term strength of our economy. That is why USDA has enrolled a record number of private working lands in conservation programs and implemented new strategies - such as landscape-scale efforts - to restore our forests and clean our water supply. This work is creating private sector jobs protecting and rehabilitating our forests and wetlands, and providing increased opportunities for outdoor recreation, which supports 6.1 million direct jobs across the country.

Under Vilsack's leadership, USDA has partnered with First Lady Michelle Obama's Let's Move! initiative to improve the health of America's children. He helped pass and implement the Healthy, Hunger Free Kids Act, enabling USDA to help combat child hunger and obesity by making the most significant improvements to school meals in 30 years. He has led a comprehensive effort to improve the safety of the American food supply, implementing changes to food safety standards to prevent illnesses by reducing the prevalence of E. coli, salmonella and campylobacter in our meat and poultry.

He has made civil rights a top priority, reaching historic resolutions to all major past cases of discrimination brought against USDA by minority groups, and taking definitive action to move USDA into a new era as a model employer and premier service provider.

Prior to his appointment, Vilsack served two terms as the Governor of Iowa, in the Iowa State Senate and as the mayor of Mt. Pleasant, Iowa. A native of Pittsburgh, Pennsylvania, Vilsack was born into an orphanage and adopted in 1951. After graduating Hamilton College and Albany Law School in New York, he moved to Mt. Pleasant, his wife Christie's hometown, where he practiced law. The Vilsacks have two adult sons and two daughters-in-law - Doug, married to Janet; and Jess, married to Kate. They also have four grandchildren.
Acting Deputy Secretary of Agriculture Michael Scuse

Michael Scuse was appointed Acting Deputy Secretary of the U.S. Department of Agriculture on March 30, 2016. Alongside Secretary Vilsack, Acting Deputy Secretary Scuse leads the department's charge to strengthen the agricultural landscape, sustain vibrant rural communities and create new markets that support the innovation of rural America. A lifelong Delaware farmer, Acting Deputy Secretary Scuse is a champion for America's farmers and ranchers and the unique challenges they often face. Upon assuming the role of Acting Deputy Secretary, Scuse has stated his highest priority is to advocate for America's farmers and ranchers, emphasizing the importance of agriculture and its dynamic influence on the lives of Americans and the economy.

Most recently, Acting Deputy Secretary Scuse served as the Under Secretary for Farm and Foreign Agricultural Services (FFAS), following nomination by President Barack Obama and confirmation by the U.S. Senate in April 2012. In this capacity, he also served as President of the USDA Commodity Credit Corporation.

As FFAS Under Secretary, Scuse oversaw USDA's Farm Service Agency, Risk Management Agency, and Foreign Agricultural Service, where he led initiatives to improve competitiveness of American products in the global marketplace, create new markets to increase rural economic opportunity, and deliver farm assistance programs that help keep America's farmers and ranchers in business in the wake of uncertainty caused by markets and weather. As President of the Commodity Credit Corporation, he worked to stabilize, support and protect farm income and prices while helping to maintain balance and adequate supplies of agricultural commodities and aids in their orderly distribution.

Acting Deputy Secretary Scuse is a distinguished public servant. Before joining USDA in 2009, he served as Delaware Secretary of Agriculture, President of the Northeast Association of State Departments of Agriculture (NASDA), and Vice President of the National Association of State Departments of Agriculture (NASDA), and later as Chief of Staff to Governor Ruth Ann Minner. He was previously Chairman of the Kent County Regional Planning Commission in Delaware and Chairman of USDA's Delaware FSA Committee. His commitment to service has been lauded by many, and in 2012, Delaware Agriculture Secretary Edward Kee presented him the Award for Distinguished Service to Agriculture. Scuse was also awarded the Medal of Achievement from the Delmarva Poultry Industry in 2006.

Scuse and his wife, Patrice, reside in Smyrna, Delaware, where they operate a corn, soybean and wheat farm that's been in their family for generations.
Chief of Staff to the Secretary Karla Thieman

Karla Thieman has served as the USDA Chief of Staff since September 2015. Thieman first joined the USDA in April 2014, serving as a Senior Policy Advisor to Secretary Tom Vilsack and later as Chief of Staff to Deputy Secretary Krysta Harden. Prior to joining USDA, Thieman worked for the Senate Agriculture Committee for more than five years, serving under three Chairs of the Committee: Senator Tom Harkin, Senator Blanche Lincoln, and Senator Debbie Stabenow. As senior professional staff on the Agriculture Committee, she handled a portfolio that included livestock, food safety, dairy, energy and climate change. Thieman previously served in leadership positions on the campaigns of Senators McCaskill, Udall and Bennet. Thieman grew up on a third-generation family farm in central Missouri where her family raised cattle, corn and soybeans. She has a degree in Agricultural Economics from the University of Missouri.

Chief of Staff to the Deputy Secretary Trevor Reuschel

Trevor Reuschel joined the Department in February of 2015 to serve as the Legislative Director before taking on the role of Deputy Assistant Secretary for Congressional and eventually Chief of Staff to the Deputy Secretary. He also is the current Energy Policy Advisor in the Office of the Secretary. Prior to joining the Department, Trevor spent seven years in Senator Durbin’s office in a variety of roles including most recently as Legislative Assistant covering Agriculture, Labor, Telecom, and Consumer Safety issues. In this role, he was tasked with moving the Assistant Majority Leader’s legislative agenda in these areas, advising on issues under consideration at the relevant committees, and monitoring and identifying potential problems on the Senate floor. Trevor grew up in the small community of Astoria in Fulton County, IL. He attended and received a B.A. in History from Quincy University in Quincy, IL.

Deputy Chief of Staff for Operations Bianca Oden

Bianca Oden was appointed as a Special Adviser to the Chief Administrative Services Officer (CASO) at the General Services Administration in 2012. Over the next three years, she accepted roles within the organization of increasing reasonability, including: Acting Director of the Freedom of Information Act and Chief of Staff for the CASO. In these positions, she managed communication and directed portfolio/projects related to internal management and support services within agency: Personnel, Procurement, Organizational Design, Workforce Management, and Freedom of Information Act (FOIA), Records Management, and Administrative/Professional Services Management. She also formulated strategic plans, short-/long-term goals, and mission statements for organization and ensured compliance with organizational directives.

Ms. Oden previously worked in Senate and House Congressional offices. In these capacities, she worked on judiciary, foreign relations and human trafficking issues. In these roles, she provided research and assisted with development of public policies and legislation; participated in meetings and gained firsthand experience in legislative process; collaborated with team and worked on developing legislative proposals, researching and analyzing bills, and responding to constituent inquiries. Before working in Congress, Ms. Oden was a Law and Policy Analyst for the University of Maryland, Center for Health and Homeland Security (CHHS), where she provided
United States Department of Agriculture  
2016 Presidential Transition  
Office of the Secretary (OSEC)

legal analysis and development of plans, policies and strategies for government, corporate, and institutional clients.

A native of Upstate New York, Ms. Oden earned a Bachelor of Arts in Bio-psychology and a Master’s degree in Public Policy from the University of Maryland, Baltimore County. Ms. Oden also received a doctor of jurisprudence degree (J.D.) from the Pennsylvania State University, Dickinson School of Law.

Deputy Chief of Staff for Policy Dr. Melinda Cep:

Dr. Cep is the Deputy Chief of Staff of Policy to the Secretary. She joined USDA in August 2013 as Senior Advisor to the Under Secretary of Marketing and Regulatory Programs, before working in the Office of Congressional Relations. She most recently served as Senior Advisor in the Office of the Secretary. Prior to USDA, she worked on the Hill for several years for Congresswoman Rosa L. DeLauro.

She holds a BS from Virginia Tech and a DVM from Virginia-Maryland Regional College of Veterinary Medicine. Dr. Cep served as a Congressional Fellow with the American Veterinary Medical Association and the American Association for the Advancement of Science.

Overview of Agency Programs and Operations

The organizational structure of the immediate Office of the Secretary and Deputy Secretary is at the discretion of the Secretary. The Secretary and Chief of Staff should work in collaboration with the White House Liaison to staff the office and determine the roles and responsibilities of each person.

Office of the Secretary - Along with the Mission areas and offices headed by Assistant Secretaries, the following offices report directly to the Office of the Secretary (these offices have submitted their own transition materials):

- **Office of Budget and Program Analysis** coordinates the preparation of the Department’s budget estimates, legislative reports and regulations.

- **Office of the Chief Financial Officer** serves as the principal advisor to the Secretary and Senior Officials on all matters related to financial management, financial management systems, financial control and accounting, internal control and assessment and financial management training.

- **Office of the General Counsel** is an independent legal agency within the U.S. Department of Agriculture (USDA). OGC provides legal advice and services to the Secretary of Agriculture and to all other officials and agencies of the Department with respect to all USDA programs and activities.
Office of the Inspector General performs audits and investigations of the Department's programs and operations. Further, OIG works with the Department management on activities to promote economy, efficiency, and effectiveness or that prevent and detect fraud and abuse in programs and operations, both within USDA and in non-Federal entities that receive USDA assistance.

Office of Communications provides leadership, expertise, counsel, and coordination for the development of communications strategies which are vital to the overall formulation, awareness and acceptance of USDA programs and policies, and serves as the principal USDA contact point for the dissemination of consistent, timely information.

Office of the Chief Economist advises the Secretary of Agriculture on the economic implications of policies and programs affecting the U.S. food and fiber system and rural areas. OCE supports USDA policy decision making by analyzing the impact of proposals and coordinating a response among several USDA agencies.

Faith Based and Neighborhood Partnerships focuses on partnering with non-profit and community organizations, both secular and religious to make a positive impact.

The Office of Advocacy and Outreach (OAO) serves as an advocate and avenue for underserved constituents to participate in and benefit from the programs offered by the Department.

The Office of Tribal Relations (OTR) serves as a single point of contact for Tribal issues and works to ensure that relevant programs and policies are efficient, easy to understand, accessible, and developed in consultation with the American Indians and Alaska Native constituents they impact.

Office of the Deputy Secretary - While the exact role of the Deputy is assigned at the discretion of the Secretary, the Deputy Secretary has traditionally served more of a Chief Operating Officer role – including spearheading, in coordination with OBPA, the Departments budget development process. Further, the Deputy Secretary has monthly briefings provided by CIA. In addition to offices reporting to the Secretary, the following offices currently report directly to the Office of the Deputy Secretary (these offices have submitted their own transition materials):

Office of Hearings and Appeals (OHA) (formerly the National Appeals Division (NAD)) is responsible for all administrative appeals arising from program activities of assigned Agencies, as well as such other administrative appeals arising from decisions of Agencies of USDA designated by the Secretary.

Office of Small and Disadvantage Business Utilization (OSDBU) works to ensure that the Department’s purchasing agencies engage small businesses so that we have a dynamic, diverse and reliable small vendor pool. While the OSDBU is technically
housed within Departmental Management, they report directly to the Secretary or his designee (the Deputy).

- **Office of Pest Management Policy (OPMP)** coordinates the Department's strategic planning and activities related to pest management, including serving as USDA’s voice in the pesticide regulatory process and related interagency affairs, primarily with the Environmental Protection Agency. Further, the office promotes the development of new pest management approaches that meet the needs of an evolving and sustainable U.S. agricultural system. (full description is included in ARS’ transition materials)

**OSEC Senior Advisor Portfolios:** In addition to mission area staff and offices reporting to the OSEC, the current OSEC organization includes several Senior Advisors (portfolios listed below).

**Senior Advisor:**
- Local and regional food systems
- Organic agriculture
- Urban agriculture
- Access to healthy food
- Labeling and marketing issues
- Food Safety Modernization Act (FSMA) Implementation

**Senior Advisor:**
- Rural Development loan & grant portfolio
- Rural Opportunity Initiative (ROI)
- Interagency Place-Based Investment Initiatives
- White House Rural Council
- Opioids

**Senior Advisor:**
- Office of Advocacy and Outreach and related programs
- Contact for Feds Feed Families

**Senior Advisor:**
- Conservation
- Pollinators (habitat)
- Immigration
- Opioids

**Senior Advisor:**
- Food safety
- Food waste
- Climate change
United States Department of Agriculture  
2016 Presidential Transition  
Office of the Secretary (OSEC)

- Secretary’s priority reports
- Disaster recovery and response
- Misc special projects (Puerto Rico debt crisis/Vietnam drought conference)
- Foundation for Food and Ag Research

Senior Advisor:

- Oversight of USDA Biotechnology Deregulations and Petitions
- GMO Labeling, including USDA Process Verified Program
- Oversight of all USDA Pesticide and Ag. Chemical Issues under the FIFRA
- Regulatory Oversight for CFR Part 340 (Biotech Regulations)
- Policy lead for White House Coordinated Framework for the Regulation of Biotechnology
- Oversight of USDA’s AC21 Committee on Coexistence
- Bioeconomy and Biopreferred Program
- White House Made in Rural America Initiative
- Energy and Biofuels

Department Wide Cross Cutting Issues and Initiatives – The following list highlights several ongoing or upcoming Department wide issues or initiatives that may require attention moving forward. The list also includes a career contact who is familiar with or leading the work in each of these areas. (The list does not encompass every issue underway that may involve work at multiple agencies within the Department.)

- New and Beginning Farmers, Veterans and Women – Lilia McFarland; 
  Lilia.McFarland@osec.usda.gov
- Placed Based Initiatives (Strikeforce, Promise Zones, Community Economic Development) – Claudette Fernandez; Claudette.Fernandez@wdc.usda.gov
- Local and Regional Food Systems – Tricia Kovacs; Tricia.Kovacs@ams.usda.gov
- Climate (Climate Hubs and Building Blocks for Climate Smart Agriculture) – Bill Hohenstein; WHOHENST@oce.usda.gov
- Antimicrobial Resistance – Neena Anandaraman; neena.anandaraman@osec.usda.gov
- Pollinators – Katina Hanson; katina.hanson@wdc.usda.gov
- Pesticides – Sheryl Kunickis; Sheryl.Kunickis@osec.usda.gov and Rob Johansson; RJohansson@oce.usda.gov
- Opioids
- Feds Feed Families – Bruce Alexander; Bruce.Alexander@fns.usda.gov
- Combined Federal Campaign – Peggy Javery; Peggy.Javery@cfo.usda.gov
- Renewable Energy (Bioeconomy and Biopreferred) – Harry Baumes; HBaumes@oce.usda.gov
- Cultural Transformation – Bobbi Jeanquart; Bobbi.Jeanquart@dm.usda.gov
Budget and Staffing Summary

The organizational structure and budget expenditures (except when explicitly directed by Congress) of the immediate Office of the Secretary and Deputy Secretary is at the discretion of the Secretary. The Secretary and Chief of Staff should work in collaboration with the White House Liaison to staff the office and determine the roles and responsibilities of each person.

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WHO WE ARE: OUR MISSION AREA

The USDA Center for Faith-based and Neighborhood Partnerships works to build bridges between USDA and nonprofit organizations, both secular and faith-based, to better serve Americans in need. The Center advances this work through collaboration with USDA agencies, counterpart Centers across the Federal government as well as the White House Office of Faith-Based and Neighborhood Partnerships.

WHO WE ARE: OUR WORKFORCE

The Center has a Director, Staff Assistant and Partnership & Outreach Specialist. Relationships with the agencies are established depending on the initiative, project, or level of engagement.

WHO WE SERVE: OUR CONSTITUENTS

The Center works with diverse partners from both faith and secular communities who are often role models in their communities. We are proud to support these leaders by providing the resources they need to serve, making sure families are safe, and that children can be healthy and free of the scourge of hunger.

KEY UPCOMING DECISIONS

Depending on the start date, three key decisions for the first 30-60 days include:

- Conclude Affordable Care Act (ACA) Open Enrollment outreach.
- Develop summer engagement strategies:
  - FNS Summer Food Service Program (SFSP), Summer Youth Employment Program (SYEP), and Pathway Internships.
- Identify key religious observances to celebrate within the Department.

BUDGET HIGHLIGHTS FY 2016

- The Center is funded through the Green Book.
- The budget primarily funds staff, secondarily travel. The center does not operate any programs independently.

FY 2016 Budget Authority

- 83% Expenses
- 17% Salaries
I. Organizational Overview

Organizational Chart

The Center is responsible for three staff, a Director, Staff Assistant and Partnership & Outreach Specialist. The Director reports to the USDA Deputy Chief of Staff. Key relationships with agency POCs are established depending on the initiative, project, or level of engagement.

The Center works in coordination with various counterpart centers across the federal departments which are coordinated by the Executive Director of the White House office of Faith-Based and Neighborhood Partnerships and Special Assistant to the President.

Biographies for career and political staff in key leadership positions

Norah Deluhery
Director [Political]
202-720-2032, norah.deluhery@osec.usda.gov

Norah Deluhery serves as the Director of Faith-Based and Neighborhood Partnerships at USDA with a mission to connect both secular and faith-based organizations to government resources to aid underserved communities across rural America. In 2012, Deluhery completed a detail to the White House as Policy Advisor for First Lady Michelle Obama's Let's Move! Initiative, which aims to end childhood obesity in a generation. Deluhery expanded outreach to local and national stakeholders in the public, non-profit, and private sectors. Prior to working at the White House, Deluhery served as Special Assistant to the Under Secretary of Food, Nutrition, and Consumer Services at the USDA, which promotes the health and well-being of Americans by developing and promoting science-based dietary guidance and administering USDA's 15 nutrition assistance programs. FNCS programs seek to end hunger in the United States and provide nutrition assistance as well as federal dietary guidance, nutrition policy coordination, and nutrition education.
In 2008, Deluhery worked on the Obama campaign as a field organizer in northern rural Iowa as well as a volunteer in several state primaries. Prior to joining the campaign, she worked at the Columbia University Graduate School of Business in New York City. A proud native of Davenport, Iowa, Deluhery graduated from the Catholic University of America in Washington, D.C. with a degree in English and a minor in vocal performance.

Torey Powell

Partnership & Outreach Specialist [Career]
202-720-2032, toreypowell@osec.usda.gov

Torey Powell currently serves as an Outreach Specialist for the Center for Faith-Based and Neighborhood Partnerships at the Department of Agriculture. Prior to this he served as a Presidential Management Fellow with USDA Forest Service in the position of Partnership and Outreach Specialist on the Chugach National Forest in Anchorage, AK. Torey's work on the Chugach focused on community partnerships including the Chugach Children's Forest, 2015 U.S. Capitol Christmas Tree, and developing/updating forest agreements to assist in field. During his fellowship, Torey completed a 6-month detail with USDA Forest Service - Washington Office Conservation Education and National Partnership Office. In this capacity he provided leadership for the Every Kid in a Park Urban Engagement Working Group and provided coordination of the Urban Natural Resources Stewardship working group and Washington Office Director's Group.

Torey is a veteran of the United States Army, including a 2010 deployment to Kandahar, Afghanistan. His distinguished service concluded in 2016 with multiple commendations that include Army Commendation Medal (3 OLC), Army Achievement Medal (3 OLC), Good Conduct Medal, National Defense Service Medal, and NATO Medal (Afghanistan).

Torey received his Bachelor of Arts Degree in Marketing and Communications from Concordia University Texas in Austin, Texas and Master of Social Work (MSW) Degree with a specialization in policy from the University Of Houston Graduate College Of Social Work.

Katherine Braga

Staff Assistant [Career]
202-720-2032, katherine.braga@osec.usda.gov

Katherine Braga (Axelsen) serves as a Staff Assistant with the USDA Center for Faith-Based and Neighborhood Partnerships, one of several centers within the Federal Government that work in coordination with the White House to form partnerships between government and both secular & faith based organizations to more effectively serve Americans in need. Braga formerly served with the Center at the Small Business Administration. Prior to her time with Faith Based and Neighborhood Partnerships, Braga was a Peace Corps Volunteer in Ukraine where she specialized
in teaching English as a foreign language as well as leadership, critical thinking and healthy lifestyles.

Braga graduated from the University of Michigan - Go Blue! - with a degree in Comparative Religion as well as English Language & Literature. She is currently a Masters student at American University studying International Relations. Her languages include Brazilian Portuguese and Russian. Braga holds a private pilot certificate and enjoys volunteering with the Civil Air Patrol squadron at Joint Base Andrews.

Overview of Agency Programs and Operations

Mission Statement: The USDA Center for Faith-based and Neighborhood Partnerships works to build bridges between USDA and nonprofit organizations, both secular and faith-based, to better serve Americans in need. The Center advances this work through collaboration with USDA agencies, counterpart Centers across the Federal government as well as the White House Office of Faith-Based and Neighborhood Partnerships.

Priority Goals: We provide leadership on food, agriculture, natural resources, rural development, nutrition, and related issues based on sound public policy, the best available science, and efficient management. In 2016, our priority goals were:

- Goal 1: Increase awareness of ACA during open enrollment periods and through subsequent implementation.
- Goal 2: Build bridges between USDA and faith-based organizations that have or desire equity in agriculture.
- Goal 3: Engage in the Obama Administration’s My Brother’s Keeper initiative by developing a recruitment and retention program for young boys and girls of color.
- Goal 4: Direct update to religious regulations.
- Goal 5: Support the recovery of Detroit through support of USDA programs.
- Goal 6: Elevate support for initiatives that diminish and prevent LGBT poverty.
- Goal 7: Facilitate international initiatives as they relate to underserved communities.

Mission Area Focus & Relationship to USDA’s Strategic Goals: When President Lincoln established the United States Department of Agriculture in 1862, he referred to it as “the People's Department.” More than 150 years later, we’ve carried on Lincoln’s vision and sustained a commitment to all Americans characterized by service, access to opportunity and preservation of our nation’s natural resources.

To fulfill Lincoln’s promise, USDA’s Center for Faith-Based and Neighborhood Partnerships works with diverse partners from faith and secular communities to better serve those in need. These Faith leaders are often role models in their communities and strive to achieve the common good on a daily basis. Their leadership inspires action which improves quality of life for many and enhances the vibrancy of America’s rural communities. We are proud to support these leaders.
by providing the resources they need to serve, making sure families are safe, and that children can be healthy and free of the scourge of hunger.

When we come together for a common purpose, the results are tremendous. That’s why under the Obama Administration, USDA’s Center for Faith-Based and Neighborhood Partnerships has made it a priority to strengthen relationships with faith-based and community partners, improving the quality of our services to reach all Americans more efficiently. We believe the power of community makes a difference, and together, we’ve taken strides toward a more inclusive America. Here are a few things we’ve accomplished together since 2009.

Major Programs:

- **Food and Nutrition Service**: Faith and community leaders are often role models in their communities and strive to serve the common good each day. Their leadership inspires action and the Center is proud to support these leaders by providing resources to help them serve their communities and work to ensure that families and children can be free of the scourge of hunger and have access to safe, decent and affordable housing. The U.S. Department of Agriculture (USDA) partnered with faith and community organizations to promote access to safe and healthy meals for children. These organizations play a critical role in providing meals to students during summer months, when school-based meals are unavailable. A few notable examples include:
  - **Islamic Relief USA**: Following a forum held at the White House with faith and community leaders, Islamic Relief USA (IRUSA) provided grants to help increase summer meal participation. These grants were used to provide staffing, refrigeration and other food storage equipment, and program activities for children at meal sites. In 2015, IRUSA awarded 10 grants in 9 states that are estimated to feed 35,575 children.
  - **Salvation Army**: The Salvation Army served more than 65,000 additional meals in summer 2014 compared to the previous year. This includes close to 40,000 meals served in Worcester and Boston, Mass. through the Salvation Army’s Summer Mobile Feeding Program. In 2015, they partnered with Share Our Strength to disseminate information on summer meals to 7,546 of their centers nationwide. Their efforts continued to expand in 2016 to youth camps across the country.
  - **Catholic Charities USA**: A longtime supporter of USDA nutrition programs, in 2014 Catholic Charities USA had 286 summer meal sites and expanded their effort in 2015 by providing information to their 475,000 contacts nationwide on how to get involved in the Summer Food Service Program, and hosting kick-off events throughout the country. In 2016, they set aside $140,000 from a larger grant from the Walmart Foundation to provide $10,000 mini grants to agencies interested in launching the Summer Food Service Program or expanding upon their current programs.
  - **The Church of God in Christ (COGIC)**: To help spread the word about the Summer Food Service Program, COGIC used their communication platform to reach over 25,000 of their members that represented 12,000 churches nationwide.
  - **The National Baptist Convention (NBC)**: Through Vacation Bible Schools at over 200 sites in 2015, NBC promoted summer meal programs and included the Summer
United States Department of Agriculture
2016 Presidential Transition
Center for Faith-Based and Neighborhood Partnerships (FBNP)

Food Service Program as part of their education curriculum in 16 counties throughout Alabama and Mississippi. In addition, they provided information on SFSP to 25,000 attendees at the National Baptist Congress 134th Annual Session in Detroit as well as their network of over 30,000 churches.

- **Office of the Secretary - Cultural Transformation:** To celebrate the rich religious diversity of the United States, the USDA recognized various holidays related to food and agriculture. During each year of the Obama Administration, the USDA Center for Faith Based and Neighborhood Partnerships has recognized the essential and important role of the Muslim community in the United States by hosting an Iftar celebration for employees, their families and members of the community. In addition, the Jewish harvest festival Sukkot, the Jewish New Year of the Tree, Tu B’Shevat, celebrated a Food and Justice Passover Seder, and hosted an event for Diwali, the Festival of Lights for many Hindus, Jains, Sikhs and Buddhists were recognized.

- **White House Initiatives**
  - **Let’s Move: Faith and Communities:** USDA’s Center was deeply involved in “Let’s Move: Faith and Communities,” which sought to help faith and community organizations participate in the work of First Lady Michelle Obama’s Let’s Move! Initiative, promoting nutrition, physical activity, and other healthy choices. Faith-based and neighborhood organizations have a unique and critical role to play in ending childhood obesity and addressing related issues of hunger and access to nutritious food. Trusted leaders in communities and congregations can empower families and communities to make better choices to improve the health of our nation’s children and coordinate activities that encourage healthy living and well-being. To support participation, we contributed to a toolkit in 2010 with steps on how community leaders can have a lasting impact on children and families in our communities. Toolkit: [http://www.letsmove.gov/sites/letsmove.gov/files/pdfs/TAKE_ACTION_COMMUNITY_LEADERS.pdf](http://www.letsmove.gov/sites/letsmove.gov/files/pdfs/TAKE_ACTION_COMMUNITY_LEADERS.pdf)
  - **Young African Leaders Initiative (YALI):** The USDA joined other governmental offices, American NGOs and private companies to provide leadership development, professional training, cultural exchange and networking opportunities to Mandela Washington Fellows of President Obama’s Young African Leaders Initiative (YALI). Upon returning to their home countries, the Fellows continue to build upon the skills they learned through their experience in the US, as well as share their knowledge with local communities. The USDA Center coordinated the placements of three Fellows from Senegal, Nigeria, and Uganda, a first for the Department.
  - **The Affordable Care Act:** Living in a rural community shouldn’t have to come with a hefty price tag for health care. Thanks to the Affordable Care Act, substantial new resources have been dedicated to address rural challenges. USDA has invested more than $3 billion since 2009 to build rural hospitals and clinic and support telemedicine.
services for remote rural areas. Infographic: https://www.flickr.com/photos/usdagov/15835288045/sizes/l

- **My Brother’s Keeper:** President Obama launched the My Brother’s Keeper initiative to address persistent opportunity gaps faced by boys and young men of color and ensure that all young people can reach their full potential. Through this initiative, the Administration is joining with cities and towns, businesses, and foundations who are taking important steps to connect young people to mentoring, support networks, and the skills they need to find a good job or go to college and work their way into the middle class.

  - Increasing Diversity in the Federal Government: Partnering with the Office of Personnel Management (OPM), USDA has hosted over 20 on-site application acceptance events across the United States and Puerto Rico. These events, held in conjunction with 1862, 1890, and 1994 land grant institutions, Hispanic Serving Institutions, and other minority serving institutions, provided an opportunity for USDA hiring managers to collect applications for Pathway Intern and Recent Graduate positions on location. In 2015, over 360 positions were filled or offers made through this method. More than 50% of these hires either identified themselves as minorities or attended minority serving institutions.

  - Promoting Agriculture and Opportunity in Puerto Rico: On March 1, USDA signed a MOU with Puerto Rico’s Department of Commerce and Economic Development (DCED). Under the first-of-its-kind partnership, USDA will host student employees of DCED’s Juvenile program, providing them with unique professional experiences within USDA’s offices in Puerto Rico. The program offers first-time job experience to students between the ages of 18 to 29. Students are generally in their last year of college, and are allowed to work for USDA for up to 6 months. Media: http://cb.pr/puerto-rico-strikes-alliances-with-usda-to-foster-agricultural-sector/
# Budget and Staffing Summary

## Center for Faith-based and Neighborhood Partnerships

**Budget Authority FY 2009- FY 2016**

(Dollars in Thousands)

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| **Staff Years:**      |          |          |          |          |          |          |          |          |
| Center for Faith Based and Neighborhood Partnerships | 0        | 0        | 0        | 2        | 2        | 2        | 3        | 3        |
II. Top Issues/Hot Topics

• Timeline

January:
  o Conclude Affordable Care Act (ACA) Outreach Strategy
  o Develop any summer engagement strategies including:
    ▪ FNS Summer Food Service Program (SFSP)
    ▪ Summer Youth Employment Program (SYEP)
    ▪ Pathway Internships
  o Support participation in MLK Day (January 16)
  o Monitor additional religious rule feedback on implementation
  o Identify key religious observances to celebrate
  o Winter Conference of the US Conference of Mayors

February:
  o Identify key USDA leadership to attend Detroit Food Policy Council Meeting (Spring)
  o Initiate Iftar observance planning meetings
  o Initiate Take Our Daughters & Sons to Work Day planning meetings (4/27/2017)
  o Connect with Alice Deal Middle School to discuss annual volunteer day

March:
  o Establish communications plan & determine what platforms to utilize
  o Connect with YALI Mandela Washington Fellowship manager at IREX to state interest in hosting 2017 fellows at USDA.
  o Peace Corps Week

April
  o Identify appropriate USDA hosts for 2017 Mandela Washington Fellows.

May
  o Travel to Summer Food Service Program Site Opening

June
  o Ensure observance of World Refugee Day (June 20)
United States Department of Agriculture
2016 Presidential Transition
Center for Faith-Based and Neighborhood Partnerships (FBNP)

Mission Area Issues

On March 31, 2016, USDA, along with other federal agencies, published a final rule that provided new religious liberty protections for beneficiaries of federally funded social service programs, while also adding new protections for the ability of religious providers to compete for government funds on the same basis as any other private organization. Specifically, an organization that receives direct federal financial assistance is required to give notice to beneficiaries that—

1. The organization may not discriminate against a beneficiary based on religion, a religious belief, a refusal to hold a religious belief, or a refusal to attend or participate in a religious practice;
2. The organization may not require a beneficiary to attend or participate in any explicitly religious activities that are offered by the organization, and any participation by the beneficiaries in those activities must be purely voluntary;
3. The organization must separate in time or location any privately funded explicitly religious activities from activities supported by direct federal financial assistance;
4. If a beneficiary or prospective beneficiary objects to the religious character of the organization, the organization will undertake reasonable efforts to identify and refer the beneficiary to an alternative provider to which the beneficiary does not object; and
5. A beneficiary or prospective beneficiary may report violations of these protections, including any denials of services or benefits, to the federal agency or intermediary administering the program.

For further information, visit the federal register notice. These regulations have the greatest impact on Food and Nutrition Service food distribution programs, such as TEFAP and CSFP. FNS guidance was issued on June 10, 2016.

GAO and OIG Audits

N/A
WHO WE ARE: OUR MISSION AREA

Housed in the Office of the Secretary, the Office of Tribal Relations (OTR) facilitates the relationship between all seventeen USDA agencies and Tribes, tribal organizations, and American Indian / Alaska Native citizens. OTR serves as a single point of contact for consultation on matters relevant to Indian Country, working to ensure that relevant programs and policies are efficient, easy to understand, accessible, and developed in consultation with the American Indian / Alaska Native constituents they impact.

WHO WE ARE: OUR WORKFORCE

The OTR is currently composed of 5 Full Time Employees: Director, Acting Deputy Director, Tribal Specialist (hiring 12/2016), Program / Outreach Assistant, Administrative Assistant. The Director and Acting Deputy Director are both political appointees.

WHO WE SERVE: OUR CONSTITUENTS

The OTR helps bridge Secretarial and White House level priorities with the needs of Tribes, tribal organizations, and American Indian / Alaska Native citizens. Additionally, the OTR helps train USDA staff on their responsibility to consult and collaborate with Indian Country.

KEY UPCOMING DECISIONS

1. Establish mandatory training in USDA on Indian Country and USDA responsibilities for incoming executives and career staff.


3. Rollout the Consultation Database as well as training on its use to the general USDA population in accordance with USDA Departmental Regulation 1350-002 Tribal Consultation, Coordination, and Collaboration.

BUDGET HIGHLIGHTS FY 2016

- Overall authority: $2.335M
  - Discretionary - Office of Tribal Relations: $502k
  - Reimbursements – Indian Technical Assistance Network (ITAN): $1.8M
- The OTR Discretionary budget in its first year was $681k. After being zeroed out, it was restored to $498k in 2011; then reduced in 2012 and 2013 before being restored to $498k in 2014. It was raised to $502k in 2015.
- The Intertribal Technical Assistance Network budget has been flat at $1.832M since 2013.
I. **Organizational Overview**

**Organizational Chart**
The Office of Tribal Relations was formally instituted in the Office of the Secretary by the 2014 Farm Bill. The Director of the Office of Tribal Relations is a General Officer of the Department.

(7 CFR § 2.38 - DIRECTOR, OFFICE OF TRIBAL RELATIONS)

The current Director and Senior Advisor in the Office of Tribal Relations is a Presidential Appointee. The office has combined Discretionary and Reimbursement funding to support three-four staff members in addition to the Director. Currently an additional Presidential Appointee serves as Senior Advisor & Acting Deputy Director, allowing OTR a greater ability to meet the required attention to consultations and work with the White House.

An organization chart showing the alignment of the OTR within the Office of the Secretary can be found at: [http://www.usda.gov/documents/usda-organization-chart.pdf](http://www.usda.gov/documents/usda-organization-chart.pdf)
Biographies for career and political staff in key leadership positions

Leslie Wheelock  
**Director and Senior Advisor to the Secretary [Political]**

202-260-1613, leslie.wheelock@osec.usda.gov

Leslie Wheelock was appointed the Director of the Office of Tribal Relations in the Office of the Secretary of the U.S. Department of Agriculture in 2013.

An enrolled member of the Oneida Nation of Wisconsin, Ms. Wheelock previously served as Director of Economic Policy at the National Congress of American Indians. During her tenure at NCAI, she worked on a variety of economic development initiatives involving small business, financial literacy, rural infrastructure, access to capital, expansion of broadband to Indian Country and agriculture. She also previously worked at the Smithsonian National Museum of the American Indian as a manager on the museum opening transition team and as a strategic planning consultant on cultural and intellectual property. Leslie currently serves on the National Council for the Museum as well as the board of directors for the Smithsonian Indian Museum in New York.

Leslie earned her JD and MBA degrees from Cornell University. She has more than 20 years of legal and management experience at the executive level of US and international corporate technology and telecommunications companies, including IBM, MCI/British Telecommunications, NANA/AKIMA Development Corporation and Euronet. She is a member of the bar in New York, Connecticut and Washington, DC.

Sedelta Oosahwee  
**Senior Advisor/Acting Deputy Director [Political]**

202-205-2249, sedelta.oosahwee@osec.usda.gov

Sedelta Oosahwee was appointed to the Office of Tribal Relations in January 2016. An enrolled member of the Three Affiliated Tribes of Fort Berthold, North Dakota, Ms. Oosahwee previously served as Associate Director of the White House Initiative on American Indian and Alaska Native Education (WHIAINE). During her time at WHIAINE, she worked on a variety of Indian education issues including the Bureau of Indian Education realignment and the President’s Interagency Working group on Indian Education.

Sedelta has over fifteen years of experiencing working for and on behalf of tribes. She served as the Special Projects Officer for Deputy Chief Joe Crittenden of the Cherokee Nation. Prior to her time at Cherokee Nation she was a Legislative Associate for Ietan Consulting, LLC, a federal government relations firm specializing in the representation of tribal governments and tribal business enterprises. Sedelta began her career at Northeastern State University in the Center for Tribal Studies as the Program Coordinator.
Sedelta earned her B.S. in Public Affairs and Administration and M.Ed. degrees from The University of Oklahoma.

Overview of Agency Programs and Operations

Housed in the Office of the Secretary, the Office of Tribal Relations (OTR) facilitates the relationship between the seventeen USDA agencies and Tribes, tribal organizations, and American Indian / Alaska Native citizens. OTR serves as a single point of contact for consultation and matters relevant to Indian Country, working to ensure that relevant programs and policies are efficient, easy to understand, accessible, and developed in consultation with the American Indian / Alaska Native constituents they impact.

OTR provides consultation support across USDA and reviews all USDA regulations to ensure consideration is included for special situations applicable to tribes, tribal organizations and tribal members and to determine whether, when and how consultation is required for each regulation.

OTR staff also work in collaboration with White House and Interior staff and other Federal Departments, Agencies and Entities to support numerous cross-federal tribal and youth programs and initiatives.

Tribes, tribal organizations and tribal citizens are eligible for almost all USDA programs. Within USDA, the Office supports all efforts and all agencies of the Office of the Secretary and the Department, OTR works daily-to-weekly with: Rural Development, Natural Resources Conservation Service, Farm Service Agency, Forest Service, Agricultural Marketing Service, Animal and Plant Health Inspection Service, Food and Nutrition Service, the National Institute of Food and Agriculture and OAO’s 1994 Tribal College and University Land Grant Office.

OTR also provides additional guidance, outreach and support to the National Agricultural Statistics Service when it is preparing material for the Census of Agriculture and in its efforts to encourage tribal farms and farmers to obtain and complete their census materials.

OTR also represents USDA and its programs across the federal government, specifically in conjunction with the White House Council for Native American Affairs. In that capacity, the Office staffs (or has USDA staff attending) working subcommittees on Health and Wellness; Sacred Sites; Environment, Climate and Natural Resources; Energy; and Education as well as co-chairing the Economic Development and Infrastructure Subcommittee together with the Small Business Administration. Additionally, the OTR staff works on cross-federal subject areas including Broadband, Homelessness, Suicide Management, Relocation of Climate-impacted Communities, Human Trafficking and Substance Abuse and the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). Additionally, OTR regularly leads discussions on tribal food security, food sovereignty, agriculture exports, education and other subject areas featuring USDA programs.

Outside of the Federal Government, in addition to working directly with sovereign Tribal Governments, the Office of Tribal Relations partners with the National Congress of American
Indians (NCAI), First Nations Development Institute (FNDI), Intertribal Agriculture Council (IAC), the University of Arkansas, the Native American Financial Officers Association (NAFOA), the Aspen Institute Center for Native American Youth (CNAY), the National Indian Education Association (NIEA), the American Indian Higher Education Consortium (AIHEC) and other national and regional tribal organizations and educational institutions on conference planning, tribal outreach and advocacy, technical assistance, education and messaging to support OTR, USDA and White House efforts.

Due to the small size of the office and the work required to support requirements of the Department, the White House and our constituent sovereign Tribal Nations and their citizens, the Office of Tribal Relations works closely with USDA tribal liaisons and state executives throughout the country. It is important to recognize the work of the more than 250 full- and part-time Tribal Liaisons working throughout the Department.

Additionally, OTR relies heavily on the Office of Budget and Program Analysis (OBPA) and the Native American Working Group (NAWG), that is comprised of agency Tribal liaisons, to assist with and help coordinate USDA and OTR work across the Department. The Native American Working Group (NAWG), established by Departmental Regulation 1020-005, also makes recommendations to the Secretary through the Director of OTR on practices and methods for coordinating USDA activities of interest to Indian tribes.

### Budget and Staffing Summary

<table>
<thead>
<tr>
<th>Office of Tribal Relations</th>
<th>Budget Authority FY 2009-2016</th>
<th>(Dollars in Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discretionary:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discretionary Sub-total</td>
<td>- $</td>
<td>681 $</td>
</tr>
<tr>
<td>Reimbursements</td>
<td>0 $</td>
<td>3,115 $</td>
</tr>
<tr>
<td>Total</td>
<td>- $</td>
<td>3,796 $</td>
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</tbody>
</table>

The Discretionary budget of $500k supports the Director, a GS-12/13 and an Administrative Assistant. The additional administrative fees from the Reimbursed Intertribal Technical Assistance Network (ITAN) Cooperative Agreement with Intertribal Agriculture Council which funds 2 FTEs – typically Schedule R Fellows – on a 1 to 4-year assignment in the office.
II. **Top Issues/Hot Topics**

**Outreach Efforts**

OTR utilizes conferences across the United States to provide outreach and advice on USDA programs to as broad an audience as possible. In addition to working with state USDA representatives to staff conference booths, OTR seeks out keynote and panel opportunities (for USDA Executives and Subject Matter Experts as well as OTR staff) at a regular number of conferences. OTR also supports on-site hiring efforts at educational organization conferences and holds “ONE USDA” sessions at the larger conferences. Upcoming conferences include:

### Remainder of 2016:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov 5-7</td>
<td>First Americans Land-Grant Consortium (FALCON)</td>
<td>Albuquerque, NM</td>
</tr>
<tr>
<td>Nov 10-12</td>
<td>American Indian Science and Engineering Society (AISES)</td>
<td>Minneapolis, MN</td>
</tr>
<tr>
<td>Dec 6-7</td>
<td>Food Distribution Program on Indian Reservations (FDPIR) Tribal Leader Working Group</td>
<td>Las Vegas, NV</td>
</tr>
<tr>
<td>Dec 8-9</td>
<td>USDA Council for Native American Farming and Ranching (CNAFR)</td>
<td>Las Vegas, NV</td>
</tr>
<tr>
<td>Dec 5-9</td>
<td>Intertribal Agriculture Council – Annual Membership Meeting</td>
<td>Las Vegas, NV</td>
</tr>
</tbody>
</table>

### February:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>6th-9th</td>
<td>United South and Eastern Tribes (USET) Impact Week</td>
<td>Crystal Gateway Marriott, VA</td>
</tr>
<tr>
<td>6th-9th</td>
<td>American Indian Higher Education Consortium (AIHEC) Winter Meeting</td>
<td>Washington, DC</td>
</tr>
<tr>
<td>13th-16th</td>
<td>National Congress of American Indians (NCAI) Executive Council Winter Session</td>
<td>Washington, DC</td>
</tr>
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</table>

### March/April:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Location</th>
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</thead>
<tbody>
<tr>
<td>TBA</td>
<td>Council for Native American Farming and Ranching (CNAFR)</td>
<td>TBD</td>
</tr>
<tr>
<td>TBA</td>
<td>Food Distribution Program on Indian Reservation (FDPIR) Working Group Meeting</td>
<td>TBD</td>
</tr>
</tbody>
</table>

The organizations identified above and the additional OTR partners identified in the Overview of Agency Programs and Operations provide shared resources to OTR as well, including web-site announcements, forwarding of notices and announcements, webinar hosting and subject-matter forums on topics like tribal housing, energy, food sovereignty, education and the like.
United States Department of Agriculture
2016 Presidential Transition
Office of Tribal Relations (OTR)

Hot Topics (Note: these are NOT in order of priority.)

Specific to USDA

1. **Increase and improve knowledge of USDA programs among Tribes, Tribal organizations and Tribal individuals.** Along with Tribal Consultation and USDA Staff Education and Support, this is one of the cornerstones of the work of the Office of Tribal Relations. OTR creates tribal-specific materials and works with tribal leaders to increase their understanding and utilization of USDA programs. The breadth of USDA programs always surprises people, and we work to convince tribes that the grants and set asides from other federal programs should be considered as only part of a solution that also includes USDA.

2. **Establish mandatory training on USDA’s relationship to Indian Country and consultation for incoming USDA executives as well as career staff.** OTR has been informed by tribal leaders that some of the USDA executives understand the nation-to-nation relationship between tribes and the federal government, but others, especially some field execs and field staff, do not have that background or knowledge. OTR must create appropriate education and training modules as required by Departmental Regulation 1350-002 – Tribal Consultation, Coordination, and Collaboration.

3. **Rollout the USDA Consultation Database and training on its use in accordance with the USDA Departmental Regulation 1350-002 – Tribal Consultation, Coordination, and Collaboration.** Pursuant to the Departmental Regulation, OTR, in collaboration with the staff of the Forest Service Office of Tribal Relations, has developed a tool that collects information on tribal consultations in a database that can be queried. This tool needs to be brought under the jurisdiction of the USDA Information Technology Officer and standardized so it is available across the USDA. A training module must also be created for the tool. OTR has been working with the Office of the Chief Information Officer on this effort, but it is likely to need to be picked up and completed during the transition.

4. **Publish Consultation Guidance for USDA leadership and staff and Implement remaining elements of USDA Departmental Regulation 1350-002 – Tribal Consultation, Coordination, and Collaboration.** OTR has identified USDA practices that should not be identified as consultation, as well as meetings that clearly are consultation. This guidance is designed to help USDA staff understand the steps required to set up and manage a tribal consultation and the nuances of consulting with tribes. OTR expects to publish the guidance to USDA staff prior to the end of 2016 – in time to work through some training on the guidance and have it ready for staff transitioning in to USDA.
5. **Continue managing the Council for Native American Farming and Ranching (CNAFR) and the Food Distribution Program in Indian Country (FDPIR) Tribal Leader Working Group.** The Office of Tribal Relations manages the FACA Council for Native American Farming and Ranching. The OTR Director is a member of the CNAFR; and the OTR staffs the CNAFR, including providing the Designated Federal Officer. The CNAFR was reestablished by the Secretary of USDA in August 2016 and the newest set of Council members is expected to be seated in November 2016. The CNAFR Tribal Council members have decided to hold its meetings on reservations around the country. Travel and meeting expenses of the CNAFR are provided through donations of USDA agencies via transfer to the CNAFR account that is managed by OTR.

The FDPIR Tribal Leader Working Group was established in 2016 at the request of tribal leaders. As it is made of up elected government leaders, it does not work under FACA rules. It has a regional representation similar to that of the Bureau of Indian Affairs. The Working Group’s goal is to work with the Food and Nutrition Service, and possibly OGC, to make the FDPIR program healthier and easier to operate through practice, regulatory and legislative reviews. The Director of OTR manages the meetings and OTR is responsible for scheduling, note taking and follow up for all Working Group meetings. Tribal leaders cover their own expenses as well as the expenses of off-site meeting locations that are not at either USDA or other expense-free facilities.

The Secretary and the Deputy Secretary have been instrumental in the work of the Council and the Working Group and have committed to continue to support both with continued OSEC leadership.

6. **Continue efforts to support tribal requests for Food Sovereignty and Agriculture Economies.** This is a fast-growing area of interest among tribes. As tribes regain access to agriculture land and water, they are relearning how to farm and ranch. One of the demands we are seeing from tribal youth is to increase school and community gardens to combat physical and mental health concerns. It is additionally recognized that strong agriculture economies allow tribes to export their agriculture products off the reservation and bring money into the local economy. OTR strongly supports these initiatives.

7. **Staff, fund and plan the program for Let’s Move in Indian Country – a new initiative for the office, handed over by HHS in 2016.** HHS had contractors that provide substantial services to support the program when they ran it. OTR does not have such resources. OTR is working with FNS to coordinate this program with other FNS Let’s Move coverage. HHS did not provide such coordination with FNS.
8. **Improve and increase tribal outreach and education across USDA, including education and support for the upcoming AG CENSUS.** The outreach to tribes by USDA agencies and personnel across the United States varies dramatically. The Council for Native American Farming and Ranching has made recommendations concerning increased use of webinars and computer-based staff training to ensure better consistency across the Department.

9. **Continue strong OTR Support for USDA Strikeforce and Tribal Promise Zone efforts in tribal areas.** OTR has worked with both Strikeforce teams and Promise Zone tribes and desk officers to ensure tribes identified by both initiatives understand the Cross-Departmental and cross-Federal role of OTR and have information to programs and partners across the department and the federal government.

10. **Continue efforts to bring USDA financial and educational support to the 1994 Land Grant Tribal Colleges and Universities at a comparative level as the support provide USDA provides to the other land grant institutions, especially the 1890s.** When the 1994 Land Grant college program was established, the colleges and universities in that program were denied access to the formula funding distributed to the non-tribal land grant colleges through formulas found in the Hatch Act (7 U.S.C. 361a et seq.), the Smith–Lever Act (7 U.S.C. 341 et seq.), the McIntire–Stennis Act (16 U.S.C. 582a et seq.), and the Evans–Allen Act (7 U.S.C. 3222). The 1994 tribal land grants have separate but unequal funding mechanisms that prevent them from growing and reduce their ability to service their students adequately. OTR has been working on identifying the disparities that are driven by the history of the 1994 Program compared to the other land grant programs in USDA - rather than by legislation.

11. **Complete Guide to Youth Programs at USDA.** This guide, currently in draft review, describes the variety of summer programs, internships and job opportunities available to youth through USDA agencies. Publication is expected in late 2016.

12. **Complete Tribal Guide to USDA.** This guide, currently in draft review, describes the variety of programs available to tribes, tribal organizations and tribal members across the USDA. Publication is expected in late 2016.
1. **White House Council on Native American Affairs (WHCNAA):** Continue as co-chair of Economic Development and Infrastructure Subcommittee and STAFF all other subcommittees (Sacred Sites; Environment, Climate and Natural Resources; Health and Wellness; Energy; and Education). OTR has a significant presence on all of the subcommittees of the WHCNAA at this time except for the Education subcommittee. Executive Order 13592 -- Improving American Indian and Alaska Native Educational Opportunities and Strengthening Tribal Colleges and Universities – provides the foundation for the Education subcommittee, but the Departments of Interior and Education have ignored USDA OTR requests to be included in their meetings. Forest Service and Rural Development career personnel assist with the staffing of these subcommittees on behalf of USDA.

2. **STAFF Interdepartmental MOUs on Tribal Homelessness; Treaty Rights; Sacred Sites and Community Resiliency/Relocation in the face of Climate Change.** Throughout the last several years, Federal Departments have undertaken Memoranda of Understanding on specific topics that lend themselves to a structured format and collective, cross-federal effort. OTR works actively on the teams working under the above MOUs.

3. **Continue efforts with the State of Alaska, Alaska Congressional delegation, and Alaskan health care and educational organizations to focus on food security, reductions in subsistence food sources, and economic development issues specific to Alaska.** On the topic of food security in Alaska, OTR has worked with multiple entities on local food objectives, food safety and outreach on alternative storage methods. The 2014 Farm Bill provided for donations of traditional food to schools and elder care facilities, but challenges continue to exist – many in food processing and preparation as well as focusing on an Alaska-specific version of the FDPIR program for remote tribal villages as availability of traditional subsistence foods decreases.

4. **STAFF Arctic Executive Steering Committee (AESC) on behalf of Deputy Secretary’s Office.** OTR is the lead executive representing USDA on the AESC. With substantial support from Rural Development – Alaska, Forest Service Research and NIFA, USDA has been well represented on the science and research efforts, energy working group and indigenous issues, including tribal consultation. Continuing support of the USDA role on the AESC will require a working group consisting of OTR, NIFA, Forest Service Research, Rural Development, APHIS and FNS.

5. **Complete updating 2 Memoranda of Understanding between the Bureau of Indian Affairs and Rural Development and NRCS/FSA.** The MOUs facilitate cross-departmental efforts in Indian Country between the Department of Interior Bureau of...
Indian Affairs (BIA) and Rural Development in one MOU and BIA together with Natural Resources Conservation Service (NRCS) and Farm Service Agency (FSA) in the second MOU.

6. **Continue to support efforts by tribes to create food codes for reservations.** Tribal Reservation Food Codes supplant State Food Codes where the same topics are covered by the tribal codes. **Work WILL BE NEEDED with BIA to ensure that BIA does not require tribes that develop food codes to go through a NEPA review before those codes can be implemented by the tribe.** Tribes are developing their own food codes to govern their sovereign lands – thus displacing state food codes. OTR recently learned that the Bureau of Indian Affairs is planning to require NEPA reviews of such codes prior to their implementation by tribes. This review is unnecessary and unwarranted and slows the ability of the tribes to develop their internal food systems and agriculture economies.

**GAO and OIG Audits**

**USDA’s Controls Over Economy Act Transfers and Greenbook Program Charges Audit Report 50099-0001-23**

WHO WE ARE: OUR MISSION AREA

The White House Liaison Office (WHLO) serves as USDA’s primary coordinator for the non-career candidate selection process of Schedule C, Non-Career Senior Executive Service employees, Presidential Appointments with Senate confirmation (PAS) and Presidential Appointments without Senate confirmation (PA). The WHLO is also responsible for coordinating and managing the charter and appointment process for USDA’s 200+ Federal Advisory Committee Act (FACA) and non-FACA Advisory Boards and Committees.

WHO WE ARE: OUR WORKFORCE

WHLO has 6 staff – 3 career and 3 political appointees – in the DC headquarters.

WHO WE SERVE: OUR CONSTITUENTS

We work with the White House Presidential Personnel Office and USDA managers to fill political positions.

KEY UPCOMING DECISIONS

Staffing the 248 politically appointed positions at USDA and coordinating with OCR to confirm new appointees that require Senate confirmation.

Renewing the charters and memberships of boards and committees that expire in early 2017 – which requires approval by the Secretary in order for an agency to conduct advisory committee business and activities.

BUDGET HIGHLIGHTS FY 2016

The WHLO budget is included in the Office of the Secretary.

The Federal Advisory Committee Act (FACA) was enacted into law (P.L. 92-463; 5 U.S.C. App.) on October 6, 1972. The budget for managing the Federal Advisory Committees is funded through departmental shared cost programs.
The White House Liaison office (WHLO) has a staff of 6 full-time employees. Three staff are political appointees – the White House Liaison, the Deputy White House Liaison and the Special Assistant. The Committee Management Officer, Program Analyst and Program Specialist are career employees. The Committee Management Officer and Program Analyst work solely on the Federal Advisory Boards and Committees.

In addition, the WHLO will house 1 temporary contractor from September 2016 – September 2017 to assist with the federal advisory committee vetting process.
United States Department of Agriculture  
2016 Presidential Transition  
White House Liaison Office (WHLO)

Biographies for career and political staff in key leadership positions

**Political Staff:**

**Jessie L. Crabb**  
White House Liaison  
202-720-5454, [Jessie.Crabb@osec.usda.gov](mailto:Jessie.Crabb@osec.usda.gov)

Jessie Crabb is the White House Liaison and is responsible for the recruitment, initial vetting, placement, professional development and retention of 248 Presidential appointees in all 50 states. Jessie joined USDA in February 2016 as the Deputy White House Liaison. She previously was at the White House in the Office of Management and Budget, working in the Director’s front office with the Chief of Staff. Prior to OMB, she was the Senior Executive Assistant in the Office of the US Executive Director at the World Bank. Jessie also served on Capitol Hill for a number of years in the offices of Senator Bob Casey and Senator Barbara Mikulski. Prior to moving to DC, she worked with human rights nonprofit organizations in Johannesburg, South Africa for a year and as a student affairs professional at Whitman College in Walla Walla, Washington. Born and raised in Odessa, Texas, Jessie received her undergraduate degree from Lewis & Clark College in Portland, Oregon and her Master in International Affairs from the University of Pittsburgh’s Graduate School for Public and International Affairs.

**Bernadette L. Hobson**  
Deputy White House Liaison  
202-720-7652, [Bernadette.Hobson@osec.usda.gov](mailto:Bernadette.Hobson@osec.usda.gov)

Bernadette Hobson is the Deputy White House Liaison and is responsible for assisting the White House Liaison in managing the 248 political appointees at USDA. In addition to this, she is also responsible for all aspects of human capital management, and for the facilitation of professional development opportunities for all appointees. Prior to USDA, Ms. Hobson was a U.S. Department of Energy Scholars Program, Fellow, where she led the bilateral coordinating efforts of the U.S. – Mexico Clean Energy and Climate Policy Task Force resulting in the North American goal to reduce methane emissions 40-45% by 2025. Prior to this role, Bernadette interned with the National Economic Council at the White House where she provided policy analysis and recommendations to White House Senior Leadership on energy, travel and tourism. Ms. Hobson also interned with the Management Office at the U.S. Embassy Mexico City and the Office of Commercial and Business Affairs at the U.S. Department of State. Prior to her policy work, Bernadette has 11 years of experience in financial services, private wealth management, and investment banking. She holds a B.A. in International Development Studies with distinction from the University of California, Berkeley, and an M.A. in Latin American Studies from the School of Foreign Service at Georgetown University.
Career Staff:

Cikena Reid
Committee Management Officer
202-720-8351, cikena.reid@osec.usda.gov

Cikena Reid is the Committee Management Officer for the United States Department of Agriculture (USDA) in the White House Liaison Office and provides oversight for all USDA’s Federal Advisory Committee Act (FACA) related committees. She manages the advisory committee management program and provides strategic advice and guidance in support of USDA’s mission, including committee management policy. Ms. Reid has served more than 20 years of federal government service in grants administration and advisory committee management positions supporting several agencies at the National Institutes of Health. Specifically, she managed and modernized advisory committee programs for the National Institute on Drug Abuse and National Institute of Neurological Disorders and Stroke.

Overview of Agency Programs and Operations

WHLO

The White House Liaison Office (WHLO) serves as USDA's primary coordinator for the non-career candidate selection process Schedule C, Non-Career Senior Executive Service employees, Presidential Appointments with Senate confirmation (PAS) and Presidential Appointments without Senate confirmation (PA). USDA is allocated 14 PAS positions, 3 PA positions, 51 Non Career-SES positions and 179 GS positions. There are 2 appointees in every state across the USA as a Rural Development State Director and Farm Service Agency State Executive Director.

The White House Liaison and the Deputy White House Liaison are responsible for understanding Administration policies related to personnel matters and to advise senior staff on matters having a potential effect on the Department. The White House Liaisons Office facilitates policy communications between the Department and the White House related to personnel matters. This office works directly with and assists the Office of the Secretary with a wide range of confidential assignments. The WHLO serves as the liaison with the White House, other federal agencies, congressional offices, state/local governments and private interest groups on matters regarding political appointments.

FACA

The White House Liaison Office (WHLO) is also responsible for coordinating and managing the charter and appointment process for USDA’s 200+ Federal Advisory Committee Act (FACA) and non-FACA Advisory Boards and Committees. The Committee Management Officer (CMO) ensures that the Department’s 200 Federal advisory committees are in full compliance with the rules and regulations of the Federal Advisory Committee Act, the Freedom of Information Act and other administrative and ethics laws. This includes review and coordination of charter renewals, establishment of new committees, committee meetings, annual reports and records management. The CMO manages the Departmental clearance process through its entirety as well.
as the various filing and reporting mechanisms required by the General Services Administration (GSA) and Congress. The CMO also ensures that the membership of the Department’s advisory committees reflects the broad diversity (regional, experiential, ethnic, gender, etc) that represents the constituency of USDA. The WHLO also completes vetting and background checks on all nominated candidates for boards and committees.

**Budget and Staffing Summary**

**Budget Summary:**

The WHLO budget is within the Office of the Secretary.

From 1983 through 1996, a central appropriation provided for direction and financial support of all authorized USDA Advisory Committee activities other than those included in the Forest Service and those financed from user fees. Beginning in 1997, language in the General Provisions of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act permits agencies funded in the Act to finance the activities of selected committees that advise them from their own funds, subject to a Department-wide limitation on expenditures for those committees. The statuses of these programs provide information on the activities of committees during fiscal year 2016.

As authorized by General Provisions Section 712, provided below is a list of the Advisory Committees Limitations from the “Advice of Allotment” for FY2014-2016 allocations.

<table>
<thead>
<tr>
<th>USDA ADVISORY COMMITTEES</th>
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</thead>
<tbody>
<tr>
<td><strong>Policy Area and Committee Title</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>FOOD, NUTRITION, AND CONSUMER SERVICES:</strong></td>
</tr>
<tr>
<td>National Advisory Council on Maternal, Infant and Fetal Nutrition</td>
</tr>
<tr>
<td><strong>FOOD SAFETY:</strong></td>
</tr>
<tr>
<td>National Advisory Committee on Meat and Poultry Inspection</td>
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<tr>
<td>National Advisory Committee on Microbiological Criteria for Foods</td>
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<tr>
<td><strong>RESEARCH, EDUCATION, AND ECONOMICS:</strong></td>
</tr>
<tr>
<td>Advisory Committee on Biotechnology and 21st Century Agriculture</td>
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<tr>
<td>Advisory Committee on Agriculture Statistics</td>
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<tr>
<td>USDA ADVISORY COMMITTEES</td>
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<tr>
<td>--------------------------</td>
</tr>
<tr>
<td><strong>MARKETING AND REGULATORY PROGRAMS:</strong></td>
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<tr>
<td>National Wildlife Services Advisory Committee .................</td>
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<tr>
<td>General Conference Committee on the National Poultry Improvement Plan ..................................</td>
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<tr>
<td>Advisory Committee on Animal Health ................................</td>
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<tr>
<td>National Organic Standards Board ..................................</td>
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<tr>
<td>Fruit and Vegetable Industry Advisory Committee ..................</td>
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<tr>
<td>Universal Cotton Standards Advisory Committee ....................</td>
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<tr>
<td>Federal Grain Inspection Advisory Committee .......................</td>
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<tr>
<td><strong>FARM AND FOREIGN AGRICULTURAL SERVICES:</strong></td>
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<tr>
<td>Edward Madigan Award Advisory Committee .........................</td>
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<tr>
<td>Agricultural Policy Advisory Committee for Trade ..................</td>
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<tr>
<td>Agricultural Technical Advisory Committees for Trade .............</td>
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<tr>
<td>Advisory Committee on Emerging Markets ...........................</td>
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<tr>
<td><strong>NATURAL RESOURCES AND ENVIRONMENT:</strong></td>
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<tr>
<td>Agricultural Air Quality Task Force ...............................</td>
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<tr>
<td><strong>OFFICE OF ADVOCACY AND OUTREACH:</strong></td>
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<tr>
<td>Council for Native American Farming and Ranching ................</td>
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<tr>
<td>Minority Farmer Advisory Committee ...............................</td>
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<tr>
<td>Advisory Committee on Beginning Farmers and Ranchers ............</td>
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<tr>
<td>USDA/Hispanic Association of Colleges and Universities ..........</td>
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<tr>
<td>Total Advisory Committees ............................................</td>
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<tr>
<td>Advisory Committee Liaison Services ................................</td>
</tr>
<tr>
<td>Contingencies/Reserve ..................................................</td>
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<tr>
<td>Total, Advisory Committees Limitation ............................</td>
</tr>
</tbody>
</table>
Staff Summary:

The budget for the Advisory Committee Liaison Services uses the support of 2.4 full-time employees (FTE) which includes the Committee Management Officer, Program Specialist, and other WHLO staff. The budget is a departmental shared cost program with a total budget of $342,000 that covers staff salaries, plus benefits, and the advisory committee liaison activities in costs for communications, utilities, printing/production, other services, training, and purchases of goods/services.

<table>
<thead>
<tr>
<th>Advisory Committee Liaison Services Greenbook Shared Costs Program</th>
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<tr>
<td>FY 2017</td>
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<tr>
<td>Agency</td>
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<tr>
<td>Agricultural Marketing Service</td>
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<tr>
<td>Agricultural Research Service</td>
</tr>
<tr>
<td>Animal and Plant Health Inspection Service</td>
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<tr>
<td>Economic Research Service</td>
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<tr>
<td>Farm Service Agency</td>
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<tr>
<td>Food and Nutrition Service</td>
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<tr>
<td>Food Safety and Inspection Service</td>
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<tr>
<td>Foreign Agricultural Service</td>
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<tr>
<td>Forest Service</td>
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<tr>
<td>Grain Inspection, Packers, and Stockyards Administration</td>
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<tr>
<td>National Agricultural Statistics Service</td>
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<tr>
<td>National Institute of Food and Agriculture</td>
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<td>Natural Resources Conservation Service</td>
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<tr>
<td>Office of Advocacy and Outreach</td>
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<tr>
<td>Office of the Secretary</td>
</tr>
<tr>
<td>Total</td>
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</table>
II. Top Issues/Hot Topics

Timeline

**January 2017**
- **January 7**: Charter for Grain Inspection Advisory Committee expires
- **January 20**: New political appointees can be appointed to work at USDA
- Vetting of candidates for nomination to serve on boards/committees to replace expiring members (this is ongoing throughout the year)

**February 2017**
- **February 5**: Charters for Plant Variety Protection Advisory Board and National Advisory Committee on Microbiological Criteria for Foods expire
- **February 6**: Charter for Advisory Committee on Beginning Farmers and Ranchers expires

**March 2017**
- **March 13**: Charter for Advisory Committee on Biotechnology and 21st Century Agriculture expires
Mission Area Issues

1) *Staffing the political appointee positions*
USDA is allocated 179 Schedule C positions and 51 Non Career-SES positions. In addition, there are positions that are filled by a Presidential appointment with Senate confirmation (PAS). For the PAS positions, once the President has nominated a person, the WHLO needs to coordinate with the Office of Congressional Relations on the appointee’s nomination hearing. For the state-level political appointments, the WHLO should work with the White House Presidential Personnel Office to solicit recommendations from the Congressional delegation from each state. For the Schedule C and NC-SES political appointments, the WHLO should work closely with the White House Presidential Personnel Office to identify candidates.

2) *Renew or re-establish expiring charters for advisory committees*
USDA has 200+ Federal Advisory Committee Act (FACA) and non-FACA Advisory Boards and Committees. The internal Departmental review for charters is a minimum of 9-weeks long. The Designated Federal Officer (DFO)/Program Manager should discuss with the Committee Management Officer (CMO) at the beginning of their preparation period to discuss the charter package requirements and start the agency level preparation 4-6 months prior to the CMO due date. The offices in USDA that review charters include: Ethics, Civil Rights, OBPA, OGC and the agency’s Under Secretary before the package is sent to the Secretary for approval. Upon the Secretary’s approval, a federal register notice is published and then the charter is filed with Congress and the Library of Congress. If a charter expires, an agency may not conduct any advisory committee business or activity until the Committee is re-established with a new charter.

**GAO and OIG Audits**

Not applicable.
WHO WE ARE: OUR MISSION AREA

FFAS is comprised of the Farm Service Agency (FSA), the Foreign Agricultural Service (FAS) and the Risk Management Agency (RMA). FFAS provides a safety net for farmers and ranchers by providing commodity payments, farm loans, disaster assistance, and crop insurance. Facilitating foreign trade, capacity building and developing new markets bolsters American farm incomes and connects American agriculture to the rest of the world. FFAS also contributes to global food security, conservation and stability into the marketplace. FFAS’s unique footprint includes more than 2,100 state and county offices in the U.S. and over 90 overseas offices.

WHO WE ARE: OUR WORKFORCE

- FAS – 1,257 employees
- FSA – 12,266 employees, including 399 temporary and 555 intermittent employees
- RMA – 475 full time employees

WHO WE SERVE: OUR CONSTITUENTS

FFAS serves U.S. farmers, ranchers and rural communities directly, as well as beneficiaries in emerging global markets such as schoolchildren, farmers and agribusinesses. We partner with NGOs, the private sector, insurance providers and others to further our impact.

KEY UPCOMING DECISIONS

- Implement a FSA IT strategy that reflects the results of a third-party assessment (MITRE Report) and analysis of alternative recommendations.
- Develop agricultural trade policy agenda, assessing status of TPP, TTIP, trade enforcement and relationship with China.
- Determine whether administrative changes will be made to ARC-County yield calculations or data sets used. This will likely be an early issue raised by stakeholders.

BUDGET HIGHLIGHTS FY 2016

FFAS’ total budget authority is approximately $15,923 billion.
- FAS - 79% is mandatory spending for P.L. 480 and CCC-funded programs
- FSA - 86% is mandatory spending
- RMA - 99.4% is mandatory spending for the costs of the FCIC
I. Organizational Overview

The Farm and Foreign Agriculture Agency (FFAS) oversees three agencies; Foreign Agriculture Service (FAS), Farm Service Agency (FSA) and Risk Management Agency (RMA). Deputy Under Secretary Alexis Taylor (political) is delegated the duties of Under Secretary and leads the mission area. Chief of Staff to the mission area is Lesly Weber McNitt (Political) and Deputy Chief of Staff is Jane Beard Kadish (political) and both report directly to Deputy Under Secretary Taylor. Deputy Under Secretary Lanon Baccam (political) oversees the two domestic FFAS agencies, FSA and RMA, while Deputy Under Secretary Jonathan Cordone (political) oversees FAS.
Biographies for career and political staff in key leadership positions

Alexis Taylor  
Deputy Under Secretary, Farm and Foreign Agriculture Service (Political)  
202-720-3111, alexis.taylor@osec.usda.gov

Alexis Taylor was delegated the duties of the Under Secretary for the FFAS mission area by Agriculture Secretary Tom Vilsack in March 2016.

In her previous role as Deputy Under Secretary, Alexis oversaw the department's international activities. She had key responsibilities in international trade policy and export assistance programs, and coordinated USDA's role in international food assistance.

Alexis Taylor was formerly the Chief of Staff for FFAS where she worked to implement provisions of the 2014 Farm Bill.

Before joining USDA, she served as the legislative advisor to Congressman Leonard Boswell of Iowa, a member of the House Agriculture Committee, and later to Senator Max Baucus of Montana, a senior member of the Agriculture Committee and Chairman of the Finance Committee. During her time in Congress, Alexis negotiated key provisions of the 2008 Farm Bill, as well as the Senate version of the 2012 Farm Bill which was ultimately enacted into law as the 2014 Farm Bill.

Alexis served in the United States Army Reserves from 1998 to 2006. During her time in the Reserves she did one tour in Iraq with the 389th Combat Engineer Battalion.

Alexis is a graduate of Iowa State University and grew up on her family farm in Iowa which has been in her family for over 150 years.

Lanon Baccam  
Deputy Under Secretary, Farm and Foreign Agriculture Service (Political)  
202-720-3111, lanon.baccam@osec.usda.gov

Lanon Baccam is Deputy Under Secretary for Farm and Foreign Agricultural Services (FFAS) and oversees the domestic programs within the FFAS mission area (Farm Service Agency and Risk Management Agency). He also serves as the USDA Military Veterans Agricultural Liaison. This position, created by the 2014 Farm Bill, is responsible for connecting veterans with opportunities in the field of agriculture, providing information to returning veterans about programs and services available to them through USDA, and advocating for veterans’ interests within the Department.

Baccam previously served as the Director of Scheduling and Advance in the Office of the Secretary at the USDA. Baccam planned, prepared, and implemented Secretary Vilsack’s vision at USDA.

Prior to his role as Director, Baccam served in several other capacities at USDA, including as special assistant in the Foreign Agricultural Service, executive assistant to the Secretary, and
deputy director of scheduling. Before joining the Administration in 2011, Baccam worked in Iowa state government and on several statewide and national political campaigns.

Baccam is a military veteran and spent eight years in the U.S. Army and Iowa National Guard and was deployed to Afghanistan in 2004-2005. During his time in the Army, Baccam held leadership roles as a unit movement officer and served as a Combat Engineer in charge of explosive demolitions at a Provincial Reconstruction Team base in Kandahar, Afghanistan.

Baccam is a graduate of Drake University in Des Moines, Iowa and a native of Mt. Pleasant, Iowa. Baccam currently lives in Washington, DC with his wife, Alissa Brammer, and their new daughter, Freya.

Jonathan Cordone
Deputy Under Secretary, Farm and Foreign Agriculture Service (Political)
202-720-3111, jonathan.cordone@osec.usda.gov

Jonathan Cordone is the Deputy Under Secretary for Farm and Foreign Agricultural Services (FFAS), overseeing the Foreign Agriculture Service (FAS). In this role, Cordone leads the Department's international activities, including key responsibilities for trade policy and export assistance, as well as food aid, international economic development, and trade capacity building.

Previously, Cordone served as USDA's Principal Deputy General Counsel, the Department's second highest ranking attorney. He came to USDA from the U.S. Senate Committee on Agriculture, Nutrition, and Forestry where he was the Deputy Staff Director and Chief Counsel under the leadership of Sen. Debbie Stabenow (D, MI).

During his time on the Committee, Cordone played a key role in the enactment of the Agriculture Act of 2014, often referred to as the Farm Bill. He also helped lead inquiries into the collapse of the futures firms, MF Global and Peregrine Financial, as well as the purchase of Smithfield Foods by China's Shuanghui Group. Throughout his time on the Committee, he worked closely with the U.S. Trade Representative on disputes and pending multilateral negotiations in Europe, the Pacific Region, and the World Trade Organization.

During his more than 15 years in public service, Mr. Cordone also served in the Obama Administration as the Senior Vice President and General Counsel of the Export-Import Bank of the United States and as the General Counsel of the U.S. House of Representatives Committee on Energy and Commerce under then-Chairman Rep. John Dingell (D, MI), where he coordinated all legislative matters under the Committee's broad jurisdiction.

Jonathan began his career practicing law in New York and Connecticut, working on complex transactions involving project finance, leveraged leasing and lending, and earned his B.A. from Mary Washington College in Virginia and his J.D. from the University of Connecticut School of Law. He is a native of Trumbull, Connecticut and currently resides in the District of Columbia.
Lesly Weber McNitt
Chief of Staff, Farm and Foreign Agriculture Service (Political)
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Lesly Weber McNitt is Chief of Staff of Farm and Foreign Agricultural Services at USDA, the mission area comprised of Risk Management Agency, Farm Service Agency and Foreign Agricultural Service. She previously served as Chief of Staff of the Farm Service Agency (FSA). She joined FSA from Farm Journal Foundation, where she was Director of Government Relations and Program Development. In that role she was responsible for advancing the Foundation’s advocacy initiatives, developing new programs, and building strategic partnerships. Lesly also oversaw the Foundation’s Farm Team program and managed the Farm Journal Forum, the Foundation’s annual policy conference. Prior to joining Farm Journal Foundation, Lesly was a legislative associate with Oldaker Belair & Wittie, LLP, where she managed a diverse portfolio of issues including financial services, federal appropriations, Native American Indian affairs, and education.

Lesly graduated cum laude from The George Washington University’s Elliott School of International Affairs with a B.A. in International Affairs and a concentration in International Politics. She also earned her Master of Professional Studies in Legislative Affairs at The George Washington University’s Graduate School of Political Management, graduating summa cum laude. She lives in Washington, D.C. where she is active in her local community.

Jane Beard Kadish
Deputy Chief of Staff, Farm and Foreign Agriculture Service (Political)
202-720-2797, jane.kadish@osec.usda.gov

Jane Beard Kadish is Deputy Chief of Staff of Farm and Foreign Agricultural Services at USDA, the mission area comprised of Risk Management Agency, Farm Service Agency and Foreign Agricultural Service. Kadish joined USDA after serving a year as Chief of Staff at start-up media company Fusion, where in this role she built operations for the company. Kadish previously worked the 2014 Election Cycle for EMILY’s List, managing the executive office to achieve fundraising objectives. Kadish worked on trade policy for the Senate Finance Committee under the Chairmanship of Senator Max Baucus. During her time on the Senate Finance Committee she contributed in a key role to Committee mark up and bill passage of the 2011 Free Trade Agreements with Colombia, Panama and South Korea. Following this, she worked in former Senator Max Baucus’ personal office and worked on key trade, healthcare and tax reform legislative efforts.

A native of Montana, Kadish graduated from the University of Montana studying International Business.
Phil Karsting
Administrator, Foreign Agriculture Service (Political)
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Phil Karsting was appointed administrator of the Foreign Agricultural Service in May 2013. He previously served more than 22 years on Capitol Hill, most recently as chief of staff to Senator Herb Kohl (D-Wis.), then-chairman of the Senate Appropriations Subcommittee on Agriculture, Rural Development and Related Agencies. Phil's prior Capitol Hill assignments included serving as senior analyst on the Democratic staff of the Senate Budget Committee where he handled issues relating to agriculture, rural development, housing, telecommunications, energy and the environment. He also served as legislative assistant to the late Senator Jim Exon (D-Neb.). He served on the Senate Bi-partisan Chiefs of Staff steering committee and in 2013 he led training seminars in Liberia for Liberian congressional staff on behalf of the National Democratic Institute.

Phil began his association with American agriculture working in his family's farm supply business in rural Nebraska. He received a bachelor’s degree in Agricultural Economics from the University of Nebraska-Lincoln. He is also a graduate of the French Culinary Institute in New York City.

Val Dolcini
Administrator, Farm Service Agency (Political)
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Val Dolcini was selected to serve as the Administrator for the Farm Service Agency in September 2014. He previously served as State Executive Director of the California Farm Service Agency, a position he was appointed to in 1999 by President Bill Clinton and again in 2009 by President Obama. Dolcini also served as the acting Farm Service Agency Administrator in 2011.

As Administrator, Dolcini is responsible for overseeing the administration of farm commodity and conservation programs, farm loan programs, and certain disaster programs. Dolcini also serves as the executive vice president of the Commodity Credit Corporation.

Dolcini has many years of public and private leadership experience. Prior to joining the Obama Administration, he managed public outreach activities for Accenture LLC, a global consulting firm. In that position, he strategized with business teams about relationship development and consulted on a wide range of political matters.

He previously served in a senior staff position for the Governor and Lieutenant Governor of California, as well as members of the U.S. House of Representatives.

A fifth-generation Californian and a native of Davis, Calif., Dolcini has served on numerous non-profit boards and commissions in his community. He received his bachelor’s degree in
Brandon Willis
Administrator, Risk Management Agency (Political)
202-690-2803, Brandon.willis@rma.usda.gov

Prior to Willis’ appointment as Administrator, RMA in 2013, Willis served as Senior Advisor to Agriculture Secretary Tom Vilsack on Title I Commodity programs, farm legislation matters and disaster assistance. In August 2009 he was appointed as Deputy Administrator of Farm Programs for USDA's Farm Service Agency (FSA).

Prior to his appointment as Deputy Administrator, he was a confidential assistant in USDA’s Office of the Undersecretary for Farm and Foreign Agricultural Services.

Before joining USDA Willis served as the Agriculture Legislative Assistant for U.S. Senator Max Baucus (2006-2009). During this time, he worked on the Food, Conservation, and Energy Act of 2008. In 2005, he worked as a graduate assistant at the National Agricultural Law Center. Willis earned his bachelor's degree in crop and soil science from Utah State University in Logan, Utah, and his law degree from the University of Wyoming in Laramie, Wyo. In 2009, he completed his master's degree in agricultural law from the University of Arkansas. He grew up on a third generation sheep ranch in northern Utah and managed his family's raspberry farm, Bursting Berries.

Overview of Agency Programs and Operations

Farm and Foreign Agricultural Services Overview - The Farm and Foreign Agricultural Services (FFAS) is one of 7 mission areas within the Department of Agriculture. Its major operational responsibilities include administering and providing oversight responsibilities for the development and implementation of critical USDA farm safety-net and farm credit programs. These programs assist America’s farmers and ensure that agriculture continues to provide the foundation for prosperity in rural areas as well as being a critical element of the Nation’s economy. Sixteen million Americans are employed directly in agriculture, or in agriculture related industries. Fourteen percent of all manufacturing jobs are related to food processing and food manufacturing. FFAS also oversees and facilitates international market access and opportunities for U.S. agriculture through various trade programs and high-level government negotiations. In addition, FFAS promotes and provides development assistance in developing countries to support trade and enhanced global food security.

FFAS Mission Statement – FFAS is comprised of the Farm Service Agency (FSA), the Foreign Agricultural Service (FAS) and the Risk Management Agency (RMA). FFAS provides a safety net for farmers and ranchers by providing commodity payments, farm loans, disaster assistance, and crop insurance. Facilitating foreign trade, capacity building and developing new markets
bolsters farm incomes and connects American agriculture to the rest of the world. FFAS also contributes to global food security, conservation and stability into the marketplace. FFAS’s unique footprint includes more than 2100 state and county offices in the US and more than 90 overseas offices.

**FFAS and USDA Strategic Goals** - The FFAS mission area contributes to multiple USDA Strategic Goals. Specifically, *assist rural communities*, the FFAS mission area: (1) supports a strong financial safety net including providing access to credit for farmers and ranchers who are temporarily unable to obtain commercial credit such as beginning farmers and ranchers; and (2) promotes the vitality of rural America by improving access to international markets, providing credit guarantees for U.S. farm exports, and supports industry efforts to develop new markets. In support of *ensuring private working lands are preserved*, the FFAS area: (1) protects watershed health to ensure clean and abundant water; and (2) enhances soil quality to maintain international acceptance of new technologies, and promotes sustainable, productive agricultural systems and trade in developing countries to enhance global food security. In support of the *promotion of agricultural production and biotechnology exports*, the FFAS area: (1) links U.S. agricultural to the world by enhancing export opportunities and global food security through the implementation of sound trade promotion and policies, and (2) addressing food security challenges by building food and market systems that expand trade and economic growth through food assistance programs.

The work of the FFAS mission areas is carried out by its three agencies, the Farm Service Agency (FSA), the Risk Management Agency (RMA), and the Foreign Agricultural Service (FAS). These agencies are responsible for carrying out major legislatively mandated programs in support of USDA and FFAS’s missions and goals supporting American farmers and ranchers.

**Farm Service Agency Major Programs** –

**Agricultural Risk Coverage and Price Loss Coverage**
In 2015, FSA enrolled 1.76 million farms in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs by conducting an educational campaign. ARC and PLC are a part of the farm safety-net and provide assistance only when there are year-to-year crop revenue and/or commodity price downturns. The ARC and PLC programs have provided over $5.2 billion in financial assistance to producers for the 2014 crop year. USDA estimates an additional $8 billion in financial assistance will provided under the ARC and PLC programs for the 2015 crop year.

**Margin Protection Program for Dairy**
In addition, more than half of all dairy farms in the U.S. – over 23,000 – have enrolled in the Margin Protection Program for Dairy (MPP-Dairy). This voluntary program provides financial assistance to participating farmers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the producer. The MPP-Dairy offers dairy producers catastrophic coverage for an annual $100 administrative fee and various levels of buy-up coverage for an additional premium.
Marketing Assistance Loans and Loan Deficiency Payments

FSA provides producers marketing assistance loans (MALs) and loan deficiency payments (LDPs). MALs are 9-month low-interest loans that 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. This allows the producers some flexibility in determining when it is best to market their crops. LDPs are available to eligible producers when the commodity market price is less than the commodity loan rate, as established by USDA. LDP’s allow the producer to forgo the MALs in order to receive the difference between the loan rate and the market rate for the applicable commodity. The MAL and LDP coupled with ARC/PLC are part of the farm-safety net, and provide producers with needed financial assistance when the commodity market prices are depressed. These programs help to sustain the economic viability in rural America and to ensure the orderly marketing of commodities.

Livestock Disaster Program
The 2014 Farm Bill indefinitely extended the FSA’s livestock disaster programs and the Tree Assistance Program. Since passage of the 2014 Farm Bill, these disaster programs have paid producers over $6 billion dollars to recover from natural disasters, including drought, flood, fire, freeze, tornadoes, pest infestation, and other calamities.

Organic Certification Cost Share Programs

The Organic Certification Cost Share Program (OCCSP) and Agricultural Management Assistance Program (AMA) assist certified organic operations in defraying the costs associated with organic certification. In an effort to enhance the OCCSP delivery and improve direct outreach, USDA decided to transition the program from AMS to FSA. This transition is underway and the Federal Register notice announcing the transfer of program responsibilities is scheduled to be release early, November.

Under both programs, organic operations may receive up to 75 percent of their certification costs, not to exceed $750 per certification scope. The OCCSP is available to organic producers and handlers of crops, livestock and wild crops in all 50 States and several territories. The AMA is available to certified organic producers—only crop and livestock operators—in sixteen states designated by Congress.

Historically, the programs were administered through AMS under grants initiated with State Departments of Agriculture. FSA is continuing this practice in addition to now offering producers and handlers the ability to apply for OCCSP through local FSA county offices. This initiative complements FSA’s work on local foods and specialty crops and its expanding assistance to organic farmers and ranchers.
United States Department of Agriculture
2016 Presidential Transition
Farm and Foreign Agricultural Services Mission Area (FFAS)

Farm Loan Programs

FSA provides access to low-interest loans to farmers and ranchers, including new and beginning, underserved and veteran farmers and ranchers. The demand for farm loans has increased in recent years. The number of direct operating loans has risen from 13,000 to 14,000 in the mid-2000’s, to 22,000 to 24,000 in the last three years. Direct ownership loans have increased as well, from about 3,000 in the mid-2000’s to about 5,500 over the last three years. The change in guaranteed operating and ownership loans has not been as significant but demand for them has been strong as well. FSA’s actual program funding in support of these loans increased from $5.23 billion in FY 2014 to $5.68 billion in FY 2015, with enacted program funding for FY 2016 at $6.4 billion.

Conservation Reserve Program

FSA also provides tools and program support for America’s farmers and ranchers to be good stewards of the land. USDA is experiencing record demand from producers interested in participating in the CRP. The 2016 CRP general and grassland sign-ups were the most selective enrollment periods in CRP’s 30-year history with a record high Environmental Benefits Index cut-off. CRP enrollment is close to 24 million acres and is protecting more than 170,000 stream miles with riparian forest and grass buffers, enough to go around the world 7 times.

Commodity Operations

FSA’s Commodity Operations division purchases and delivers processed commodities under various domestic distribution programs, such as the National School Lunch, Commodity Supplemental Food, Food Distribution on Indian Reservations, and Disaster Assistance Programs. In addition, Commodity Operations purchases and delivers commodities to foreign countries under Titles II and III of Public Law 480, the Food for Progress Program, and Section 416(b) of the Agricultural Act of 1949, through private voluntary agencies, World Food program, and government-to-government transfers.

Biofuel Infrastructure Partnership (BIP)

The one-time Biofuel Infrastructure Partnership (BIP) grants were published and implemented on June 16, 2015, through a NOFA. BIP provided grants to States to expand the ethanol market through infrastructure development, including the installation of blender pumps and tanks.

Farm-to-Fleet

USDA has worked with the United States Navy on a joint initiative, Farm-to-Fleet, since December 2013. It makes biofuel blends part of regular, operational fuel purchases by incorporating the acquisition of biofuel blends into regular Department of Defense domestic solicitations for jet engine and marine diesel fuels.

Bridges to Opportunity (BTO)

BTO enables a holistic and streamlined customer service experience in FSA county offices. Services are expanding to all FSA County Offices by January 2017. BTO supplies staff with a customer relationship management information technology application and customizable
information resource bundles to provide every FSA customer with a meaningful summary of his or her visit, additional resources and referrals to local partners. Many of those resources and referrals span other USDA agencies, such as NRCS, RD, AMS, and RMS, and APHIS, allowing all of USDA to leverage FSA’s strong relationships with its nearly two million customers.

**Supporting the Next Generation of Agriculture**

FSA houses the cross-Departmental collaboration to support new and beginning farmers and ranchers and to support land tenure access. The effort brings together staff from across the USDA to share information and coordinate policies, programs, and services for the next generation of agriculture and the transitioning generation. The new farmer and land tenure coordinators, career FSA employees, lead these collaborations, serving as both a coordinators between agencies and as advisors to Department leaders on the issues. Through this connection, and in partnership with representatives from each new farmer serving entity, USDA is able to work across silos, packaging our programs (so that new customers get a seamless experience of USDA customer service), and supporting a holistic USDA approach to supporting the next generation.

**Acreage and Crop Reporting Streamlining Initiative (ACRSI)**

A joint FSA and Risk Management Agency IT system has been developed to replace duplicative crop reporting of common acreage information by producers to both agencies and their crop insurance provider, saving time and potentially reducing inadvertent data reporting errors.

ACRSI was piloted in the spring of 2015 in 30 counties in Iowa and Illinois. The agencies used lessons learned from the spring pilot to expand statewide reporting in incremental phases to 15 States and all counties in those States in the fall of 2015. For spring crops in 2016, RMA and FSA expanded ACRSI nationwide for 13 crops. Those crops were alfalfa, corn, cotton, Conservation Reserve Program, fallow, grass, oats, peanuts, rice, rye, sorghum, soybeans, and wheat. This captured over 93% of all reported acres.

The 2015 pilots and expansion in 2016, both starting prior to the peak reporting period that occurs annually in mid-July, have been important in providing the agencies and insurance companies with results that are being used in this post-peak reporting period to analyze what worked, what did not, and how to improve the process for producers and all stakeholders going forward. Stakeholder engagement is at the highest level the initiative has seen, which is fostering more effective solutions and progress.

The FSA/RMA Joint Policy Team have implemented data standards and reporting protocols that will ensure an effective data sharing process between FSA, RMA, and insurance companies. RMA and FSA IT systems are currently being enhanced in preparation for the 2016 fall acreage reporting period and data sharing through ACRSI. RMA and FSA will continue to build on lessons learned in preparation for future acreage reporting periods.

ACRSI is a demonstrably important system to USDA. Its use is providing data gathering and reporting efficiencies for producers, insurance companies, and USDA.
**Risk Management Agency Major Programs** – The Federal crop insurance program is a critical component of the farm safety net that protects producers from a wide range of risk caused by natural disasters, as well as the risks of price fluctuations. Currently, about 80 percent of risk protection is provided by “revenue insurance,” which protects against losses due to low yields, low prices, or a combination of low yields and prices.

The crop insurance program is designed to ensure that farmers and ranchers effectively manage their risk through difficult periods, helping to maintain America’s food supply and the sustainability of small, limited resource, socially disadvantage and other traditionally underserved farmers. Since 2009, farmers have collected approximately $63 billion in crop insurance indemnities. For the 2015 crop year, the Federal crop insurance programs provided about $100 billion in risk protection or about $68.7 billion in (normalized) risk protection. Throughout 2015 RMA continued the initiatives set forth by the 2014 Farm Bill, including expansion of Supplemental Coverage Option (SCO) and Stacked Income Protection Plan (STAX), making available the Yield Exclusion Option for producers, and rolling out Whole Farm Revenue Protection, which is available in every county in the U.S. in 2016.

**Organics Price Election**

The Risk Management Agency (RMA) has supported the organic sector through the following changes in crop insurance policies:

- In 2011, for the first time ever, RMA began offering crop insurance for organic producers based on organic market prices. For the 2016 crop year, RMA offered 57 organic price elections. For the 2017 crop year, RMA will offer 73 organic price elections.
- In 2014, RMA eliminated the historical 5% surcharge on organic policy premiums for all crops.
- In 2014, RMA added a new Contract Price Addendum (Contract Price Option) that allows organic producers who receive a contract price for their crop to get a crop insurance guarantee that better reflects the actual value of their crop. In 2016, RMA expanded the Contract Price Option to recognize price incentives for crops in transition to organic certification, providing risk management tools at prices closer to the actual market value of the crops. The CPA is available for 73 different crop types, covering the majority of insurable crops.

As a result of these changes, RMA organic insurance policies increased over 92 percent and insured organic acres increased more than 114 percent between 2008 and 2015. RMA insured 3,555 organic policies on 486,831 acres in 2008; and in 2015, RMA insured 6,833 policies on 1,043,403 acres. This data includes both certified organic and transition to organic.
Whole-Farm Revenue Protection

The WFRP insurance policy, new in 2015, became available in all states and counties nationwide beginning in 2016. This policy allows producers to insure their whole farm revenue with coverage levels of 50 to 85 percent. Although the policy is available for all farms, it was specifically developed for diversified farms that tend to sell to direct, local or regional, and farm-identity preserved markets, such as organic. Organic producers meeting the requirements of the National Organic Program may use their organic prices to value their commodities under this federal crop insurance policy.

Local/Regional Ag Production Support

RMA recognizes the growth of local and regional food systems, and aims to support producers engaged in local and regional markets. We value the collaboration with the Know Your Farmer, Know Your Food (KYF2) team to better serve beginning farmers and ranchers and operators of smaller farms, many of whom get their start in farmers markets, CSAs, and other direct markets in their local communities. We also know that as local and regional food systems mature, the demand for local food is expanding beyond direct markets and into major grocery stores, restaurants, and schools, often through the work of food hubs and other intermediaries.

RMA works with Know Your Farmer, Know Your Food (KYF2) to improve programs for these producers, make sure we are reaching the right audiences. The following achievements and priorities are particularly significant, and will continue to be focus areas for the future:

- Key RMA staff serve on the KYF2 Management Team and Taskforce to coordinate efforts across USDA.
- RMA’s Whole Farm Revenue Protection (WFRP) is tailored for any farm with up to $8.5 million in insured revenue, including farms with specialty or organic commodities (both crops and livestock), or those marketing to local, regional, farm-identity preserved, specialty, or direct markets. WFRP allows producers to insure their organic commodities at organic prices reflective of the market where they sell the products, including local and specialty markets. RMA continues to make updates to the WFRP policy and procedures in response to questions received, in order to help producers, agents, and loss adjusters who use, sell or service WFRP insurance. The number of WFRP policies nearly doubled in 2016 from 2015 to 2,131 policies earning premium and liability also more than doubled to a total of nearly $2.3 billion in 2016. (Numbers as of Sept. 30, 2016)
- Risk Management Education projects encourage the formation of partnerships with public and private organizations to inform farmers about risk management strategies. Topics include food safety, local food marketing and branding, and promotion of the WFRP.
- RMA and KYF2 provide education and outreach to farmers selling in local and regional markets about risk management options to increase usage of WFRP and other relevant programs and strategies
Organic Production Survey - Report To Congress

The Risk Management Agency provides a report to Congress annually in May, pursuant to Section 508(c)(6)(D) of the Federal Crop Insurance Act, as amended by Section 11023 of the Agricultural Act of 2014:

“The Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report on progress made in developing and improving Federal crop insurance for organic crops, including:

i. the numbers and varieties of organic crops insured;
ii. the progress of implementing the price elections required under this subparagraph, including the rate at which additional price elections are adopted for organic crops;
iii. the development of new insurance approaches relevant to organic producers; and
iv. any recommendations the Corporation considers appropriate to improve Federal crop insurance coverage for organic crops.”

This annual report transmits information on the progress made in developing and improving Federal crop insurance for organic crops and plans to continue the Organic Production Survey on an annual or biannual basis and the use of AMS data to expand the number of organic price elections available is prepared by the Product Management Division and sent to Congress. RMA works with AMS on attaining the current pricing information necessary to publish the report.

**Foreign Agriculture Service Major Programs** – FAS administers a variety of programs that are designed to facilitate access to the international markets and thereby help to support a competitive U.S. agricultural system. FAS also carries out activities that promote productive agricultural systems in developing countries and contribute to increased trade and enhanced global food security. Working bilaterally and with international organizations, FAS encourages the development of transparent and science-based regulatory systems that allow for the safe development and use of the agricultural goods derived from new technologies and works to eliminate sanitary and phytosanitary barriers.

**Negotiating Trade Deals**
FAS works with other USDA agencies, the Office of the U.S. Trade Representative, and others in the Federal government to monitor and negotiate new trade agreements and enforce existing trade agreements. The United States has free trade agreements (FTA) with 20 countries around the world that expand export opportunities for U.S. food and agricultural producers. FAS advised on the recently concluded negotiations on the Trans-Pacific Partnership (TPP). This agreement will create new opportunities for trade in a dynamic region where populations and purchasing power are increasing, enhancing the demand for American agricultural exports.
United States Department of Agriculture
2016 Presidential Transition
Farm and Foreign Agricultural Services Mission Area (FFAS)

Organic Equivalency

FAS also supported the creation of five organic equivalency agreements that help both farmers and consumers benefit from international organic markets worth more than $35 billion. These markets include Canada, the European Union, Switzerland, Japan and South Korea.

Market Development Program

FAS’s Market Development Programs include the establishment of partnerships with private sector cooperator organizations, which support the development, maintenance and expansion of commercial export markets for U.S. agricultural commodities and products. In 2015, almost 1,000 U.S. companies and organizations participated in 21 USDA endorsed trade shows in 16 countries. Onsite sales totaled an estimated $421 million and the total value of the agricultural exports resulting from participation in foreign food and agricultural trade shows in 2015 was $1.52 billion

Market Access Program

The Market Access Program (MAP) provides funds to participating organizations to cover a portion of the cost of carrying out overseas marketing and promotional activities, such as consumer promotions. MAP participants include nonprofit agricultural trade organizations, State-regional trade groups, cooperatives and private companies that qualify as small businesses.

Foreign Market Development Program

The Foreign Market Development (FMD) Program, also known as the Cooperator Program, helps create, expand and maintain long-term export markets for U.S. agricultural products. Under the program, FAS partners with U.S. agricultural producers and processors, who are represented by non-profit commodity or trade associations called “cooperators,” to promote U.S. commodities overseas. The FMD program focuses on generic promotion of U.S. commodities, rather than consumer-oriented promotion of branded products. Preference is given to organizations that represent an entire industry or are nationwide in membership and scope.

Quality Samples Program

The Quality Samples Program (QSP) provides funding to assist private entities to furnish samples of U.S. agricultural productions to foreign importers in order to overcome trade and marketing obstacles. The program, which is carried out under the authority of the CCC Charter Act, provides foreign importers with a better understanding and appreciation of the characteristics of U.S. agricultural products.

Export Credit Guarantee Program (GSM-102)

The GSM-102 program provides estimated $5.5 billion in credit guarantees to encourage financing of commercial exports of U.S. agricultural products. By reducing financial risk to lenders, credit guarantees encourage exports to buyers in countries — mainly developing countries — that have sufficient financial strength to have foreign exchange available for scheduled payments.
Facility Guarantee Program
The Facility Guarantee Program (FGP) is designed to boost sales of U.S. agricultural products in countries where demand may be limited due to inadequate storage, processing, handling, or distribution capabilities. The program provides credit guarantees to facilitate the financing of manufactured goods and U.S. services to improve or establish agriculture-related facilities in emerging markets.

Food for Progress Program
The Food for Progress Program helps developing countries and emerging democracies modernize and strengthen their agricultural sectors. U.S. agricultural commodities donated to recipient countries are sold on the local market and the proceeds are used to support agricultural, economic or infrastructure development programs. Food for Progress has two principal objectives: to improve agricultural productivity and to expand trade of agricultural products.

The McGovern – Dole International Program
The McGovern–Dole International Food for Education and Child Nutrition Program helps support education, child development and food security in low-income, food-deficit countries around the globe. The program provides for the donation of U.S. agricultural commodities, as well as financial and technical assistance, to support school feeding and maternal and child nutrition projects. The key objective of the McGovern-Dole Program is to reduce hunger and improve literacy and primary education, especially for girls.

The Norman E. Borlaug International Fellowship Program
The Norman E. Borlaug International Agricultural Science and Technology Fellowship Program promotes food security and economic growth by providing training and collaborative research opportunities to fellows from developing and middle-income countries. Borlaug fellows are generally scientists, researchers or policymakers who are in the early or middle stages of their careers.

The Cochran Fellowship Program
The Cochran Fellowship Program provides short-term training opportunities to agricultural professionals from middle income countries, emerging markets and emerging democracies. Cochran fellows come to the United States, generally for 2-3 weeks, to work with U.S. universities, government agencies and private companies. They receive hands-on training to enhance their technical knowledge and skills in areas related to agricultural trade, agribusiness development, management, policy and marketing.
## Budget and Staffing Summary

**Farm and Foreign Agricultural Services Mission Area**

**Budget Authority FY 2009- FY 2016**

(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget Authority</th>
<th>Discretionary</th>
<th>Mandatory</th>
<th>Recovery Act Funds</th>
<th>Supplements</th>
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<td></td>
<td></td>
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**Summary by Agency:**

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**Staff Years:**

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**Total Staff Years:**

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United States Department of Agriculture
2016 Presidential Transition
Farm and Foreign Agricultural Services Mission Area (FFAS)

Note: RMA and FAS – NO LOAN ACTIVITY

<table>
<thead>
<tr>
<th>Program Budget Level Authority</th>
<th>2015 Actual</th>
<th>2016 Enacted</th>
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<tr>
<td>Total Obligations</td>
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Mission Area Loan Portfolio Trend FY 2009-2016

Mission Area Loan Program Level Growth FY 2009-2016
FSA Budget and Staffing Highlights:

FSA’s FY2016 enacted funding level of $1.52 billion supports federal and non-federal staffing to administer its discretionary and mandatory programs. In FY2016, FSA’s funding sources include direct appropriations ($1.2 billion), credit reform transfers ($310 million) and reimbursements ($77 million). Of the $1.52 billion appropriated to FSA, approximately 93 percent funds salaries and benefits, rent and IT expenses with remaining funding supporting operating expenses such as supplies, printing, postage, transportation and equipment. While FSA has taken significant steps during the past few years to reduce its operating expenses by streamlining operations through administrative efficiencies, there are still a number of operational expenses that are not controlled by FSA such as mandatory Departmental expenses (Greenbook charges), travel expenses related to compliance visits and county office rent expenses for more than 2,100 USDA County Offices. In FY2017 and FY 2018, FSA anticipates a substantial increase in county office rent expenses due to the renewal of leases that have expired or will expire in FY2017 and FY2018. Most of these leases are expected to have significant increases because they have not had rent adjustments in many years. FSA projects an increase in County Office rent expenses of $5 million in FY2017 and $11.6 million in FY2018 for approximately 700 leases.

RMA Budget and Staffing Highlights:

The RMA Agency budget represents the Salaries and Expenses (S&E) (discretionary funds), which pay for the administrative and operating costs to achieve the RMA mission, goals, and objectives. The budget includes the Federal Crop Insurance Corporation (FCIC) Program (mandatory funds), which include the Premium Subsidy (amount the Federal government is contributing towards the insurance premiums), Delivery Expense (amount to reimburse the Approved Insurance Provider (AIP; company) for Administrative and Operating Expenses (A&O)), Underwriting Gain (amount the FCIC and AIPs share on gains and losses), and Producer Premium (portion of the policies that the producers pay). RMA pays for indemnities or losses on crop insurance from the combination of Producer paid premium and premium subsidy.

RMA employs a workforce of approximately 475 employees. Approximately 23 percent are eligible to retire within the next year. The RMA headquarters is located in Washington, D.C., which houses 19 percent of our workforce. In addition to the headquarters location, RMA has 10 regional offices and 5 regional compliance offices throughout the country. About 81 percent of the RMA total workforce are stationed outside of Washington, DC.

FAS Budget and Staffing Highlights:

FAS employs a total workforce of approximately 1257 employees. Of the permanent career workforce, 23 percent of Civil Service and 35 percent of Foreign Service are eligible to retire through calendar year 2017. FAS headquarters is located in Washington, D.C. which houses 65 percent of the workforce. FAS has 93 overseas offices covering 171 countries to work directly on behalf of our constituents and with foreign entities.
II. Top Issues/Hot Topics

Timeline

➤ January 2017

- **MIDAS Project**
  Per findings from the MITRE Corporation’s independent third-party assessment, the analysis of alternatives for the MIDAS platform will be complete in December 2016 and available for review in January 2017.

- **Report to Congress: International Food Aid Report**
  Required by H. Report 114-205. The Committee directs FSA to make publicly available reports detailing U.S. Commodities purchased for international food aid. The Committee also directs FSA to include the amount, value, destination, and type of commodity shipped by U.S. port of origin. This is an annual report prepared by Commodity Operations.

- **National Food and Agriculture Council (NFAC)**
  On January 1, 2017 FSA will become Chair of NFAC, a position that rotates each year to one of the three members: FSA Administrator, NRCS Chief, and RD Deputy Under Secretary for Operations and Management. The council was established to approve or deny office actions (e.g., closures, consolidations), particularly when multiple agencies occupy the same field office. The council is also a forum to discuss leveraging resources, such as sharing vehicles for outreach visits to customers.

  FSA will recommend to the NRCS and RD members priorities it wants the council to address in 2018. Among the items that FSA intends to recommend is that lead responsibility for StrikeForce not rotate with the NFAC Chair position but be continuously housed in RD. Rotating the lead agency of StrikeForce each year, causes the loss of momentum and continuity among coordinators and leads located in the identified states and counties.

- **Report to Congress: Changes to Cropland Report**
  Required by SEC. 11014 of the Agricultural Act of 2014 (P.L. 113-79). Not later than January 1, 2015, and each January 1 thereafter through January 1, 2018, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report that describes the cropland acreage in each applicable county and State as of the date of submission of the report; and the change in cropland acreage from the preceding year in each applicable county and State. This is an annual report prepared by Farm Programs.
United States Department of Agriculture
2016 Presidential Transition
Farm and Foreign Agricultural Services Mission Area (FFAS)

➢ February

• Commodity Classic
  This is one of the largest conventions that is farmer-focused and farmer-led. USDA staff, more specifically FSA senior leadership, has served as presenters and to provide significant program updates to a wide variety of commodity groups that attend the Commodity Classic. The convention also provides FSA with an opportunity to meet with multiple commodity groups and their respective leaderships to hear about specific issues, initiatives and challenges in their respective industries.

• USDA Ag Outlook Forum (February 23-24)
  This forum is hosted by USDA’s Office of Chief Economist. Several Agency senior staff attend in support of several agency-wide programs.

• Request for Applications (RFA) Announcement – Risk Management Education

➢ March 2017

• Secretarial Appointments to FSA’s County Committees
  March 1 deadline.

• Report to Congress: Quarterly IT Report and Briefing
  Explanatory Statement. The Secretary is directed to continue briefings for the Committees regarding all IT projects and activities related to farm program delivery. This is a quarterly report due March 30 and June 30 and is prepared by Office of Chief Information Officer, followed-up with a scheduled briefing.

• USDA National Ag Week (March 4 – 10)

➢ April 2017

• Report to Congress: Farm Programs IT Operations Report
  This is an annual report prepared by Office of Chief Information Officer.

• Report to Congress: Quarterly Loan and Grant Program Budget Report
  Required by H. Report 114-205. The Committee directs the Department, through the Office of Budget and Program Analysis, to provide quarterly reports to the Committees on Appropriations of the House of Representatives and the Senate on the status of obligations and funds
availability for the loan and grant programs provided. The Committee further directs that if an estimate of loan activity for any program funded in Titles I and III of this bill indicates that a limitation on authority to make commitments for a fiscal year will be reached before the end of that fiscal year, or in any event whenever 75 per centum of the authority to make commitments has been utilized, the Secretary shall promptly notify the Committees in writing. This is a quarterly report prepared by Farm Loan Programs, or more often as required.

- **Report to Congress: Farm Bill Funding Status Report**
  Required by H. Report 113-468. On October 1, 2014, and every quarter thereafter until the funds are expended; the Committee directs the Secretary to provide a status report on the obligations and outlays and expects that the Committee will be notified if there are any significant deviations from the plan. The Committee reminds the Secretary that funding is not available to hire new full-time equivalent staff at FSA. As such, this funding should not be used for that purpose. (The original plan was sent to the Chair and Ranking Members of the House and Senate Agriculture Appropriation Committees on August 1, 2014.) This is a quarterly report due January 1 and April 1 prepared by Office of the Chief Financial Officer.

- **Publish FRN announcing U.S. WTO quantity safeguard trigger levels**
  - May 2017

- **Report to Congress: Commodity Credit Corporation Report**
  Required by H. Report 114-205. The Committee directs the Secretary to provide a report on November 15 and May 16 on planned uses of funding under the authorities of Section 4 and Section 11 of the Commodity Credit Corporation Charter Act.

- **Report to Congress: Farm Programs IT Plan for Expenditures Report**
  Required by Omnibus Act and Explanatory Statement. (Paraphrased) That not more than 50% of the funding made available under this heading for information technology related to farm program delivery, may be obligated until the Secretary submits to the Committees on Appropriations a plan for expenditure that (1) identifies for each project/investment over $25,000, (2) demonstrates each project/investment and (3) has been reviewed by GAO and approved by the Committees of Appropriations of both Houses of Congress.
June 2017

- **Field Office Leases Redistribution Among Service Center Agencies**
  Complete the transfer of the acquisition and management of 200 leases from FSA to the Natural Resources Conservation Service no later than June 30, thereby completing Phase II of the agreement by the Service Center Agencies to redistribute leases according to the actual office footprint of each agency. A date for the Phase III transfer of the final 200 leases is to be determined. The Phase I transfer of 200 leases is to occur in December 2016.

- **Report to Congress: Quarterly IT Report and Briefing**
  This is a quarterly report due March 30 and June 30 and is prepared by Office of Chief Information Officer.

- **China Strategic and Economic Dialogue (S&ED) (DATE TBD)**
  The China S&ED is a high-level dialogue for the United States and China to discuss a wide range of regional and global strategic and economic issues between both countries.

**Mission Area Issues**

**Risk Management Agency:**

**PREVENTED PLANTING CHANGES**

In November of 2016, RMA made two changes to prevented planting, one of which was in response to a 2013 OIG audit. First, the payment factors for crops were adjusted after a review and stakeholder feedback. The only adjustments made were to rice and corn – factors for all other crops remain unchanged. The factor for rice was adjusted up, while that for corn was lowered. RMA also removed the option for producers to purchase increased levels of prevented planting coverage. Previously, producers could purchase an additional 10 percent coverage; now they can only purchase 5 percent.

**Key Points:**

- The coverage level changes were made after RMA commissioned a study to evaluate the appropriateness of the current prevented planting coverage levels.

- Industry and stakeholders had an opportunity to review the study’s findings and offer input to RMA.

- RMA used that input in its final analysis.
- The first crops reviewed were corn, soybeans, rice, sorghum, cotton, barley, and wheat. Out of these crops, changes to the coverage factors were made for corn (decrease) and rice (increase).

- Additional crops will be reviewed for the following year.

**FSA: COMMODITY CREDIT CORPORATION (CCC) AUDIT**

CCC as a corporation has been audited since the early 1990’s. While the corporation has a long history of clean audits, its audits have never been without challenge due to the complexity of accounting for farm programs, each with unique qualifications and terms. The corporation’s programs change with each new farm bill, and the corporation is challenged to meet the need of providing timely financial assistance to producers so they may finance their operations.

The auditor, KPMG, gave the FY 2015 CCC financial statements a disclaimer. The disclaimer defined ten notice of findings and recommendations to address. The findings are predominantly related to CCC’s ability to justify programmatic balances, including USAID grant balances; and its ability to provide evidential documentation to support financial transactions.

The auditor, KPMG gave the FY 2015 CCC financial statements a disclaimer. To assist with the development of corrective action plans and to prepare for the FY 2016 audit, CCC contracted with consultants specializing in audit readiness. The USDA Office of Chief Financial Officer (OCFO) provided a seasoned Senior Executive Service resource to serve as FSA’s Deputy Chief Financial Officer (CFO). He is focusing his attention primarily on overseeing the CCC FY 2016 audit process. KPMG, who is also conducting the FY 2016 audit, has agreed to add an additional audit partner to assist with conducting the engagement. CCC hired a senior project manager to manage the audit process, including development of processes and procedures to address issues identified in the 2015 audit. The FY 2016 audit opinion is expected in early November 2016.

**INFORMATION TECHNOLOGY**

- MIDAS: In April 2016, an independent third-party assessment of the MIDAS platform was completed by MITRE Corporation. As a result of the assessment of FSA’s use of a single, commercial-off-the-shelf platform, FSA is conducting an analysis of alternatives (AoA) to assess the current solution and to thoughtfully identify and determine if it should move to a viable alternative. As part of this, comprehensive plans to effectively transition between the major customer relationship management components (e.g., Farm Records, Business Partner) that serve as a centralized source for all customer information and consolidate both land and producer information, and the new solution, will have to be defined and executed. The AoA and recommendation to address MITRE Corporation’s
assessment will be complete in December 2016 and available for review in January 2017.

- **Acreage and Crop Reporting Streamlining Initiative ACRSI**: A joint FSA and Risk Management Agency IT system has been developed to replace duplicative crop reporting of common acreage information by producers to both agencies and their crop insurance provider, saving time and potentially reducing inadvertent data reporting errors. Currently, FSA is exploring critical project decisions concerning policy, infrastructure, and system stability in fully-defining enhancements for the spring 2017 reporting period, the heaviest crop period.

ACRSI was piloted in the spring of 2015 in 30 counties in Iowa and Illinois. The agencies used lessons learned from the spring pilot to expand statewide reporting in incremental phases to 15 States and all counties in those States in the fall of 2015. For spring crops in 2016, RMA and FSA expanded ACRSI nationwide for 13 crops. Those crops were alfalfa, corn, cotton, fallow, grass, oats, peanuts, rice, rye, sorghum, soybeans, and wheat. This captured over 93% of all reported acres.

The FSA/RMA Joint Policy Team have implemented data standards and reporting protocols that will ensure an effective data sharing process between FSA, RMA, and insurance companies. RMA and FSA IT systems are currently being enhanced in preparation for the 2016 fall acreage reporting period and data sharing through ACRSI.

- **Bridges to Opportunity (Bridges)**: Bridges, which is expanding to all FSA County Offices by January 2017, is a customer service platform that provides every FSA customer with a required Receipt for Service that gives a meaningful summary of his or her visit, and additional resources and referrals to other USDA agencies and local partners. Leveraging FSA’s relationships with its nearly two million customers, Bridges is working with USDA agencies and non-federal partners to provide farmers and ranchers with information on topics that include organic production, beginning farmer resources, integrated pest management, disaster assistance, conservation practices, agricultural education courses, loans, grants, and other information and financial assistance that can benefit and grow farming and ranching operations.

In FY 2016, FSA reprogrammed $5.6M within Salary and Expenses (S&E) IT Non-Farm Programs Delivery to the USDA Service and Outreach to Agricultural Communities investment (Major IT investment FSA-124) to further expand Bridges. Bridges began as a pilot in October 2014. This reprogramming enabled FSA to renew the existing IT software licenses that expired in July 2016, supporting nationwide expansion to over 10,500 users in all State and FSA County Offices by early 2017. The nationwide expansion results in a significant cost savings on a per user basis due to a bulk discount agreement with the software vendor.

- **Connectivity**: To ensure sufficient bandwidth over the long-term needed to support the changing application and data requirements of FSA programs, County Office staff, and
farmer and rancher customers, USDA’s Client Technology Services (CTS) provided a Service Center Agency (SCA) Telecommunications Modernization plan for FSA, Natural Resources Conservation Service, and Rural Development. The plan provides a long-term strategy for continuous site monitoring and scheduled upgrades to services utilizing higher bandwidth. A procurement using the General Services Administration’s, Network Services 2020 (NS2020) Services Agreement, is expected to be awarded in FY 2017.

Through FY 2015 and FY 2016, the initial phase of the USDA plan to upgrade a total of 1,038 sites from 1.5MB T1 lines to 10 MB Ethernet connections, increasing bandwidth up to 567 percent was implemented. This completed the upgrade of 70% of sites. Site installation costs were funded through the USDA Optimized Computing Environment (OCE) investment. Recurring monthly circuit charges will be funded by the SCA base budget. This OCE investment in VoIP technology allows for the consolidation of communications traffic, thereby resulting in a reduction in the number of voice lines. The reduced voice line costs will significantly offset the increased network costs. After deployment, USDA expects overall telecommunications costs for the SCAs to decrease. CTS will continually monitor sites upgraded during the initial phase of the SCA Telecommunications Modernization initiative to assess network utilization and confirm the upgraded connection is sufficient.

For the sites that were not prioritized in the initial phase due to various factors, such as sites geographically located in areas where upgraded telecommunications infrastructure is not yet commercially available, CTS is working with providers to improve the telecommunications infrastructure and bandwidth through technologies previously unavailable for installation at these sites. Implementation will be done on a rolling schedule, which will enable the SCA’s to continually review the new communication services, and install them in areas with the highest demand.

AGRICULTURE RISK COVERAGE COUNTY (ARC-County) YIELDS

The ARC-County program provides revenue loss coverage at the county-level. ARC-County payments are issued when the actual county crop revenue of a covered commodity is less than the ARC-County guarantee for the covered commodity.

USDA National Agricultural Statistics Service (NASS) surveys the primary growing regions for a crop and publishes yields at a county-level only if there are enough surveys returned. Given the wide swath of counties and number of covered commodities, many counties did not have any or had incomplete sets of county-level published yields. When NASS county-level yields were not available, FSA worked with RMA to aggregate unpublished yield data for crop insurance participants and used this RMA data if there were sufficient results (at least 25% of reported acreage and at least 5 farms). These two sets of county-level yield data only provided about 43,000 yields, but represent an area such that about 90% of the base acres are in counties that had NASS or RMA county-level yields. If the county-level data was not available, NASS district-level data (aggregate data covering a group of counties) was used, with discretion for the state
committee to be able to adjust them based on knowledge of the county relative to the others in the district. If none of these data sets were available, the FSA state committee was delegated responsibility for setting the appropriate yield using whatever sources or expert opinion it could find. The limited data available and lack of county specific data explains why for some less common crops in a state, there may be a group of counties with the same yield (e.g. a district yield) or even the same yield for the entire state in cases where there was not even district level data.

FSA currently uses the following data cascade to determine yields based on the level of available data from producers: (1) NASS county level data, (2) RMA data, (3) FSA State Committee (NASS district level data is provided for guidance).

While FSA has received a handful of internal and external requests to substitute yields based on expert opinion, these have been in relation to yields established using NASS or RMA county-level data. Since the established data cascade does not provide for discretion to change yields when county-level data is available, FSA has not granted these requests.

There are two significant challenges to providing flexibility to override data with expert opinion from the State committee or others. First, if the yields were part of the benchmark years, that would be changing data that was examined by producers when they made their one-time program elections and potentially re-open that decision. Second, in an analogous situation where FSA overrode NASS survey data related to Conservation Reserve Program soil rental rates, the USDA Office of Inspector General found that FSA had acted improperly and the agency had to subsequently revise the rental rates using the data.

CONSERVATION RESERVE PROGRAM (CRP) ENROLLMENT

The most recent general signup period in 2016 was one of the most selective sign-up periods in CRP’s 30-year history, with a record high Environmental Benefits Index cut-off and the lowest-percentage of applications accepted. The high bar means that the per-acre conservation benefits are being maximized and that acres enrolled address multiple conservation priorities simultaneously. A nationwide acreage limit was established for this program in the 2014 Farm Bill, capping the total number of acres that may be enrolled at 24 million for FY2017 and FY2018. At the same time, USDA has experienced a record demand from farmers and ranchers interested in participating in this voluntary program partly due to low commodity prices. The 24 million acre cap has led the agency to batch continuous offers, and pursue a strategy of stacking benefits when possible and prioritizing the most environmentally sensitive land.

As of July 2016, 23.9 million acres were enrolled in CRP, with 1.7 million acres set to expire this fall. Over three million acres have been offered for enrollment this year across the three main categories within CRP, with FSA receiving over 26,000 offers to enroll more than 1.8 million acres during the general enrollment period, and over 4,600 offers to enroll more than one million acres in the new CRP Grasslands program.
United States Department of Agriculture  
2016 Presidential Transition  
Farm and Foreign Agricultural Services Mission Area (FFAS)  

Coming off a record-setting 2015 continuous enrollment of over 860,000 acres, more than 624,000 acres already have been accepted for 2016 in the CRP continuous enrollment, triple the pace of last year. This was the most competitive selection process in the history of the CRP program; FSA will enroll 411,000 acres in general enrollment and 101,000 acres in the new CRP Grasslands program. The continuous CRP signup includes a number of important programs and initiatives:

- Multiple wetland and duck nesting initiatives that help to improve water quality and provide habitat in the Midwest and throughout the U.S.
- Upland bird habitat initiative that gives landowners a way to use a small portion of their land to create a bird habitat while continuing to farm in the Midwest, South, and throughout the U.S.
- Longleaf pine initiative that helps to restore in the Southeast some of the most diverse forest ecosystems in the world by providing habitat for important species while also protecting soil and water quality
- State Acres for Wildlife Enhancement (SAFE) restores vital habitat to meet high-priority State wildlife conservation goals
- Highly Erodible Lands Initiative (HELI) offers a practical solution to create wildlife habitat while protecting cropland that is highly susceptible to erosion (with an erosion index over 20)
- Pollinator Habitat, which enhances honey bee and native pollinator populations throughout the country
- Conservation Reserve Enhancement Program (CREP) targets high-priority conservation concerns identified by a State, whereby federal funds are supplemented with non-federal funds to address those concerns. These partnerships range from agreements to help protect water quality, such as the one that protects the New York City drinking water supply, to those with broader wildlife and wildlife concerns from the Midwest to Hawaii.

PEANUTS

Following passage of the 2014 Farm Bill, market changes—combined with unintended consequences from the new farm bill—encouraged peanut production. These factors included softening prices for many competing crops like cotton, corn and soybeans, but also three elements of the new ARC-PLC program: 1) a separate payment limit for peanuts in addition to other commodities (peanuts has a separate $125,000 payment limit), 2) a generous reference price that resulted in substantial 2014-crop peanut PLC payments, and 3) a requirement that generic base acres be planted to a covered commodity in order to trigger a payment, which encourages peanut planting due to the relatively high reference price.

Data from USDA indicate that peanut production has indeed increased under the 2014 Farm Bill. Peanut planted acres increased 20 percent in 2015, with peanut production estimated at about 3.1 million tons, up significantly from 2014. Production in 2016 is forecast at close to 3.2 million tons.
The large supply of 2015-crop peanuts had initially led USDA to expect significant quantities of peanuts (that were placed as collateral under the Marketing Assistance Loan program) to be forfeited to the Commodity Credit Corporation (CCC) as the loans matured in the summer of 2016.

As of late September, no 2015-crop forfeitures have yet occurred. This is largely due to strong demand—particularly from China—and the resulting strong redemption rate. It is unclear whether China will be a large buyer in future years. USDA expects that with continued strong interest in peanut plantings, 2016-crop forfeitures in the summer of 2017 may again loom as a potential issue.

**SUGAR**

USDA manages the U.S. supply of sugar to maintain prices at or above support levels through domestic marketing allotments, by restricting imports and by selling to bioenergy producers if there is excess sugar in the market. USDA is mandated to operate the program at no cost to the extent practicable. Two major issues have affected the industry in 2016 and may well remain issues in 2017:

- **National Labelling Law and the Genetically Modified Beet Crop**—Virtually all of the U.S. beet crop is genetically modified (GM), and data collected by FSA indicate that the demand for beet sugar has declined relative to cane sugar (which is non-GM). This unprecedented dichotomy in the sugar market between beet and cane sugar has increased the likelihood of FY16 beet sugar loan forfeitures. The new national labelling law, which will not be fully enacted for two years, is expected to curb the movement away from beet sugar, especially by manufacturers using multiple GM inputs in their production lines who will find it too expensive to go 100 percent GM free.

- **Common Market Situation with Mexico**—Under NAFTA, Mexico was allowed unlimited duty-free access to the U.S. sugar market, which hindered USDA’s ability to control sugar supplies and resulted in large FY 2013 forfeitures. Subsequently, the U.S. filed an anti-dumping/countervailing duty (AD/CVD) case against Mexico. To avoid retaliatory tariffs, Mexico and the U.S. government in December 2014 signed two “suspension agreements.” The “AD agreement” sets minimum prices for two types of Mexican sugar (raw, which is of lower grade, and refined, which is suitable for food use) entering the United States. The “CVD agreement” set the maximum quantity Mexico may ship to the U.S. in a fiscal year and further sets the maximum quantity of refined sugar that Mexico can ship. The U.S. sugar industry is seeking to revamp these agreements, largely due to unforeseen changes in the marketplace (see below). Mexico is currently the leading foreign source of U.S. sugar, supplying almost 40 percent of total U.S. sugar imports. Any changes to the agreements will have important ramifications for the U.S. sugar industry.
DISASTER PROGRAMS

FSA administers multiple disaster programs, including the Livestock Forage Disaster Program (LFP)< Livestock Indemnity Program (LIP), the Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish (ELAP), and the Tree Assistance Program (TAP).

Disaster payments nationwide processed from 2012 to 2016, as of August 31, 2016, for Livestock Forage Program (LFP), LIP, TAP, and ELAP. A total of over $6.2 billion were issued for these programs.

USDA also expanded the Noninsured Crop Disaster Assistance Program (NAP) to include buy-up protection, similar to buy-up provisions offered under crop insurance.

FSA also administers the Emergency Conservation Program, which is available to repair conservation structures.

MARGIN PROTECTION PROGRAM for DAIRY (MPP-DAIRY)

Milk prices continue to run lower than a year ago. However, dairy price projections see an increase throughout the rest of the year; the margin for June is $5.75 per cwt, which is $0.02 per cwt lower than the May margin and $2.40 per cwt lower than June 2015. The June all-milk price increased $0.30 per cwt from May to $14.80 per cwt. Continued increases in milk production and other factors including low world market prices, increased milk supplies and inventories, and slower demand are affecting dairy prices. The trade picture for U.S. dairy producers is not optimistic. Imports were higher and exports lower in 2015 than the previous year and early results in 2016 have led to projections for another year of higher imports and lower exports. Strong increases in European milk production and slower sales into leading importers’ markets, like China, have increased competition in world markets. The strong U.S. dollar has reduced U.S. exports and encouraged U.S. imports of butter and cheese in recent months. That relationship is expected to continue through the rest of 2016. The FSA national office will mail out 2017 annual coverage election reminder postcards to MPP-Dairy program participants. Before the end of the extended annual sign-up period on December 16, 2016, a reminder letter will be mailed to dairy operations that have not enrolled.

All final USDA prices for milk and feed components required to determine the national average margin for May/June 2016 were released on July 29, 2016. Dairy producers who enrolled at the $6 through $8 margin trigger coverage level have received payments totaling approximately $11.2 million in financial assistance as of August, the largest payment since the program began in 2014.

Signup for 2017 coverage began July 1, 2016, and the signup deadline of September 30, 2016, has been extended to December 16, 2016, to encourage program participation and allow more time to make coverage elections. Dairy operations that participated in coverage year 2016 are required to participate in the MPP-Dairy program through 2018 with at least catastrophic level coverage.
FARM LOAN PROGRAMS

Three consecutive years of reduced commodity prices and farm incomes have depleted working capital, contributing to an increased demand for non-real estate credit. In the Kansas City and Chicago Federal Reserve districts, surveys of lenders indicate that demand among farm customers seeking non-real estate credit in 2016 approached levels not experienced since the 1990s. While farms overall have strong balance sheets with low debt-to-asset ratios, a majority of the farm debt is held by farms with over $500,000 in farm sales. These larger farms, which tend to be more indebted, are more likely to face liquidity constraints. Continuing declines in net cash and net farm income and modest declines in farmland values have increased loan renewals and extensions and the demand for short-term operating loans, and also led to some loan repayment problems. While overall credit conditions appear manageable, a continuation of lower farm incomes and further deterioration of farmers’ working capital will likely result increased demand for both direct and guaranteed loans.

The FY2017 budget provides funding for about a $6.7 billion loan level for direct and guaranteed loans for farm ownership, farm operating, conservation, emergency, and other farm loan programs. This is a higher level than the $6.4 billion budget for FY 2016 and $5.6 billion in actual obligations for FY2015. The FY2017 program levels will cost about $81.3 million in budget authority, which is a 17 percent increase above the $69.6 million in budget authority for FY2016. This is due in part to the increase in beginning farmer assistance and stress in select sectors of the agriculture economy. Under the continuing resolution, farm loans will be operating under a percentage of the FY2016 budget and may request an advance on the rest of the fiscal year funds.

ORGANIC CERTIFICATION COST SHARE PROGRAMS

The Organic Certification Cost Share Program (OCCSP) and Agricultural Management Assistance Program (AMA) assist certified organic operations in defraying the costs associated with organic certification. Beginning with FY2017, administration of the programs transfers to FSA from the Agricultural Marketing Service (AMS).

Under both programs, organic operations may receive up to 75 percent of their certification costs, not to exceed $750 per certification scope. The OCCSP is available to organic producers and handlers of crops, livestock and wild crops in all 50 States and several territories. The AMA is available to certified organic producers—only crop and livestock operators—in sixteen states designated by Congress.

Historically, the programs were administered through AMS under grants initiated with State Departments of Agriculture. FSA is continuing this practice in addition to now offering producers and handlers the ability to apply for OCCSP through local FSA county offices. FSA sees this initiative as complementing its work on local foods and specialty crops and broadening
its customer base. Overall, FSA has worked on expanding assistance to organic farmers and ranchers.

The cost share programs have been historically underutilized, with many eligible operations not participating. While the overall amount reimbursed to organic producers and handlers continues to increase each year, dollars remain unspent. By utilizing the FSA State and county office structure, USDA plans to increase awareness of the program through improved outreach, as well as taking advantage of operational efficiencies at the field level.

FSA will provide State Departments of Agriculture the option to continue to administer the program cooperatively, should they so choose. Program enrollment will be offered at the county and State office levels in all 50 States, working closely with any interested State cooperators to coordinate outreach efforts and to ensure proper oversight, particularly to prevent duplicate payments. FSA has demonstrated success in similar cooperative programs, such as the Conservation Reserve Enhancement Program, and it anticipates similar success with the organic certification cost share programs.

**Foreign Agricultural Services**

**CHINA ISSUES SUMMARY**

China is forecast to be our top agricultural export market in 2017, bringing in over $20 billion a year in sales. We are engaged on a number of issues in China, any of which may require senior leadership intervention during the first half of 2017. The China Strategic and Economic Dialogue (S&ED), which will take place in the United States (location TBD) in June 2017, is an appropriate forum to discuss these issues. If earlier engagement is required (which could be the case for beef market access and the China Food Safety Law), the first scheduled opportunity for new USDA leadership would be a bilateral meeting on the sidelines of the January 22 G-20 Agriculture Ministers meeting in Berlin, Germany.

- **Beef Market Access:** Progress has been made on regaining access to the Chinese beef market, but several steps are still required. If discussions continue past the November 2016 Joint Commission on Commerce and Trade (JCCT) meeting, then FAS OA and FFAS engagement with Ministry of Agriculture General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) will be critical in the first six months of 2017.

- **China Poultry:** If the proposed rule for China’s market access request for poultry is released before the end of 2016, a great deal of public discussion, Hill requests and engagement with industry/media is likely to ensue well into 2017.

- **Poultry/Avian Influenza:** China has refused to engage productively on its ban on all U.S. poultry exports, despite written and verbal requests from Secretary Vilsack, on top of repeated attempts byAPHIS to engage China technically.
Possible intervention by FFAS may be needed in early 2017 if there is no progress towards lifting the band following the November JCCT meeting in WDC

- **Biotech/Approvals and Regulatory Reform:** Continuous engagement by FFAS and applicable staff members will be needed to move China from verbal commitments to actions on biotech reforms, as well as on movement on products in the approval pipeline.

- **China Food Safety Law:** On October 1, 2015, China’s new Food Safety Law went into effect. To enforce the Law, China has drafted and implemented an unprecedented number of new food regulations. The numerous drafts of the Law and additional, newly imposed measures create great uncertainty for U.S. exporters, and new USDA leadership may need to engage with Chinese counterparts if newly enacted regulations negatively impact U.S. exports.

- **Rice Protocol** United States and China have initialed a protocol that would allow U.S. milled rice to be shipped to China, but we are awaiting final signature. Only facilities that APHIS inspects and deems compliant with the protocol would be eligible to ship to China. USDA is pushing to sign the protocol in fall 2016, when there will be multiple opportunities to engage high level Chinese officials.

### WTO LITIGATION

We are involved in several WTO disputes currently. Key cases:

- **Offensive:** China agricultural subsidies, India Avian Influenza (AI), China poultry Anti-Dumping and Countervailing Duty Measures (AD/CVD), Indonesia licensing

- **Defensive:** Country of Origin Labeling (COOL), Argentina beef

- **Brazil:** Operational policies need to be reviewed in light of recently established WTO disciplines and these will be reconciled with older more limiting disciplines related to the Brazil WTO negotiated settlement.

### ARGENTINA LEMONS RULE

An APHIS proposed rule was published on May 10, 2016 with an extended comment period through August 10, 2016 that would allow the importation of fresh lemons from a region in northwest Argentina into the continental U.S. This proposed rule is very sensitive for the U.S. citrus industry. Argentina began a formal WTO dispute over citrus and first
United States Department of Agriculture
2016 Presidential Transition
Farm and Foreign Agricultural Services Mission Area (FFAS)

requested a formation of a WTO panel in December 2012, but so far has preferred to find a technical solution rather than begin litigating the case by making the second request for a panel.

**BIOTECH.** A rapidly evolving U.S. domestic biotechnology regulatory environment has combined with trade barriers in key importers to create many challenges for U.S. exports of products of biotechnology. Initiatives are ongoing to address trade barriers in third-country import markets (e.g., China, EU), improve science-based decision making and policies globally, and ensure market access for emerging technologies.

- **TPP** This high-standard agreement opens markets and will support expansion of U.S. agricultural exports, increase farm income, generate more rural economic activity, and promote job growth. TPP Signatories include Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam – these countries represent nearly 40% of global GDP. A U.S. International Trade Commission report showed that the Trans-Pacific Partnership will increase U.S. exports by $57.2 billion annually by 2032 if TPP is passed. A report by the Farm Bureau found $8.5 billion in total additional farm receipts from the implementation of TPP ($5.8 billion for livestock, $2.7 billion for crops), and $4.4 billion in additional net farm income. In April 2016, more than 200 agricultural groups wrote House and Senate leadership citing the economic requesting approval of TPP by Congress this year. Kansas cattle, wheat, corn, sorghum, and soybean, as well as Michigan bean cattle, corn, pork, and soybean groups signed the letter. Recently, the Administration submitted the required draft Statement of Administrative Action. USTR continues work on an implementing bill for submission to Congress.

- **TTIP.** On July 12, 2013, the United States and the European Union began the first round of negotiations in pursuit of a comprehensive, trans-Atlantic free trade agreement. The EU is the world’s largest importer of agricultural products and food. TTIP negotiations are ongoing and in early October the 15th round of negotiations took place in New York.

- **ISRAEL.** The United States and Israel have an Agreement on Certain Aspects of Trade in Agricultural Products (ATAP) that has been extended several times. There are negotiations underway to develop an improved permanent agreement, including to reduce tariffs on U.S. agricultural exports.

- **CUBA.** There is much interest in strengthening ties with Cuba, but there are significant legal constraints on what we can do as a government. Our primary focus for the first half of 2017 is to work with State Department on established a USDA presence in Havana, building on work begun in 2016. If such a position is approved for placement in early 2017 and current legislation is changed to allow the use of
USG market development funds in Cuba, new USDA leadership might want to travel to Cuba in March or April to commemorate the one year anniversary of the 2016 U.S. – Cuba Memorandum of Understanding and highlight bilateral “accomplishments.”

REGIONAL, BILATERAL AND MULTI-LATERAL ENGAGEMENTS IN 2017.

- **G-20.** Germany is leading the G-20 this year and they plan on hosting a meeting of Agriculture Ministers on January 22, 2017. USDA has the lead for the United States in the planning, which can be handled at the staff level. We will need to identify a USDA head of delegation to represent at the meeting. Attendees will depend on the topic put forth by Germany in the Draft Declaration. (NOTE: The G-20 Agriculture Deputies Meeting will take place in December in Germany (location TBD).

- **U.S. – Canada Consultative Committee on Agriculture.** We have a number of technical issues with Canada that are usually discussed in this forum which is required to meet at least once, per year. The next CCA will take place in Washington, sometime between February and May.

- **G-7 Agriculture Ministerial.** This is tentatively scheduled for March – April 2017; the G-7 Ministerial is scheduled for May 26-27, 2017 in Italy.

**CANADA DAIRY.** The U.S. dairy industry has pressed for action on Canada’s dairy policies that restrict U.S. access. We are working to do everything we can to stop new trade restrictive policies from being implemented. If that fails, we are developing a WTO litigation strategy, which might be ready in early 2017.

**MEXICO SUGAR.** U.S. sugar policy is complicated in the best of times, with frequent calls from stakeholders for intervention to increase or reduce imports. The Department of Commerce is currently renegotiating terms of access for Mexico under the suspension agreement, which is adding to the complexity of overall management of the sugar program.

**MEXICO POTATOES.** Market access for U.S. potatoes has been blocked for 14 years, most recently by a series of national legal injunctions filed by Mexico’s potato industry. While gaining access is a priority, the plan for achieving this goal is evolving. USTR and APHIS have been leading on this issue.

**WTO MINISTERIAL.** The WTO will have a Ministerial meeting in November or December, and the United States is already under pressure to reform its agricultural policies. Internal strategic decisions will be made in the first half of 2017 that will shape the U.S. approach to this meeting.
AGRICULTURAL TRADE MISSIONS. ATMs proposed to Asia (ethanol only-November) and Brazil (May) are pending and additional review/analysis is needed to identify any other feasible ATMs for FY 2017.

FACILITY GUARANTEE PROGRAM
A final rule was published September 22, 2016 with request for comments. The deadline for comments is March 21, 2017. Comments need to be evaluated, and if needed, policy and regulatory changes addressed.

EXPORT CREDIT GUARANTEE PROGRAM (GSM) OUTREACH
Office of Trade Programs Credit Operations staff will continue to conduct outreach to new foreign and domestic banks to expand GSM registrations.

MARKET DEVELOPMENT PROGRAM ALLOCATIONS
FY 2017 program applications were submitted in May 2016, were reviewed and funding recommendations made in September. Program funding announcements for FY 2017 Market Access Program (MAP), Foreign Market Development Program (FMD), Emerging Markets Program (EMP), Technical Assistance for Specialty Crop Program (TASC) and Quality Samples Program (QSP) funds, will begin in October 2016, and programs with rolling applications will continue to be allocated through summer 2017.

GLOBAL FOOD SECURITY ACT (GFSA)
Passed on July 20, the Strategy is due to Congress October 1, 2016. USDA has played a major role in the development of the whole-of-government strategy and the indicators for success. USDA needs a lead agency to coordinate and synthesize all of USDA’s programs. FAS plays that role, which at times requires a high-level, political entity.

SUSTAINABLE DEVELOPMENT GOALS (SDGS)
Since the passage of the SDGs in 2015, governments, international organizations, private voluntary organizations and agricultural think tanks are aligning their strategies to fulfill these high level, but loosely defined goals (e.g., “life on earth” and “climate action.”). Many of the goals relate to agriculture, food security or other areas where USDA has jurisdiction, and FAS, as the lead international agency, has to coordinate USDA’s input.

TRADE CAPACITY BUILDING
Alongside the agenda of passing trade laws, FAS is heavily involved in advancing the capacity of countries to meet their international commitments. Acts such as the African Growth and Opportunity Act specifically commit the U.S. government to helping the member countries strengthen their SPS systems.
GAO and OIG Audits

**FAS**

- In its February 6, 2014, audit report on the “Section 632(a) Transfer of Funds from USAID to USDA for Afghanistan” (50601-0002-16), OIG recommended that FAS fully implement a formal monitoring and evaluation process and a grants management structure, and implement the recommendations outlined in a 2010 Acuity consulting firm review. This report can be found on the USDA OIG’s website at [http://www.usda.gov/oig/webdocs/50601-0002-16.pdf](http://www.usda.gov/oig/webdocs/50601-0002-16.pdf).

- In its March 28, 2013, audit report on the “Effectiveness of the Foreign Agricultural Service’s Recent Efforts to Implement Measurable Strategies Aligned to the Department’s Trade Promotion and Policy Goals” (50601-0001-22), OIG found that the measurable goals and objectives included in FAS’s Strategic Plan do not present the whole picture of how FAS’s actions are affecting the global market for American agricultural goods, and that FAS has not updated its Country Strategy Statements, USDA’s Global Market Strategy, or the corresponding performance measures in the Department's Performance and Accountability Report to align with the goals and objectives contained in the FAS Strategic Plan. This report can be found on the USDA OIG’s website at [http://www.usda.gov/oig/webdocs/50601-0001-22.pdf](http://www.usda.gov/oig/webdocs/50601-0001-22.pdf).

**FSA**

- Farm Program Modernization: Farm Service Agency Needs to Demonstrate the Capacity to Manage IT Initiatives

- USDA Farm Programs: Farmers Have Been Eligible for Multiple Programs and Further Efforts Could Help Prevent Duplicative Payments

- International Food Aid: Better Agency Collaboration Needed to Assess and Improve Emergency Food Aid Procurement System

- Farm Programs: Changes Are Needed to Eligibility Requirements for Being Actively Involved in Farming
• Farm Programs: Additional Steps Needed to Help Prevent Payments to Participants Whose Incomes Exceed Limits

• Farm Programs: USDA Needs to Do More to Prevent Improper Payments to Deceased Individuals

• Food Assistance: Briefing on U.S. Department of Agriculture's Food Assistance Procurement Process

• Disaster Assistance: USDA and SBA Could Do More to Help Aquaculture and Nursery Producers


• Farm Service Agency Livestock Forage Program, issued December, 2014.

• Farm Service Agency Noninsured Crop Disaster Assistance Program, issued October 2014.

• Fiscal Year 2012 Farm Service Agency Farm Assistance Program Payments, issued July, 2013.
United States Department of Agriculture
2016 Presidential Transition
Farm and Foreign Agricultural Services Mission Area (FFAS)


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United States Department of Agriculture
2016 Presidential Transition
Farm and Foreign Agricultural Services Mission Area (FFAS)


United States Department of Agriculture
2016 Presidential Transition
Farm and Foreign Agricultural Services Mission Area (FFAS)

WHO WE ARE: OUR MISSION AREA

Food, Nutrition and Consumer Services works to harness the Nation’s agricultural abundance to end hunger and improve health in the United States. The Food and Nutrition Service (FNS) administers federal domestic nutrition assistance programs and the Center for Nutrition Policy and Promotion (CNPP) links scientific research to the nutrition needs of consumers through science-based dietary guidance, nutrition policy coordination, and nutrition education.

WHO WE ARE: OUR WORKFORCE

- FNS currently has almost 1,600 employees located in the national office in Alexandria, VA and seven regional offices.
- CNPP has 29 staff located in Alexandria, VA.

WHO WE SERVE: OUR CONSTITUENTS

FNCS provides evidence-based dietary recommendations for all Americans over two. In addition, FNCS programs serve about 1 in 4 Americans who participate in 1 or more of the 15 domestic food and nutrition programs that provide children and needy families better access to food and a more healthful diet.

KEY UPCOMING DECISIONS

- FNS will need to begin the process of implementing two SNAP rules finalized in late 2016: photo EBT and enhanced retailer standards.
- FNCS’ lease for its Headquarters in Alexandria, Va., is set to expire in May 2017. Estimates for either renovation of the current space or for relocation to a new space total about $18 million.

BUDGET HIGHLIGHTS FY 2016

- Total FNCS budget authority is $110b, of which 94% is mandatory.
- SNAP benefits continue to decrease due to over 1m fewer participants in FY 2016. As of 9/1/2016, SNAP benefits are on track to total $2b less than FY 2015.
- CNPP funds are provided through the FNS Nutrition Programs Administration Account (3.29% of the account).
United States Department of Agriculture
2016 Presidential Transition
Food, Nutrition and Consumer Services Mission Area (FNCS)

I. Organizational Overview

Organizational Chart

Food, Nutrition, and Consumer Services Undersecretary

Food and Nutrition Service Administrator
- Office of Chief Communications Officer
- Civil Rights Division
- Senior Policy Advisor

Office of Strategic Initiatives
- Administrative Support Unit

Center for Nutrition Policy and Promotion (CNPP) Executive Director
- Deputy Director

Office of Nutrition Guidance and Analysis
- Office of Nutrition Marketing and Communications

Chief Operating Officer (COO)
- Regional Operations and Support (ROS)
- Supplemental Nutrition Assistance Program (SNAP)
- Supplemental Nutrition & Safety Programs
- Child Nutrition Programs
- Office of Policy Support

Deputy Administrator for Management
- Retailer Operations Division
- Emergency Management
- State Systems Office
- Seven Regional Offices

Office of Information Technology

Office of Financial Management

Under Secretary - Kevin Concannon (political)
Deputy Under Secretary - Kathryn Wilson (political)
Chief of Staff – Kumar Chandran (political)
Executive Assistant – Donna Browne (career)
Executive Assistant – Chatavia Young (career)
Special Assistant – Rachel Polon (career)
United States Department of Agriculture  
2016 Presidential Transition  
Food, Nutrition and Consumer Services Mission Area (FNCS)  

Biographies for career and political staff in key leadership positions  

**Kevin W. Concannon**  
**Under Secretary for Food, Nutrition and Consumer Services**  
202-720-7711, Kevin.Concannon@osec.usda.gov  

Kevin W. Concannon was nominated by President Obama and Secretary Vilsack and confirmed by the U.S. Senate in July 2009 to serve as Under Secretary for Food, Nutrition and Consumer Services (FNCS) in the United States Department of Agriculture (USDA).  

Under Secretary Concannon has had a lengthy and distinguished career in public service. Over the past 25 years, he has served as Director of State Health and Human Services departments in Maine, Oregon, and Iowa. He has led FNCS during the deepest economic recession in 70 years while promoting better access to anti-hunger programs, implementing stronger nutrition science-based meal and food package programs in WIC and child nutrition, supporting improved administration and staffing, and elevating nutrition education and job training through SNAP.  

He has served in a number of national organizations, including serving as President of the American Public Welfare Association, President of the National Association of State Mental Health Program Directors, trustee of the American Public Human Services Association, and a board member of the American Humane Association.  

He has received a number of awards, including the Lifetime Human Services Award from the American Public Human Services Association in 2007, 2012 Catholic Charities USA Keep the Dream Alive Award, 2012 National WIC Association Leadership Award, and 2015 Board Award from the Congressional Hunger Center.  

He is a native of Portland, Maine, and a graduate of Saint Francis Xavier University, Nova Scotia with both Bachelor of Arts and Master of Social Work degrees. He has continued his studies at the University of Southern Maine and the University of Connecticut Graduate School of Social Work. He was awarded a Doctor of Laws Degree *honoris causa* by Saint Francis Xavier University in 2013.  

Concannon has taught graduate courses at the University of Connecticut, Portland State University, Oregon, and the University of Iowa as Adjunct Professor of Social Work.  

**Dr. Katie Wilson**  
**Deputy Under Secretary for Food, Nutrition and Consumer Services**  
202-720-7711, Katie.Wilson@osec.usda.gov  

Deputy Under Secretary Wilson has a passion for child nutrition and has dedicated her career to improving nutrition program access to all children as well as ensuring the offering of quality food throughout those programs. She has spent 23 years as a school nutrition director in three public schools districts in Wisconsin and five years as the Executive Director for the National Food Service Management Institute and assistant professor at the University of Mississippi.
She served as president of the School Nutrition Association in 2008-2009 and has shared her expertise domestically and internationally as a board member, invited speaker, guest lecturer, professor of record, and/or peer reviewer for numerous allied organizations, industries, and colleges and universities in the field of nutrition, child health, and food service management. Dr. Wilson has also served on the LaCrosse, Wisconsin (WI) Habitat for Humanity board.

Deputy Under Secretary Wilson holds a Bachelor’s of Science Degree in Dietetics from the University of WI–Stout, a Master’s Degree in Food Science and Nutrition from the University of WI–Stout, and a Doctoral Degree in Foodservice and Lodging Management from Iowa State. She is also credentialed as a School Nutrition Specialist.

Wilson has received peer-nominated awards throughout her career, these include the 1995 WI School Nutrition Director of the Year Award, 1998 FAME Special Achievement Award, USDA Best Practice Awards, Bulls Eye School Nutrition Marketing Awards, 2010 WI Star Advocate, and the 2014 FAME Friend of Child Nutrition Award.

Audrey Rowe
Administrator for the Food and Nutrition Service (FNS)
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Audrey Rowe is the Administrator for the Food and Nutrition Service (FNS) at the U.S. Department of Agriculture (USDA) in Washington, D.C. FNS provides children and needy families with better access to food and a more healthful diet through its 15 nutrition assistance programs and nutrition education efforts.

She brings to the Federal government over 20 years of experience in human services policy development, fiscal management, program design, service delivery and marketing with a particular focus on vulnerable populations, low income women, children and youth.

Previously, Rowe served as Deputy Administrator for Special Nutrition Programs at FNS, leading the effort to pass the Healthy, Hunger-Free Kids Act of 2010, the legislative centerpiece of First Lady Michelle Obama’s Let’s Move! initiative to end childhood obesity in a generation.

Rowe has extensive experience working on issues related to FNS programs. Her leadership has included roles as Human Resources Administrator in New Haven, Connecticut, and Social Services Commissioner for the State of Connecticut and the District of Columbia. In addition, she served as Executive Vice President and Chief Operating Officer for the National Urban League.

In private industry, Rowe served as Senior Vice President and Managing Director for the Children and Family Services division for Affiliated Computer Service (ACS), formerly Lockheed Martin IMS. In this capacity, she spearheaded industry leadership in the realms of child support payment processing and enforcement and the electronic dissemination of public assistance benefits, including implementing Electronic Benefit Transfer (EBT) programs in over 20 states. Additionally, Rowe was appointed Senior Vice President for Public Affairs where she
managed the corporation’s government relations, philanthropy and community relations programs.

Rowe is a graduate of Federal City College and was a fellow at the John F. Kennedy School of Government Institute of Politics at Harvard University.

Angela Tagtow, MS, RD, LD
Executive Director, Center for Nutrition Policy and Promotion
703-305-7600, Angela.Tagtow@cnpp.usda.gov

Appointed in July 2014, Angela Tagtow is the Executive Director for the Center for Nutrition Policy and Promotion (CNPP) at the U.S. Department of Agriculture (USDA) in Washington, D.C. CNPP works to improve the health and well-being of Americans by developing and promoting dietary guidance that links scientific research to the nutrition needs of consumers. Specifically, the Center oversees the state-of-the-art systematic nutrition research reviews of the Nutrition Evidence Library, population-based nutrition and economic analyses, the Dietary Guidelines for Americans, the national iconic symbol for healthy eating MyPlate and consumer-based nutrition education resources, and innovative digital tools for consumers. As a registered dietitian, Tagtow brings to the Federal government almost 25 years of experience in food and nutrition policy, public health nutrition, surveillance systems, research, professional and consumer communication, social marketing, training and education.

Tagtow holds a M.S. degree in Family and Consumer Sciences Education from Iowa State University and a B.A. degree in Dietetics and Chemistry from the University of Northern Iowa.

Telora T. Dean
Associate Administrator and Chief Operating Officer
703-305-2062, Telora.Dean@fns.usda.gov

Telora T. Dean is the Associate Administrator and Chief Operating Officer (AA/COO) for USDA’s Food and Nutrition Service (FNS). Dean shares full responsibility with the Agency’s Administrator for the development, design, operation and improvement of the strategies and systems that create and deliver the Agency’s programs and internal/external services through a $100B program and operations portfolio. As the AA/COO, she ensures the proper balance between efficiencies, effectiveness and results and creates maximum value for customers, stakeholders and taxpayers.

Prior to becoming the AA/COO, Dean served as the Deputy Administrator for Management. In that role, she was the executive lead for the Office of Management (OM) and effected a unified operation to deliver outstanding administrative services. She managed the full complement of components comprising FNS’ management operations—Human Resources, Acquisition Management, Logistics and Facilities Management, Information Systems and Employee Engagement Initiatives.
Prior to joining FNS, Dean provided executive leadership to a number of USDA agencies. As the Farm and Foreign Agricultural Service’s Chief Human Capital Officer, she was responsible for the overall administration, coordination and evaluation of human resource functions for three mission area agencies, supporting a customer base of over 16,000 employees nationally and abroad. During her tenure as Rural Development’s Acting Deputy Administrator for Management, Dean was an executive principal in providing direction and oversight to a $628M annual budget and a $38B loan portfolio to support efficient program delivery and services to rural America.

Dean holds a bachelor’s degree from Alabama Agriculture and Mechanical University and a master’s degree from Marymount University. She counts Harvard University, American University and the Brookings Institution as organizations in her accomplished executive toolkit.

**Yvette Jackson**  
Associate Administrator for Regional Operations and Support  
703-305-2064, [Yvette.Jackson@fns.usda.gov](mailto:Yvette.Jackson@fns.usda.gov)

Yvette Jackson is the Associate Administrator for Regional Operations and Support for USDA Food and Nutrition Service (FNS). As Associate Administrator, she is responsible for seven Regional Offices and three offices at FNS Headquarters. The Regional Offices provide oversight of program operations and technical assistance to State and local partners who administer the Agency’s 15 nutrition assistance programs. The Headquarters Offices are responsible for retailer management, coordinating disaster relief during local and national emergencies, and providing oversight of state computer systems implementation. Collectively, Jackson is responsible for about 57% of the Agency’s workforce.

Prior to her appointment as Associate Administrator, Jackson served as the Regional Administrator for the Mid-Atlantic Regional Office of FNS.

Jackson brings over 35 years of experience with Federal and State agencies including the Social Security Administration, where she served as the Deputy Commissioner for Finance, Assessment and Management and the Chief Financial Officer; and the Pennsylvania Department of Public Welfare, where she served in several senior executive positions, including Deputy Secretary for Income Maintenance Programs.

Jackson formerly served as both the FNS Administrator and the Deputy Administrator for the Food Stamp Program, where she was instrumental in preserving the national nutrition safety net during welfare reform. In addition to her extensive public service experience, she was the National Health and Human Services Practice Lead for BearingPoint, a global IT and business consulting firm that provided services to Federal, State and local human service agencies.

She holds a Bachelor of Social Welfare from Temple University and a Master of Social Work from Rutgers University.
Jessica Shahin
Associate Administrator for Supplemental Nutrition Assistance Program
703-305-2022, Jessica.Shahin@fns.usda.gov

Jessica Shahin is the Associate Administrator for Supplemental Nutrition Assistance Program (SNAP) (formerly known as the Food Stamp Program) for USDA’s Food and Nutrition Service (FNS).

Shahin has over 20 years of experience with SNAP at the State and Federal levels. She served on the original Texas Electronic Benefit Transfer Team as Director of Information Management for the Department of Human Services, was Executive Assistant to the Deputy Commissioner for client self-support programs and was later named Director of Interagency Policy for the agency’s Office of Government Relations. In this capacity, she developed an expertise for effective integration of various human service programs in both policy and management.

Beginning in January 2004, Shahin served as Acting Associate Administrator and Deputy Associate Administrator for the Food Stamp Program/SNAP. She became Associate Administrator for SNAP in January 2009.

Shahin received a master’s degree in Social Work from the University of Texas at Austin and taught public policy for several years as an adjunct professor at the school.

Diane M. Kriviski
Deputy Administrator for Supplemental Nutrition and Safety Programs
703-305-2052, Diane.Kriviski@fns.usda.gov

Diane M. Kriviski is the Deputy Administrator for the Supplemental Nutrition and Safety (SNAS) Programs for USDA’s Food and Nutrition Service (FNS). She is responsible for administration of USDA’s food distribution programs including USDA Foods for school lunches, the Food Distribution Program on Indian Reservations, the Commodity Supplemental Food Program, and the Emergency Food Assistance Program. Kriviski is also responsible for USDA’s Supplemental Food Programs Division including the Special Supplemental Nutrition Program for Women, Infants and Children (WIC); WIC and Senior Farmers’ Market Nutrition programs; and the Office of Food Safety. These programs are part of the nutrition safety net that FNS provides to children and needy families through better access to food, a more healthful diet, and nutrition education.

Kriviski has served FNS for over 30 years at all levels of the organization. Early in her career, she worked with various FNS programs while in the Child Nutrition Division and Food Distribution Division as a grant officer, assisting in the creation of the Senior Farmers’ Market Nutrition Program and awarding of the first grants to help implement WIC EBT.

Kriviski has also held key positions in Financial Management, serving as Acting Chief Financial Officer and Budget Officer, as well as Deputy Budget Officer. In that capacity, she provided leadership in the development and submission of the FNS annual fiscal budget for its 15 nutrition
Cindy Long
Deputy Administrator for Child Nutrition Programs
703-305-2054, Cindy.Long@fns.usda.gov

Cindy Long is the Deputy Administrator for Child Nutrition Programs (CN) for USDA’s Food and Nutrition Service. She is responsible for all aspects of Federal administration of the Child Nutrition programs, including the National School Lunch Program, School Breakfast Program, Child and Adult Care Food Program, Summer Food Service Program, and the Fresh Fruit and Vegetable Program. These programs provide over $20B in nutrition assistance to children and families. In this role she has led FNS’ implementation of the Healthy, Hunger-Free Kids Act, the most significant restructuring of these programs in decades and a legislative centerpiece of the Administration’s nutrition initiatives. She has also led a major restructuring of Child Nutrition program staff and resource management.

Long has served FNS in various positions since joining the agency in 1991. Prior to joining the Child Nutrition programs in 2008, she served in the Office of Analysis, Nutrition and Evaluation (now known as OPS) providing leadership to FNS research and analysis efforts in support of all of the domestic nutrition assistance programs. She began her Federal government career in 1988 with the Office of Management and Budget.

Long possesses a MPA in Public Policy and Economics from Princeton University’s Woodrow Wilson School of Public and International Affairs, and a BA in Economics from the University of Notre Dame.

Richard Lucas
Deputy Administrator for Policy Support
703-305-2017, Richard.Lucas@fns.usda.gov

Richard Lucas is the Deputy Administrator for Office of Policy Support (OPS) for USDA’s Food and Nutrition Service (FNS). In that capacity, he is responsible for research and analysis that informs policymaking for, and management of, the Federal nutrition assistance programs. These programs, including the Supplemental Nutrition Assistance Program (SNAP), the school meals programs, and the WIC program, are currently budgeted at over $100 billion annually and serve one in four Americans in the course of a year.

Lucas’s team in OPS includes professionals from a wide range of disciplines, including economists, statisticians, program evaluators, sociologists, and nutritionists. They work closely with policymakers and program officials to find answers to critical questions to make nutrition assistance programs more effective; estimate cost and participation impacts of legislative, budgetary and regulatory changes; evaluate the impacts of programs and program components on
food security, diet quality, and other outcomes; analyze extant data to better target strategies and track performance; and demonstrate and test potential program improvements.

Lucas has worked at FNS since 1994 and holds degrees from Brown University and Stanford University.

Cristina Chiappe
Deputy Administrator for Management
703-305-2030, Cristina.Chiappe@fns.usda.gov

Cristina Chiappe serves as the Deputy Administrator for Management for USDA’s Food and Nutrition Service (FNS). She oversees all aspects of human capital management, acquisition management, operations and facilities, and information management in an agency with an annual budget of $110 billion.

Chiappe came to FNS from USDA’s Rural Development (RD) in January of 2015 as part of a developmental assignment for the Senior Executive Service (SES) Candidate Development Program (CDP) to serve as Director of Human Resources, Deputy Chief Information Officer, Associate Deputy Chief Financial Officer, and as Chief Staff Officer to the Chief Operating Officer. She also served with 23 other Federal executives as the USDA representative on the White House Advisory Council on SES Reform, which resulted in the 2016 Executive Order: “Strengthening the Senior Executive Service.”

At RD, Chiappe served on various leadership roles in operations and management for RD and Departmental Management. As the Chief of Staff in the Rural Housing Service (RHS), she provided direct oversight in the daily operations of an agency with an annual program funding of $26B, an annual administrative budget of $30M, and a Centralized Servicing Center with a loan portfolio of $100B. As the Director of Program Support, she led the centralization of RD’s technical support functions and the centralization of the Single-Family Housing guaranteed loan program which strategically leveraged staff resources and infused $60B of capital into rural America. Additionally, Chiappe has served as Senior Policy Advisor in the Rural Housing Service, Special Assistant to the Assistant Secretary for Civil Rights, and Special Assistant to the Assistant Secretary for Administration.

In addition to the SES CDP, Chiappe has completed the Federal Executive Institute, American University’s Executive Leadership Program and Harvard Law School’s Program on Negotiation for Executives. She holds a B.A. and M.Ed. from the University of Virginia.

David G. Burr
Chief Financial Officer
703-605-3220, David.Burr@fns.usda.gov

David Burr is the Chief Financial Officer (CFO) for USDA’s Food and Nutrition Service (FNS). He was named FNS’ CFO in September of 2011. In this capacity, he is responsible for
United States Department of Agriculture
2016 Presidential Transition
Food, Nutrition and Consumer Services Mission Area (FNCS)

overseeing the administration and ensuring the fiscal integrity of approximately $110B in program grants and $400M in administrative funding.

The majority of Burr’s Federal career has been with FNS. In June 2010, he was the Director of the Program Accountability and Administration Division of the Supplemental Nutrition Assistance Program (SNAP). Prior to assuming this position, for approximately 10 years, he served as FNS’ Budget Director where he coordinated budget formulation and execution, as well as program data administration for all of the domestic nutrition assistance programs. Burr began his career with FNS as an economist, developing program participation and cost forecasts primarily in support of financial management. Before joining FNS, he served as an operation research analyst with the Naval Air Systems Command for four years.

Burr is a graduate of West Virginia University and studied economics at the graduate level at Virginia Polytechnic Institute and State University.

Kimberly Jackson
Chief Information Officer
703-605-4318, Kimberly.Jackson@fns.usda.gov

Kimberly Jackson is the Chief Information Officer (CIO) for USDA’s Food and Nutrition Service (FNS). Jackson manages and executes a $60M infrastructure and operations and maintenance budget with over 62 Federal staff years supporting the FNS vision of ending hunger and improving nutrition in America.

As CIO, Jackson leads forward-thinking and innovative strategic technology planning and operational delivery, providing value to FNS customers and stakeholders through technology services and mission-enabling capabilities. Jackson positions FNS to achieve mission success through delivery of cost effective emerging technologies, and strategic procurement of hardware, software, and solutions.

Prior to becoming CIO, Jackson served as the Chief Technology Officer (CTO) for the Office of Biometric Identity Management (OBIM) in the DHS National Protection and Programs Directorate (NPPD). As CTO, she served as OBIM’s senior IT official working to ensure compliance with Federal policy related to IT systems management, enterprise architecture, and data management. Jackson leveraged emerging technologies to recommend improvements to major enterprise applications, identify tools to optimize IT system performance, and develop and promote collaborative/joint technology solutions to improve services to enhance mission effectiveness.

Jackson is a graduate of the DHS SES Candidate Development Program, a DHS Level III Program Manager, a certified Project Management Professional® and a graduate of the Federal Executive Institute. She holds a Master of Business Administration from the University of Maryland and a Bachelor of Arts from the University of Virginia.
Robin D. Bailey Jr.
Regional Administrator, Southeast Regional Office
404-562-1800, Robin.Bailey@fns.usda.gov

Robin D. Bailey Jr. has over 29 years of faithful service to America in various senior levels in the Department of the Air Force and the U.S. Department of Agriculture. As USDA’s Food and Nutrition Service (FNS) Regional Administrator for the Southeast (SERO), he provides executive direction and leadership while orchestrating the execution of all 15 Federal nutrition programs, which provide annual benefits in excess of $25 billion through cooperating State agencies in Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina and Tennessee.

Bailey most recently served as Deputy Administrator for Management and Information Technology for FNS in the National Office. In this role, he provided executive oversight of Information Technology, Human Resources, Contract Management, Logistics and Facility Services. Prior to FNS, he served as Director of Human Resources Management, U.S. Forest Service, in Albuquerque, New Mexico, where he led over 600 personnel who provided Human Resources Management policy and operational services for approximately 50,000 permanent, temporary and seasonal employees.

Bailey is an Air Force veteran and served as an Air Force Civilian in a wide range of leadership positions, including the Civilian Deputy and Staff Director to the 96th Air Base Wing Commander, Eglin Air Force Base, Fla. In this capacity, he co-led more than 5,000 men and women in providing essential base operating support and services for more than 20,000 personnel, six wings, and 50 associate units at the Department of Defense’s largest installation.

Bailey holds a Master of Arts in Communication from the University of Oklahoma. He was selected as a member of the Senior Executive Service in 2009 and appointed by the Secretary of Agriculture as an Executive Resources Board Member in 2013.

Darlene L. Barnes
Regional Administrator, Mountain Plains Regional Office
303-844-0300, Darlene.Barnes@fns.usda.gov

Darlene Barnes was named Regional Administrator for USDA’s Food and Nutrition Service (FNS) Mountain Plains Region (MPRO) in February 2004, after serving as Deputy Regional Administrator since June 1998.

As Regional Administrator, Barnes oversees administration of the nutrition assistance programs in a 10-state region comprising Colorado, Iowa, Kansas, Missouri, Montana, Nebraska, North Dakota, South Dakota, Utah and Wyoming. Located in these states are 30 tribal organizations that she works with to administer the Federal nutrition assistance programs. Barnes manages a staff of 110 FNS employees and provides leadership, oversight and technical assistance for a budget of over $6.5B annually.
Her USDA career began in 1976 with the Rural Electrification Administration. She then continued with the Department at the National Information Technology Center and the Animal and Plant Health Inspection Service (APHIS). Barnes joined FNS in 1990, in governmental and public affairs at the National Office. Under her leadership, FNS’ Public Affairs staff won the Public Relations Society of America’s 1997 Silver Anvil Award for its Team Nutrition grassroots information campaign.

Barnes studied communications at Northern Virginia Community College, the University of Maryland and Colorado State University. She is a graduate of the Federal Executive Institute’s senior leadership program, “Leadership for a Democratic Society.” She helped sponsor the Excellence in Government Awards program, which recognizes public servants at the Federal, State and local levels.

Barnes is an avid volunteer with nutrition assistance organizations and, in June 2012, received the USDA “Unsung Hero” award from Secretary Tom Vilsack, who characterized the honorees as “excellent representatives of the 100,000 USDA employees.”

She has been a member of Hunger Free Colorado and provided leadership for the first Hunger Summit in Colorado. She is the former chair and current executive committee member of the Colorado Federal Executive Board.

Patricia Dombroski
Regional Administrator, Mid-Atlantic Regional Office
609-259-5025, Patricia.Dombroski@fns.usda.gov

Patricia Dombroski is the Administrator of USDA’s Food and Nutrition Service (FNS) Mid-Atlantic Region (MARO). In that capacity, she provides leadership for 15 domestic nutrition assistance programs in six states, the District of Columbia, Puerto Rico and the Virgin Islands. Benefit and administrative funds for MARO nutrition programs exceed $12 billion and reach close to 30 million people each month.

Prior to her current position, Dombroski served as Deputy Regional Administrator for MARO. Dombroski has had the unique opportunity to direct all of the Agency’s assistance programs throughout her tenure with FNS. She has served as MARO Director of the WIC Program, the Food Stamp Program (now known as the Supplemental Nutrition Assistance Program) and the Special Nutrition Programs. Dombroski also led the agency’s largest field office, managing more than 15,000 food stamp retailers and the Federally-operated Summer Food Service Program in the state of New York.
Tim English
Regional Administrator, Midwest Regional Office
312-353-6663, Tim.English@fns.usda.gov

Tim English is the Regional Administrator of the Midwest Region (MWRO) of USDA’s Food and Nutrition Service (FNS). Under his leadership, MWRO provides oversight of program operations and technical assistance to State and local partners who administer the Agency’s 15 nutrition assistance programs. He oversees the administration of these Federal nutrition assistance programs with nutritional benefits and services valued at over $15 billion in Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin. English commits his talents and energies to creating positive change in programs serving our nation’s most vulnerable low income families and elderly.

Prior to his appointment as Regional Administrator, English served as Deputy Regional Administrator from June 2010 to January 2013, providing leadership in program operations. From March 2003-June 2010, he served as MWRO Supplemental Nutrition Assistance Program (SNAP) Director and was responsible for overseeing SNAP operations in the Midwest region.

He is a graduate of Northern Illinois University, as well as a graduate of the American University School of Public Affairs Key Executive Leadership Certificate Program in Washington, D.C.

William E. Ludwig
Regional Administrator, Southwest Regional Office
214-290-9800, Williams.Ludwig@fns.usda.gov

William “Bill” Ludwig is the Regional Administrator of USDA’s Food and Nutrition Service’s (FNS) Southwest Region (SWRO). He oversees 15 Federal nutrition assistance programs in Arkansas, Louisiana, New Mexico, Oklahoma, Texas and 26 tribal organizations with a regional budget of nearly $14 billion.

His mission is to ensure that children throughout the region have access to safe, nutritious and balanced meals. Ludwig is a strong advocate of partnerships, which he believes are critical to accomplishing the region’s mission of reaching the youngest and most vulnerable populations.

During his tenure, Ludwig has built a solid network of more than 300 partner organizations at the Federal, State, Tribal and local levels. These connections have resulted in a greater awareness of FNS’ programs and have generated a variety of innovative ways to provide healthy food to families and children at-risk of hunger.

Ludwig believes in leaning forward and stretching across barriers to help those in need, whether they are in an urban or rural community, through programs such as the WIC/Medical Model, the Community Eligibility Program, the Summer Food Service Program and Mobile Farmers Markets.
Staying connected is important to the business of fighting hunger, so in conjunction with his travel throughout the region, he and his team have developed creative ways to keep their audiences informed through social media, e-newsletters and partner calls.

Ludwig earned his Bachelor of Arts from Louisiana State University and Master’s in Business Administration from Louisiana Tech University.

Jesus Mendoza Jr.
Regional Administrator, Western Regional Office
415-705-1337, Jesus.Mendoza@fns.usda.gov

Jesus Mendoza Jr. serves as the Regional Administrator for USDA’s Food and Nutrition Service (FNS), Western Regional Office (WRO). In this capacity, Mendoza provides leadership, oversight and technical assistance for 15 Federal nutrition assistance programs operating within eight states (Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, and Washington) three territories (American Samoa, Commonwealth of the Northern Mariana Islands, and Guam) and 35 tribal organizations. Mendoza leads a 88 person staff and oversight of a budget exceeding $20 billion.

Mendoza began his career with FNS Western Regional Office in 2002 as a Program Specialist with the Special Nutrition Programs (SNP) and served as SNP Section Chief and Regional Director and Deputy Regional Administrator prior to his current position. Before joining the Agency, Mendoza served as Program Officer for International Planned Parenthood and worked for the World Wildlife Fund, Latin America and Caribbean Region offices. Mendoza also served in the Peace Corps in Ecuador and Morocco and in the U.S. Army.

Mendoza earned a Bachelor’s degree in Political Science from Southwest Texas State University and Master’s degree in International Development Project Management from Clark University in Worcester, Mass.

Kurt Messner
Regional Administrator, Northeast Regional Office
617-565-3670, Kurt.Messner@fns.usda.gov

Kurt Messner is the Regional Administrator for USDA’s Food and Nutrition Service (FNS), Northeast Regional Office (NERO). In this role, he is responsible for the implementation of the Agency’s 15 nutrition assistance programs throughout the Northeast Region, which include the six states of New England and the state of New York. Working in partnership with State and local organizations and providing technical assistance to these partners, NERO oversees the administration of the full range of FNS programs.

Messner began his career at FNS as the Director of Financial Management at NERO in 2007. In that role, he was responsible for fiscal oversight of FNS programs, and administrative and organizational support. Before joining FNS, Messner served as the Regional Director of Operations and the Deputy Regional Director for Housing with the U.S. Department of Housing and Urban Development (HUD) in Boston. Messner was appointed Deputy Regional
Administrator for NERO in May 2013 and served as Acting Regional Administrator beginning in May 2014.

Messner has been nominated for two Excellence in Government Awards from the Greater Boston Federal Executive Board – in 1995 as a member of a team recognized for their work with workforce planning and development, and again in 2001 for Federal Employee of the Year. Messner received a HUD Secretary Representative’s award in 2001 for outstanding achievement and contribution to the Agency’s mission; and in 2006 he received a Massachusetts Governor’s Special Recognition Award for his contributions to the Gulf Relief efforts related to Hurricane Katrina.

Messner holds a B.S. in Business Management and M.B.A. from Regis University. He has also completed the Executive Leadership Program at Harvard University’s Kennedy School of Government.

Overview of Agency Programs and Operations

The Food, Nutrition and Consumer Services (FNCS) works to harness the Nation's agricultural abundance to end hunger and improve health in the United States. Its agencies administer federal domestic nutrition assistance programs and the Center for Nutrition Policy and Promotion, which links scientific research to the nutrition needs of consumers through science-based dietary guidance, nutrition policy coordination, and nutrition education. FNCS achieves this through its two agencies: the Food and Nutrition Service and the Center for Nutrition and Policy Promotion.

The Food and Nutrition Service (FNS) works with partners to provide food and nutrition education to people in need in a way that inspires public confidence and supports American agriculture.

In pursuit of its mission, FNS executes an annual Agency Priorities Plan consisting of multi-year goals and current year objectives that align to our Agency Priorities. FNS uses these objectives as the basis for a corporate priority-setting process that promotes focused and effective management of scarce administrative resources to key initiatives.

FNS’ ongoing responsibilities and performance objectives are captured in USDA’s Strategic Plan 2014-2018. The FNS Agency Priorities Plan (APP) uses USDA’s Strategic Goals 4 and 5 as an organizing structure and consists of multi-year goals and current year objectives that align to the Agency Priorities, support the Department’s Strategic plan, and comply with the Government Performance and Results Modernization Act of 2010 (GPRAMA). The operational foundation for the FNS plan consists of five organizing priorities.

- **Agency Priority 1: Help Americans Eat Smart and Maintain a Healthy Weight**
  FNS works to support and encourage healthful diets through science-based guidance and strong nutrition standards and education.
Areas of focus include: increases in the average Healthy Eating Index; Healthy People 2020 Health Indicators; Healthy eating and healthy weight program measures; Implementation of the Agricultural Act of 2014 and the Healthy, Hunger-Free Kids Act of 2010 (HHFKA) provisions; Implementation of nutrition education and obesity prevention strategies; and communication and promotion strategies that support the overall priorities.

The Center for Nutrition Policy and Promotion (CNPP) works to improve the health and well-being of Americans by developing and promoting dietary guidance that links the best evidence-based scientific research to the nutrition needs of consumers.

CNPP carries out its mission to improve the health of Americans by: serving as the Federal authority on evidence-based food, nutrition and economic analyses that inform policy and programs; translating science into actionable food and nutrition guidance for all Americans; and leading national communication initiatives that apply science-based messages to advance consumers’ dietary and economic knowledge and behaviors. Major projects include the Dietary Guidelines for Americans, MyPlate, SuperTracker, the Healthy Eating Index, and the Nutrition Evidence Library.

• **Agency Priority 2: Preserve Public Trust in FNS Programs**

Reflects USDA’s zero tolerance policy for fraud, waste or abuse in nutrition assistance programs.

Areas of focus include: Compliance with Federal requirements; National School Lunch Program (NSLP) improper payment rate; Supplemental Nutrition Assistance Program (SNAP) trafficking (retailer and client); Child Nutrition (CN)/Women, Infants and Children (WIC) reauthorization; SNAP quality control; Reauthorization of Farm Bill programs; and communications strategies designed to increase public trust.

• **Agency Priority 3: FNS is an Efficient, High Performing and Adaptable Organization**

Efforts to ensure employees are competent, engaged, and challenged to develop and implement innovative solutions to today’s challenges.

Areas of focus include: Employee Engagement; Recruitment and Retention Strategies; Talent Management; USDA’s Blueprint for Stronger Service; Process Improvement; and Office of Information Technology (OIT) Operational Framework.

• **Agency Priority 4: Reduce Food Insecurity by Helping Feed Those in Need**

Emphasizes efforts to keep nutrition programs in reach of vulnerable populations including young people, the elderly, and those with disabilities.

Areas of focus include: Implementation of Farm Bill provisions; Implementation of SNAP Employment and Training Programs; Increases in Summer meals programs participation; Retention of participation of children after age 1 in WIC; Communicating messages
United States Department of Agriculture  
2016 Presidential Transition  
Food, Nutrition and Consumer Services Mission Area (FNCS)

regarding program access; Food Distribution Program on Indian Reservations (FDPIR) administrative funding; Food Safety Training; Farmers’ Market Nutrition Program (FMNP) Participation Barriers; Able-Bodied Adults Without Dependents (ABAWD) Policies; and Community Engagement Strategies.

- **Agency Priority 5: Civil Rights: Ensuring Access, Equality and Respect in FNS Programs and Activities**

  FNS’ commitment to oversight of civil rights laws, policies and directives related to nutrition programs is reflected in this priority.

  Areas of focus include: Compliance Reviews; Voluntary Resolution Agreements; Internal Program Complaint Processing; and Equal Employment Opportunity (EEO) Compliance and Training.

**Supplemental Nutrition Assistance Program**

SNAP offers nutrition assistance to millions of eligible, low-income individuals and families and provides economic benefits to communities. SNAP is the largest program in the domestic hunger safety net. Eligible recipients are provided a monthly allotment of benefits via debit card to use to purchase food at authorized stores. FNS works with state partners, who administer the program at the state and local level based on Federal rules, and the retail community to ensure proper program administration and program integrity. FNS is directly responsible for authorizing retail stores to redeem program benefits and monitoring them to ensure adherence to program requirements. In addition to certifying households for eligibility and issuing benefits, SNAP state agencies deliver nutrition education to participants to help them purchase healthy food on a tight budget. SNAP employment and training services are provided to eligible participants to assist them with building skills for in demand jobs so they can transition to self-sufficiency.

**Child Nutrition Programs**

The Food and Nutrition Service administers several programs that provide healthy food to children. These programs are administered by state agencies, each of these programs helps fight hunger and obesity by reimbursing organizations such as schools, child care centers, and after-school programs for providing healthy meals to children.

- **National School Lunch Program**

  The National School Lunch Program is a federally assisted meal program operating in public and nonprofit private schools and residential child care institutions. It provides nutritionally balanced, low-cost or free lunches to children each school day. The program was established under the National School Lunch Act, signed by President Harry Truman in 1946.
School Breakfast Program (SBP)
SBP provides cash assistance to states to operate nonprofit breakfast programs in schools and residential childcare institutions. The Food and Nutrition Service administers the SBP at the Federal level. State education agencies administer the SBP at the state level, and local school food authorities operate the Program in schools.

Child and Adult Care Food Program (CACFP)
CACFP provides aid to child and adult care institutions and family or group day care homes for the provision of nutritious foods that contribute to the wellness, healthy growth, and development of young children, and the health and wellness of older adults and chronically impaired disabled persons.

Summer Food Service Program
The Summer Food Service Program ensures that low-income children continue to receive nutritious meals when school is not in session.

Fresh Fruit and Vegetable Program (FFVP)
FFVP can be an important tool in our efforts to combat childhood obesity. The Program has been successful in introducing school children to a variety of produce that they otherwise might not have the opportunity to sample. The various partnerships that FNS and state agencies have developed in the public and private sectors, as well as the dedicated work of school administrators, have contributed to the overall success and acceptance of the program. FFVP is consistent with and supports the National Academy of Medicine’s recommendations to provide healthier snack choices in schools.

Special Milk Program
The Special Milk Program provides milk to children in schools and childcare institutions who do not participate in other Federal meal service programs. The program reimburses schools for the milk they serve. Schools in the National School Lunch or School Breakfast Programs may also participate in the Special Milk Program to provide milk to children in half-day pre-kindergarten and kindergarten programs where children do not have access to the school meal programs.

Supplemental Nutrition and Safety Programs
Food Distribution Division (FDD) is responsible for: USDA Foods in the National School Lunch Program, The Emergency Food Assistance Program (TEFAP), and the Food Distribution Program on Indian Reservations (FDPIR), the Commodity Supplemental Food Program (CSFP), and USDA Foods Disaster Assistance.

Commodity Supplemental Food Program (CSFP)
CSFP works to improve the health of low-income elderly persons at least 60 years of age by supplementing their diets with nutritious USDA Foods. Women, infants, and children who were certified and receiving CSFP benefits as of February 6, 2014, can continue to receive assistance until they are no longer eligible under the program rules in effect on
February 6, 2014. Through CSFP, USDA distributes both food and administrative funds to participating states and Indian Tribal Organizations.

- **Food Distribution Program on Indian Reservations (FDPIR)**
  FDPIR is a Federal program that provides USDA foods to low-income households, including the elderly, living on Indian reservations, and to Native American families residing in approved service areas near reservations or in Oklahoma.

- **Nutrition Services Incentive Program (NSIP)**
  The Food and Nutrition Service purchases USDA Foods for distribution through NSIP, a nutrition program for the elderly administered by the Department of Health and Human Service's Administration for Community Living.

- **The Emergency Food Assistance Program (TEFAP)**
  TEFAP supplements the diets of low-income Americans, including elderly people, by providing them with emergency food and nutrition assistance. Under TEFAP, USDA foods are made available by the U.S. Department of Agriculture to states. States provide the food to local agencies that they have selected, usually food banks, which in turn, distribute the food to soup kitchens and food pantries that directly serve the public.

- **Schools/USDA Foods Programs**
  USDA’s Schools/Child Nutrition Programs support American agricultural producers by providing cash reimbursements for meals served in schools, but also by providing nutritious, USDA-purchased food to the programs: National School Lunch Program (NSLP); Child and Adult Care Food Program (CACFP); and the Summer Food Service Program (SFSP).

- **Women, Infants, and Children (WIC)**
  The Special Supplemental Nutrition Program for Women, Infants, and Children - better known as the WIC Program - serves to safeguard the health of low-income pregnant, postpartum and breastfeeding women, infants, & children up to age 5 who are at nutritional risk. WIC provides nutritious foods to supplement diets, information on healthy eating, breastfeeding promotion and support, and referrals to health care.

- **Farmers’ Market Nutrition Program (FMNP)**
  The WIC Farmers’ Market Nutrition Program (FMNP) provides WIC participants with coupons to purchase fresh, unprepared, locally grown fruits and vegetables from local farmers' markets.

- **Senior Farmers’ Market Nutrition Program (SFMNP)**
  The Senior Farmers’ Market Nutrition Program provides low-income seniors with coupons that can be exchanged for eligible foods at farmers’ markets, roadside stands, and community supported agriculture programs.
Budget and Staffing Summary

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II. Top Issues/Hot Topics

Timeline

Winter 2017: TBD - Health and Medicine Division Study -- First “short” report is expected to address Part 1 of the study being conducted on the process to update the Dietary Guidelines for Americans

January 2017:

- **Summer Electronic Benefit Transfer (EBT) Project Awards:** Since summer 2011, USDA has supported the Summer Electronic Benefit Transfer for Children (SEBTC) projects, which reach low income families in areas where there are limited numbers of sites eligible to serve summer meals. FNS expects that appropriators will provide over $20 million to continue Summer EBT demonstrations in FY 2017. Decisions will need to be made in January 2017 regarding the states and tribal organizations receiving grants to operate summer EBT projects in summer 2017.

- **National Academy of Medicine (NAM) WIC Food Package Report:** The Healthy, Hunger Free Kids Act of 2010 requires a comprehensive review of the WIC food package at least every ten years to ensure that it conforms to current nutrition science, public health concerns, and cultural eating patterns. In late 2014, FNS contracted with the NAM to convene an expert panel and conduct the next review. The panel’s report could be released as early as January 2017, though it could take several months longer. The report will be highly scrutinized by Congress and other program stakeholders, who will likely be interested to know FNS’ plans to consider regulatory changes in WIC based on the report soon after its release.

- **SNAP Retailer Eligibility Standards Rule:** The final rule changes the standards for participating SNAP retailers and is scheduled to be published by the end of calendar year 2016 with an effective date of one year following publication. A substantial education and technical assistance program for SNAP retailers will be conducted to ensure that authorized retailers are able to comply with the new standards by the effective date. Plans for this effort will need to begin shortly after publication of the final rule, potentially as early as January 2017. Stakeholders may raise concerns about the new standards.

- **SNAP Quality Control, Establishment of a National Quality Control (QC) error rate for FY 2016:** FNS will begin working with states to pull a new sample of FY 2016 cases and complete case reviews to establish a national QC error rate for FY 2016. A change in approach (from a two tier to a one tier review) is being instituted for FY 2016 based on changes that needed to be incorporated in the QC system to assure a sound QC system; there will be no state error rates for FY 2016, only the national error rate. These reviews will require significant state cooperation and Federal access to case documentation and state systems. The 2016 national error rate will be announced in June, 2017.
• **USDA Food Plans** – December Cost of Food Report is released. CNPP publishes monthly updates to the various USDA food plans to reflect changes in the costs of the food packages.

**February 2017:**

• **Child Nutrition (CN) Program Integrity Final Rule:** The Healthy, Hunger-Free Kids Act (HHFKA) of 2010 includes statutory changes to further enhance the integrity of the CN Programs. In March 2016, FNS published a proposed rule to codify these changes as well as several recommendations from recently conducted management evaluations and USDA Office of Inspector General (OIG) audits of state agencies operating CN Programs. Policy decisions will be needed on key issues in February 2017 to finalize drafting and clearance of the rule by June 2017.

• **USDA Food Plans** – January Cost of Food Report is released

**March 2017:**

• **USDA Food Plans** – February Cost of Food Report is released

**April 2017:**

• **FNCS Park Office Center Lease Re-Competition:** The lease for Park Office Center, the location of FNCS’ National Office, in Alexandria, VA expires in May 2017. A General Services Administration (GSA)-led competition to replace that lease is currently underway. Results of that competition are expected to be known in the second quarter of FY 2017. Costs associated with execution of a new lease are estimated to be approximately $17 million. While funding to support those costs is essentially dependent on full year FY 2017 appropriations action, some potential alternative funding options have been identified. No later than April 2017, FNCS will need to assess its financial situation and finalize its funding strategy.

• **USDA Food Plans** – March Cost of Food Report is released

**May 2017:**

• **USDA Food Plans** – April Cost of Food Report is released

• **Announcement of Farm to School Grant Awards:** Each year, USDA awards up to $5 million in competitive grants to assist eligible entities (school districts, state and local agencies, Tribal nations, agricultural producers, and non-profit organizations) in implementing farm to school programs that improve access to local foods in eligible schools. They can support training, operations, planning, purchasing equipment, developing school gardens, developing partnerships, and implementing farm to school programs. Applications for the FY 2017 grants are due in December 2016; announcement of awards is scheduled for May 2017.
June 2017:

- **USDA Food Plans** – May Cost of Food Report is released

Mission Area Issues

**SNAP Quality Control (QC):** To establish a national QC error rate for FY 2016, FNS staff will work with states to pull a new sample of FY 2016 cases and complete case reviews. State agencies must grant Federal reviewers access to the documentation and State systems necessary to complete these case reviews. States must continue to report FY 2016 case results to FNS as an opportunity to review internal procedures to ensure that all state QC reviewers are operating in accordance with program rules and the QC system for FY 2017 is sound. This review will begin in early 2017.

**Child Nutrition Reauthorization (CNR):** Congress may take up and pass CNR during the “lame duck” session at the end of 2016. If it does not, the legislative discussion on this may continue into 2017. However, the programs continue to operate despite the lapse of the legislation.

**Child Nutrition Program Integrity Rule:** The Healthy, Hunger-Free Kids Act (HHFKA) of 2010 includes statutory changes to further enhance the integrity of the Child Nutrition (CN) Programs. In March 2016, FNS published a proposed rule to codify these changes as well as several recommendations from recently conducted management evaluations and USDA Office of Inspector General (OIG) audits of state agencies operating CN Programs. The final rule is scheduled to be published June 2017. Policy decisions will be needed on key issues in February 2017 to finalize drafting and clearance of the rule by this date.

**Farm to School:** Consistent with the Healthy Hunger-Free Kids Act of 2010 and USDA’s Know Your Farmer, Know Your Food Task Force, FNS has improved access to local foods in schools through grants, technical assistance, and research. In addition to maintaining these efforts, FNS is expanding its focus to other programs, and the implementation of new meal standards in the Child and Adult Care Food program in FY17 provides opportunities to highlight local foods program.

**Office of Community Food Systems:** While USDA has been engaged in farm to school efforts for a number of years, the Healthy Hunger-Free Kids Act of 2010 specifically directed the Department to improve access to local foods in schools through grants, technical assistance, and research. The Office of Community Food Systems (OCFS) operates the USDA Farm to School Grant Program (FY17 awards will be made in May 2017), administers and disseminates information from the USDA Farm to School Census, and provides a host of technical assistance and training. OCFS works closely with the Department’s Know Your Farmer, Know Your Food
Task Force to coordinate and collaborate on issues related to local and regional foods and to highlight Farm to School Census data on the KYF2 Compass Map website.

**Summer Meals for Children:** FNS has a long history of working towards increasing the number of children served by summer meals. While planning for this is already underway, these efforts will need to continue during the first part of 2017 to ensure that the summer of 2017 is successful in meeting the needs of children.

**National Academy of Medicine Review of the Process to Develop the Dietary Guidelines for Americans:** For CNPP, the most immediate issue is the study being conducted by the Health and Medicine Division of the National Academy of Medicine. Once the study is complete, USDA, in partnership with HHS, will need to determine how to manage the study findings in the context of initiating the next revision of the Dietary Guidelines for 2020.

**GAO and OIG Audits**

**GAO Audits**

- **WIC Program: Improved Oversight of Income Eligibility Determination Needed** (GAO-13-290)
  - **Date Issued:** March 8, 2013
  - **Hyperlink to audit:** [http://www.gao.gov/assets/660/652480.pdf](http://www.gao.gov/assets/660/652480.pdf)
  - **Audit Objectives:** Audit request made by the House Committee on Education and the Workforce and the Senate Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies. GAO assessed: (1) how do state and local criteria for determining WIC income eligibility vary; (2) to what extent are individuals who would otherwise be ineligible for WIC deemed eligible due to their participation in other programs; and (3) how does USDA assist and monitor state determination of WIC income eligibility.
  - **Audit Summary:** GAO reviewed Federal laws and regulations; analyzed USDA’s national data from 2010, recent survey findings, and monitoring reports; reviewed WIC policy manuals from 10 states chosen to provide population size and geographic diversity; and interviewed Federal, state, and local officials. GAO recommended that USDA develop a timeline for reviewing its monitoring reports to assess national program risks and target assistance. USDA agreed with GAO’s recommendation. FNS staff developed a process to use an automated report to identify areas in need of correction or improvement that were found during WIC Management Evaluations conducted across the country. Using the output report, FNS will assess the frequency of Management Evaluation findings in each policy and program area nationwide and
respond by providing policy clarification, training, or other corrective actions to states. The report went into production on November 1, 2013, and FNS reported that staff will review the reports quarterly.

- Current Status: Closed

- **School Lunch: Implementing Nutrition Changes Was Challenging and Clarification of Oversight Requirements Is Needed (GAO-14-104)**
  - Date Issued: February 27, 2014
  - Audit Objectives: Request made by the House Committee on Education and the Workforce. GAO assessed: (1) lunch participation trends; (2) challenges School Food Authorities’ (SFAs) faced implementing the changes, if any; and (3) USDA’s assistance with and oversight of the changes.
  - Audit Summary: To address these areas, GAO used several methods, including review of Federal laws, regulations, and guidance; analysis of USDA’s lunch participation data; a national survey of state child nutrition program directors; and site visits to eight school districts selected to provide variation in geographic location and certain school district and food service characteristics. To improve program integrity, GAO recommends that USDA clarify the need to document noncompliance issues found during state reviews of SFAs and complete efforts to assess states’ assistance needs related to oversight of financial management. USDA generally agreed with GAO’s recommendations.
  - Current Status: Closed

- **School-Meals Programs: USDA Has Enhanced Controls, but Additional Verification Could Help Ensure Legitimate Program Access (GAO-14-262)**
  - Date Issued: June 16, 2014
  - Audit Objectives: GAO began this work on the initiative of the Comptroller General. GAO assessed: (1) steps taken to help identify and prevent ineligible beneficiaries from receiving benefits in school-meal programs; and (2) what opportunities exist to strengthen USDA’s oversight of the school-meals programs.
  - Audit Summary: GAO reviewed the National School Lunch Program policies, interviewed program officials, and randomly selected a non-generalizable sample that included 25 of 7.7 million approved household applications from 25 of 1,520 school districts in the Dallas, Texas, and Washington, D.C., regions. GAO performed limited eligibility testing using civilian Federal-employee payroll data from 2010 through 2013 due to the unavailability of other data sources containing nonFederal employee income. GAO also conducted interviews with households. Ineligible households were
referred to the Inspector General. GAO recommends that the Secretary of Agriculture develop a pilot program to explore the feasibility of using computer matching to identify households with income that exceeds program-eligibility thresholds for verification, and explore the feasibility of verifying a sample of categorically eligible households.

- **Current Status:** Open

- **School Meal Programs: Implications of Adjusting Income Eligibility Thresholds and Reimbursement Rates by Geographic Differences (GAO-14-557)**
  - **Date Issued:** August 7, 2014
  - **Hyperlink to audit:** [http://www.gao.gov/assets/670/664689.pdf](http://www.gao.gov/assets/670/664689.pdf)
  - **Audit Objectives:** This audit request was from Representative Sam Farr. The objectives were: (1) what are the available data sources that could be used to adjust for cost-of-living differences for household income eligibility and for variations in food, labor, and other costs for USDA school reimbursement rates; and (2) what are the advantages and disadvantages of using such data sources for making adjustments for income eligibility and reimbursement rates.
  - **Audit Summary:** No recommendations included in this report. GAO looked at a variety of methods by which to identify geographic differences in living costs and the potential for using them to adjust: (1) income eligibility thresholds; and (2) reimbursement rates for schools. They also examined the extent to which states and localities can make adjustments for geographic differences in costs by using existing program rules. GAO reviewed relevant laws, regulations, and literature; analyzed available data sources and methods; and interviewed knowledgeable experts.
  - **Current Status:** Closed

- **Supplemental Nutrition Assistance Program (SNAP): Enhanced Detection Tools and Reporting Could Improve Efforts to Combat Recipient Fraud (GAO-14-641)**
  - **Date Issued:** August 21, 2014
  - **Audit Objectives:** This audit request was from Senator Jeff Sessions. The audit objectives were: (1) how has USDA addressed the issues raised in its IG report on SNAP fraud; (2) how does USDA determine SNAP’s payment error rate and to what extent is payment error due to participant fraud; and (3) how many SNAP benefits continue to be vulnerable to trafficking.
  - **Audit Summary:** GAO reviewed: (1) how selected state agencies combat SNAP recipient fraud; (2) the effectiveness of certain state fraud detection tools; and (3) how FNS oversees state anti-fraud efforts. GAO reviewed relevant Federal laws, regulations, guidance, and documents; interviewed officials in 11 states; interviewed
Federal officials; tested fraud detection tools using fiscal year 2012 program data; and monitored websites for potential trafficking online. Although results are not generalizable to all States, the 11 states, selected based on various criteria including the size of their SNAP recipient household population and their payment error rates, served about a third of SNAP recipient households. GAO recommends, among other things, that FNS reassess current financial incentives and detection tools and issue guidance to help States better detect fraud and report on their anti-fraud efforts. FNS is working on the corrective actions resulting from this audit report.

- **Current Status:** Open

  - **Date Issued:** January 12, 2015
  - **Audit Objectives:** GAO did this work in response to a request made by the Chairs of House Committee on Education and the Workforce and the House Subcommittee on Early Childhood, Elementary, and Secondary Education, as well as another member of Congress. The key questions to be addressed by their audit were: 1) how does USDA determine the amount of formula to provide to participating infants; 2) what is known about the extent to which participants sell WIC formula online; and 3) what steps has USDA taken to prevent and address the online sale of WIC formula.
  - **Audit Summary:** GAO recommended that USDA require state agencies to inform WIC participants that selling WIC formula is against program rules and describe in their state plans how they identify attempted sales. GAO also recommended that USDA assess online sales, including techniques states can use to monitor them. USDA agreed with GAO’s recommendations.
  - **Current Status:** One recommendation was closed and two remain open. FNS’ latest update to move toward closure was provided to GAO on July 18, 2016.

  - **Date Issued:** May 18, 2015
  - **Hyperlink to audit:** [http://gao.gov/assets/670/669688.pdf](http://gao.gov/assets/670/669688.pdf)
  - **Audit Objectives:** GAO did this work in response to a request made by the Chairs of House Committee on Education and the Workforce, as well as the Chairs of the subcommittees on Higher Education and Workforce Training; Health, Employment, Labor, and Pensions; Workforce Protections; and Early Childhood, Elementary, and Secondary Education. The key questions to be addressed by their audit were: 1) how do agencies define regulatory guidance and what processes and criteria are used to
determine whether to issue guidance or undertake rulemaking; 2) what similarities and differences exist between the agencies policies, processes, and practices for developing and using regulatory guidance; and 3) how do the agencies ensure that their departmental guidance is current and transparent.

- **Audit Summary:** GAO made recommendations to four departments, and specific to USDA recommended that it strengthen the use of internal controls in guidance production processes and improve online guidance dissemination. USDA generally agreed with this recommendation.
- **Current Status:** Open. However, FNS provided information needed to close the USDA recommendation to GAO on July 22, 2016, and is currently waiting for GAO to update the status of the recommendation on their public website.

**School Nutrition: USDA Has Efforts Underway to Help Address Ongoing Challenges Implementing Changes in Nutrition Standards (GAO-15-656)**

- **Date Issued:** October 14, 2015
- **Audit Objectives:** GAO did this work in response to a request made by the Chair of the Committee on Education and Workforce. The key questions to be addressed by their audit were: 1) what challenges, if any, are the School Food Authorities (SFAs) GAO visited previously for the January 2014 report (GAO-14-104) dealing with currently, and as they continue to implement school lunch changes; 2) what challenges, if any, have these SFAs faced while implementing the changes to the nutrition standards for school breakfasts and the new nutrition standards for competitive foods; and 3) what actions has USDA taken to assist SFAs in implementing the school food requirements, such as helping schools mitigate any challenges related to food cost and waste.
- **Audit Summary:** GAO made no new recommendations to USDA as this was a follow-up to the GAO-14-104 report in which they recommended that USDA clarify the need to document noncompliance issues found during state reviews of SFAs and complete efforts to assess states' assistance needs related to oversight of financial management.
- **Current Status:** Closed

**OIG Audits**

**Analysis of FNS’ Supplemental Nutrition Assistance Program Fraud Prevention and Detection Efforts (27002-0011-13)**

- **Date Issued:** September 28, 2012
Audit Objectives: Initially, OIG’s audit objectives were to determine whether funds were used properly by analyzing SNAP-related databases at Federal and state levels for anomalies and signs of fraud, waste, and abuse; and to compare 10 selected states’ SNAP recipient databases to the Social Security Administration’s Death Master File. Subsequent to the December 2011 House Agriculture Committee’s Subcommittee on Department Operations, Oversight, and Credit’s hearing on SNAP fraud, the audit scope was expanded to include an evaluation of the adequacy of FNS and state tools used to prevent and detect SNAP fraud, and whether the states were using the tools provided.

Audit Summary: OIG concluded that, given the size and complexity of SNAP, the low rate of data anomalies identified was a notable achievement and the States had made significant progress resolving the questioned recipients identified in their matches. OIG also stated that, since SNAP participation has reached record levels, even incremental improvements in fraud detection and prevention can have a meaningful impact on SNAP program integrity. The report contained nine recommendations.

Current Status: This audit will be resolved upon the development of an action plan on next steps for the National Accuracy Clearinghouse (NAC) project. The NAC pilot project report was signed by the Secretary and delivered to Congress on May 10, 2016. FNS is preparing a letter to all States detailing next steps. Estimated completion date – October 31, 2016.

Food and Nutrition Service Financial Statements for Fiscal Year 2012 and 2011 (27401-0002-21)

Date Issued: November 23, 2012


Audit Objectives: To determine whether: (1) the financial statements present fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, the assets, liabilities, and net position, net cost, changes in net position, and combined budgetary resources; (2) the internal control objectives over financial reporting were met; and (3) the Food and Nutrition Service complied with laws and regulations for those transactions and events that could have a direct and material effect on the comparative financial statements. OIG also determined whether the Management Discussion and Analysis was materially consistent with the information in the comparative financial statements.

Audit Summary: The report contains an unqualified opinion on the financial statements, as well as the results of our assessment of the Food and Nutrition Service’s internal controls over financial reporting and compliance with laws and regulations. FNS’ comparative financial statements for fiscal years 2012 and 2011,
including the accompanying notes, present fairly, in all material respects, the financial position of FNS, as of September 30, 2012, and 2011, and its net costs, changes in net position, and budgetary resources for the years then ended, in conformity with accounting principles generally accepted.

- **Current Status:** Closed

### National School Lunch Program – Food Service Management Company (FSMC) Contracts (27601-0001-23)

- **Date Issued:** January 3, 2013
- **Hyperlink to audit:** [https://www.usda.gov/oig/webdocs/27601-0001-23.pdf](https://www.usda.gov/oig/webdocs/27601-0001-23.pdf)
- **Audit Objectives:** The objectives of the audit were: (1) assess the effectiveness of any controls implemented by FNS and selected state agencies as a result of previous audits; (2) determine whether SFAs that signed fixed-price-per-meal contracts are receiving the full benefit and value of all donated foods provided to FSMCs, and (3) determine whether SFAs that signed cost-reimbursable contracts with FSMCs are receiving all purchase rebates.
- **Audit Summary:** This audit was conducted based on an inquiry from Congresswoman DeLauro. Overall, OIG reported the following: FNS needs to enhance its management oversight and controls of SFAs that contract with FSMCs; FNS Needs to improve its monitoring of SFAs’ oversight for FSMC purchase discounts and rebates; FNS did not ensure full credit was given for USDA-donated foods; and FNS needs to improve reviews of State Agency FSMC contracts.
- **Current Status:** FNS completed all corrective actions that resulted from the 15 recommendations in the audit report. The procurement tool associated with many of the recommendations was released for implementation nationwide in School Year 2016-2017. The request for final action and closure for the remaining open recommendations (1, 2, 7, 8, 11, 12, 13, and 15) was submitted to OCFO for approval on August 15, 2016.

### Vendor Management in the Food and Nutrition Service’s Special Supplemental Nutrition Assistance Program for Women, Infants and Children (WIC) (27601-0038-CH)

- **Date Issued:** March 29, 2013
- **Hyperlink to audit:** [https://www.usda.gov/oig/webdocs/27601-0038-CH.pdf](https://www.usda.gov/oig/webdocs/27601-0038-CH.pdf)
- **Audit Objectives:** The overall objectives of the audit were to evaluate FNS’ implementation of new regulations intended to improve the integrity of vendor management, and to assess the certification of participants as eligible. As part of this, OIG assessed the state agencies’ implementation of vendor compliance
investigations; their accountability, control, and security over food instruments; and how they made determinations of participant eligibility.

- **Audit Summary:** OIG did not identify any material findings associated with participant eligibility. However, OIG reported that FNS needs to strengthen guidance and oversight of state agencies’ vendor monitoring and enforcement activities. FNS does not ensure that all retail vendors disqualified from SNAP are disqualified from WIC. FNS has completed all corrective actions resulting from the nine recommendations in the audit report.

- **Current Status:** Closed

### Overlap and Duplication in the Food and Nutrition Service’s Nutrition Programs (27001-0001-10)

- **Date Issued:** June 13, 2013
- **Hyperlink to audit:** [https://www.usda.gov/oig/webdocs/27001-0001-10.pdf](https://www.usda.gov/oig/webdocs/27001-0001-10.pdf)
- **Audit Objectives:** OIG evaluated the potential for duplication and overlap in the five largest FNS nutrition assistance programs, accounting for 99 percent of FNS’ total program budget related to FYs 2012 through 2006.

- **Audit Summary:** Although this audit did not document a single area of unnecessary overlap or duplication in any of FNS’ programs, OIG recommended that FNS determine and document the requirements for conducting a study and to identify and determine the extent to which overlap and duplication may exist in FNS’ nutritional assistance programs. OIG also recommended that FNS determine whether it had the resources necessary to conduct the assessment of the potential overlap of its nutrition programs or whether additional funding will be necessary to complete the assessment.

- **Current Status:** Closed

### FNS: Controls for Authorizing Supplemental Nutrition Assistance Program Retailers (27601-0001-31)

- **Date Issued:** July 31, 2013
- **Audit Objectives:** This audit was initiated by OIG in April 2012 to evaluate FNS’ controls for authorizing SNAP retailers; specifically to assess FNS controls over the retailer authorization process, and to evaluate the Agency’s actions to strengthen its processes to prevent the authorization of previously disqualified owners.

- **Audit Summary:** This audit report contains 20 recommendations. OIG reports that FNS should comprehensively review its policies and procedures, seek legislative change to retain a portion of retailer penalties; require background checks for retailers; strengthen internal guidance; make improvements to its automated retailer data system; create and strengthen safeguards for high-risk stores; and require more
supervisory reviews. FNS should also review the owners identified to determine if they need to be penalized or disqualified from SNAP.

- **Current Status:** Six of the twenty recommendations remain open, but are in the process of being addressed. Closure of two of the recommendations hinges on the rulemaking process, which pushes the estimated completion date of closure out to October 2017.

- **Food and Nutrition Service Financial Statements for Fiscal Year 2013 – 2012 (27401-0003-21)**
  - **Date Issued:** December 6, 2013
  - **Audit Objectives:** To examine the Food and Nutrition Service’s financial statements for FY 2013 and 2012.
  - **Audit Summary:** The report contains an unqualified opinion on the financial statements, as well as the results of our assessment of the Food and Nutrition Service’s internal controls over financial reporting and compliance with laws and regulations. OIG determined that the agency’s financial statements for the FY 2013 and 2012 present fairly, in all material respects, FNS’ financial position as of September 30, 2013 and 2012, and that they conform with accounting principles generally accepted.
  - **Current Status:** Closed

- **State Agencies’ Food Costs for the Food and Nutrition Service’s Special Supplemental Nutrition Program for Women, Infants and Children (WIC) (27004-0001-22)**
  - **Date Issued:** September 25, 2014
  - **Audit Objectives:** OIG’s goal was to conduct an audit survey of states to evaluate factors that impact the FNS WIC program’s costs, including average food costs and costs per participant. Additionally, OIG wanted to gain an understanding of FNS and State oversight activities in monitoring program costs.
  - **Audit Summary:** OIG found that FNS can strengthen its oversight of state agency cost containment practices and recommended that FNS coordinate with Medicaid. OIG also recommended that FNS should take more effective measures in cost containment policies. The audit report contained six recommendations for FNS. FNS developed a national WIC cost containment strategy that requires state agencies to implement a vendor peer group system, competitive price criteria, and allowable reimbursement levels in a manner that ensures the WIC Program pays authorized vendors competitive prices for supplemental foods. It also requires state agencies to ensure that vendors who derive more than 50 percent of their annual food sales
revenue from WIC food instruments do not cause higher food costs for the program than do other vendors. All of these requirements are codified in program regulations found at 7 CFR 246.12.

- **Current Status:** All recommendations but one are closed. The open recommendation is pending completion of an Economic Research Service (ERS) study. FNS is working with ERS on its update of the 2005 report, Interstate Variation in WIC Food Package Costs: The Role of Food Prices, Caseload Composition, and Cost-Containment Practices. This study, which examines the degree to which food prices, caseloads, and the implementation of various cost containment measures influence state agencies’ food package costs, was delayed and is now estimated to be completed by the Fall of 2017.

- **Food and Nutrition Service Financial Statements for Fiscal Years 2014 and 2013 (OIG 27401-0004-21)**
  - **Date Issued:** November 14, 2014
  - **Audit Objectives:** To determine whether: 1) the comparative financial statements were presented fairly, in all material respects, in accordance with accepted principles; 2) the internal control objectives over financial reporting were met; 3) FNS complied with laws and regulations for transactions and events that could have a direct and material effect to the financial statements; and 4) the information presented in Management’s Discussion and Analysis was materially consistent with the information in the comparative financial statements.
  - **Audit Summary:** The Food and Nutrition Service received an unqualified opinion from the OIG’s audit of the FNS comparative financial statements.
  - **Current Status:** Closed

- **National School Lunch and School Breakfast Program Error Rates (OIG 27601-0001-41)**
  - **Date Issued:** May 5, 2015
  - **Hyperlink to audit:** [https://www.usda.gov/oig/webdocs/27601-0001-41.pdf](https://www.usda.gov/oig/webdocs/27601-0001-41.pdf)
  - **Audit Objectives:** To evaluate the methods FNS used to lower the error rates for NSLP and SBP. OIG sought to determine if FNS, State agencies, and SFAs had adequate controls to: 1) ensure children met the eligibility requirements, and 2) meal claims were supported and accurately reimbursed.
  - **Audit Summary:** OIG recommended that FNS consult with the Office of the General Counsel to determine its regulatory authority to require households to submit income documentation with school meals applications. Based on this determination, FNS should then take the appropriate actions to revise the programs’ documentation.
requirements. Additionally, OIG recommended that FNS should clarify criteria for identifying questionable applications and provide guidance and training for cafeteria fund management.

- **Current Status:** Closed

**SNAP Error Rates (OIG 27601-0002-41)**
- **Date Issued:** September 23, 2015
- **Hyperlink to audit:** [https://www.usda.gov/oig/webdocs/27601-0002-41.pdf](https://www.usda.gov/oig/webdocs/27601-0002-41.pdf)
- **Audit Objectives:** To determine if FNS and States have controls in place to ensure the integrity of SNAP error rate determination.
- **Audit Summary:** OIG recommended that FNS should consider changing quality control (QC) from a two-tier process reliant on state error rates to a one-tier process in which FNS or a third party reviews cases, and establishes a timeline for making this change, if cost beneficial. OIG also recommended that FNS needs to reiterate policies regarding the proper use of error review committees, QC staff’s variable treatment of error cases, and issue guidance to states on appropriate use of private consultants. Lastly, they recommended that FNS should amend and enforce policies to ensure error rates are accurate and determined if they are in compliance with regulations.

- **Current Status:** Open. Management decision agreement reached on all recommendations as of June 30, 2016. Four recommendations are closed and the remaining recommendations are on track to be closed by December 31, 2016.

**Healthy, Hunger-Free Kids Act (HHFKA) of 2010 – Controls Over Food Service Account Revenue (OIG 27601-0001-22)**
- **Date Issued:** September 28, 2015
- **Audit Objectives:** To evaluate the controls that FNS has in place to ensure that SFAs comply with the food service account revenue requirements outlined in Sections 205 and 206 of HHFKA. In addition, OIG sought to evaluate FNS’ compliance with the requirements outlined in Section 307 of that Act regarding indirect food costs.
- **Audit Summary:** OIG recommended that FNS needs to redesign controls to provide reasonable assurance that SFAs comply with the paid lunch equity and non-program food revenue requirements of sections 205 and 206, and that their reports are on time and complete. Additionally, they recommended that FNS needs to supply SFAs with updated guidance concerning indirect costs. Lastly, OIG recommended that FNS needs to establish a date for publishing the annual paid lunch price report.

- **Current Status:** Open. Action request currently being finalized for submission to the Office of the Chief Financial Officer by October 31, 2016.
United States Department of Agriculture
2016 Presidential Transition
Food, Nutrition, and Consumer Services

- **Food and Nutrition Service Financial Statements for Fiscal Years 2015 and 2014 (OIG 27401-0005-21)**
  - **Date Issued:** November 5, 2015
  - **Audit Objectives:** To determine whether: 1) FNS’ comparative financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles; 2) FNS met internal control objectives over financial reporting; 3) transactions and events with direct and material effect on the financial statements were compliant with applicable laws and regulations; and 4) the information presented in the Management’s Discussion and Analysis was materially consistent with the information in the comparative financial statements.
  - **Audit Summary:** The Food and Nutrition Service received an unqualified opinion from the OIG’s audit of the FNS comparative financial statements.
  - **Current Status:** Closed

- **SNAP Administrative Costs (OIG 27601-0003-22)**
  - **Date Issued:** September 29, 2016
  - **Hyperlink to audit:** Not yet available
  - **Audit Objectives:** To evaluate FNS’ controls over SNAP administrative costs, with a specific focus on whether states with county-administered programs were effectively and efficiently controlling costs and minimizing variances.
  - **Audit Summary:** Though a final report is pending issuance, it is expected that OIG will recommend the following: 1) that FNS could be more proactive in analyzing and containing variances in SNAP costs-per-case; 2) that FNS regional offices have different procedures for conducting financial reviews and risk assessments; and 3) that weaknesses in state and county financial management controls and a lack of effective FNS oversight led to inaccurate program financial reporting and questioned costs.
  - **Current Status:** Pending publication of final audit report. FNS officials are currently preparing a formal response to OIG’s official draft report that will be included in its entirety as an attachment to OIG’s final report.

- **FNS Controls Over SNAP Benefits for Able-Bodied Adults Without Dependents (ABAWD) (OIG 27601-00032-31)**
  - **Date Issued:** September 29, 2016
  - **Hyperlink to audit:** Not yet available
  - **Audit Objectives:** To determine whether FNS’ oversight of state agency controls is adequate to ensure that only eligible ABAWDs are receiving SNAP benefits.
United States Department of Agriculture
2016 Presidential Transition
Food, Nutrition, and Consumer Services

- **Audit Summary:** Though a final report is pending issuance, it is expected that OIG will recommend the following: 1) FNS conduct a study to identify the most troublesome areas for states and develop best practices for implementing the complex ABAWD provisions; 2) FNS review regulations to verify that the agency is consistently implementing laws regarding SNAP age limits; and 3) FNS ensure that valid, complete, and timely information is included in the Management Evaluation System (MEMSNext Generation).

- **Current Status:** Pending publication of final audit report. FNS officials are currently preparing a formal response to OIG’s official draft report that will be included in its entirety as an attachment to OIG’s final report.
WHAT WE DO: OUR MISSION
The Food Safety and Inspection Service (FSIS) is the public health regulatory Agency within USDA responsible for ensuring that domestic and imported meat, poultry, and processed egg products are safe, secure, wholesome, and accurately labeled. FSIS also enforces the Humane Methods of Slaughter Act (HMSA), which requires that all livestock at federally inspected establishments be handled and slaughtered humanely. In March 2016, FSIS established a new program for federal inspection of certain fish of the order Siluriformes, including catfish, transferring responsibility from the Food and Drug Administration (FDA).

WHO WE ARE: OUR WORKFORCE
- FSIS has nearly 9,300 permanent employees located across the country in nearly 6,400 establishments.
- Ten District Offices
- Three Labs
- 127 Import Establishments at Ports of Entry

WHO WE SERVE: OUR CONSTITUENTS
FSIS holds monthly meetings with consumer and industry stakeholder groups to discuss public health and related policy issues. FSIS partners with Federal agencies to carry out its mission, as well as with 27 state meat and poultry inspection programs that provide inspection to over 1,900 small and very small establishments.

KEY UPCOMING DECISIONS
- Natural Labeling
  - FSIS currently has policy guidance that states criteria for the term “natural”.
  - Over the past ten years, there have been numerous petitions and comments requesting changes and/or clarifications to these guidelines.
  - FSIS is in the process of proposing to amend the Federal meat and poultry products inspection regulations to define the conditions under which the voluntary claim “natural” may be used on the label or in the labeling of meat and poultry products to clarify and resolve these issues.

BUDGET HIGHLIGHTS FY 2016
FSIS overall budget is $1,014,871 and has been relatively consistent with no major changes.
- 80% of budget is for salaries and benefits for nearly 9,300 permanent employees
- FSIS has created efficiencies to cover increased costs and changes in programs.
United States Department of Agriculture  
2016 Presidential Transition  
Food Safety and Inspection Service (FSIS)

I. Organizational Overview

Agency’s Mission/Strategic Plan

FSIS activities contribute to USDA’s FY 2014-2018 Strategic Goal 4, “Ensure that all of America’s children have access to safe, nutritious, and balanced meals.

FSIS recently published the FY 2017-2021 Strategic Plan, which builds on prior successes and reflects emerging issues that FSIS faces in ensuring that the food products we regulate are safe to eat. This plan will guide us going forward and is briefly outlined below. Our Vision and Mission, as well as our Core Values—Accountable, Collaborative, Empowered, and Solutions-Oriented—frame the goals, outcomes, objectives, and measures in this Plan. The FY 2017-2021 Strategic Plan contains 3 goals, 6 outcomes, 15 objectives, and 24 measures.

Following the FY 2017-2021 Strategic Plan are the measures and results FSIS was able to attain under the previous FY 2011-2016 Strategic Plan.

FY 2017-2021 Strategic Plan

Vision: Everyone’s food is safe.

Mission: Protecting the public’s health by ensuring the safety of meat, poultry, and processed egg products.

Goal 1. Our first and primary mission goal, “Prevent Foodborne Illness and Protect Public Health,” directly represents the day-to-day work of a large majority of our employees.

Outcome 1.1 Prevent Contamination
Outcome 1.2 Limit Illness from Regulated Products

Goal 2. Our secondary mission goal, “Modernize Inspection Systems, Policies, and the Use of Scientific Approaches,” represents key methods and approaches we intend to use to enhance how we realize our food safety and public health mission.

Outcome 2.1 Improve Food Safety and Humane Handling Practices through Adoption of Innovative Approaches
Outcome 2.2 Enhance Access to Complete and Accurate Information to Inform Decisions

Goal 3. Our third goal, “Achieve Operational Excellence,” pinpoints key areas where we seek improvement in how we do business to better support achieving our first two goals and our overall mission.

Outcome 3.1 Maintain a Well-Trained and Engaged Workforce
Outcome 3.2 Improve Processes and Services
United States Department of Agriculture
2016 Presidential Transition
Food Safety and Inspection Service (FSIS)

FSIS FY 2011-2016 Strategic Plan

Vision: A trusted public health regulatory agency committed to preventing foodborne illness.

Mission: Protect consumers by ensuring that meat, poultry, and processed egg products are safe, wholesome, and correctly labeled and packaged.

- Contains three Strategic Themes
  1) Prevent Foodborne Illness
  2) Understand and Influence the Farm-to-Table Continuum
  3) Empower People and Strengthen Infrastructure

- Contains eight Goals
  1) Ensure that Food Safety Inspection Aligns with Existing and Emerging Risks
  2) Maximize Domestic and International Compliance with Food Safety Policies
  3) Enhance Public Education and Outreach to Improve Food-Handling Practices
  4) Strengthen Collaboration Among Internal and External Stakeholders
  5) Effectively Use Science to Understand Foodborne Illness and Emerging Trends
  6) Implement Effective Policies to Respond to Existing and Emerging Risks
  7) Empower Employees with Training, Resources, and Tools
  8) Develop, Maintain, and Use Innovative Methodologies, Processes, and Tools

Overview of Agency Programs and Operations

- Food Safety (FS) activities contribute to USDA’s FY 2014-2018 Strategic Goal 4, “Ensure that all of America’s children have access to safe, nutritious, and balanced meals.

- The Food Safety Mission Area has one primary Agency/Program, the Food Safety and Inspection Service (FSIS). FSIS just published its FY 2017-2021 Strategic Plan which builds on prior successes and reflects emerging issues that FS faces in ensuring that the food products we regulate are safe to eat. This plan will guide us going forward and is briefly outlined below. Our Vision and Mission, as well as our Core Values—Accountable, Collaborative, Empowered, and Solutions-Oriented—frame the goals, outcomes, objectives, and measures in this Plan. The FY 2017-2021 Strategic Plan contains 3 goals, 6 outcomes, 15 objectives, and 24 measures. Following the FY 2017-2021 Strategic Plan are the measures and results FSIS was able to attain under the previous FY 2011-2016 Strategic Plan.
Key Mission Delivery Performance Measures

The following are the FSIS FY2011-2016 Corporate Performance Measures and Results.

**FSIS FY 2011-2016 Corporate Performance Measure 1:**
**Percentage of Broiler Plants Passing the Carcass Salmonella Verification Testing**

In 2011, FSIS established a performance standard for *Salmonella* in broiler carcasses. This standard is designed to encourage industry to control for *Salmonella* and reduce the potential for human exposure. Failure to meet this standard serves as a proxy for heightened exposure potential to the public.

| Percent of Broiler Plants Passing the Carcass Salmonella Verification Testing Standard /1/ |
|-----------------------------------------------|---|---|---|---|---|---|---|
| Percent | 89% | 90% | 90% | 92% | 96% | 95% | 95% |

**FSIS FY 2011-2016 Corporate Performance Measure 2:**
**Total Number of Salmonella, Lm, and E.coli O157:H7 Illnesses from Products Regulated by FSIS**

FSIS measures its performance on reducing foodborne illness in terms of total *Salmonella*, *Lm*, and *E. coli* O157:H7 illnesses from all FSIS regulated meat, poultry, and processed egg products. Estimates of total illness from all FSIS-regulated products are based on pathogen-specific case rates from CDC FoodNet data and simple food attribution estimates derived from CDC’s Foodborne Disease Outbreak Surveillance System (FDOSS) database, and are anchored to pathogen-specific illness reduction Healthy People 2020 goals. FSIS uses a simple foods attribution methodology with a rolling 3-year window of outbreak data from the publicly available CDC FDOSS database.

| Total (All) Illness Measure (Salmonella, Lm and E. coli O157:H7) /2/ |
|---------------------------------------------------------------|---|---|---|---|---|---|
| Total Illnesses | 491,353 | 479,621 | 427,171 | 386,265 | 382,123 | 363,547 | 353,139 |
FSIS FY 2011-2016 Corporate Performance Measure 3:
Percent of Establishments with a Functional Food Defense Plan

FSIS began measuring the status of industry’s voluntary adoption of food defense plans through annual surveys of FSIS Inspection Program Personnel (IPP) in 2006. The survey questions determine whether each FSIS-inspected establishment has a functional food defense plan (i.e., the plan is documented; measures are in place to address outside security, inside security, personnel security, and incident response; the plan was tested in the last year; and the establishment reviewed their plan in the past year).

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Organization’s History

The Secretary of Agriculture established the Food Safety and Inspection Service (FSIS) on June 17, 1981, pursuant to legislative authority contained in 5 U.S.C. 301 that permits the Secretary to issue regulations governing the United States Department of Agriculture (USDA). The mission of FSIS is to ensure that the Nation’s commercial supply of meat, poultry, and processed egg products is safe, wholesome, and correctly labeled and packaged through inspection and regulation of these products. FSIS is composed of two major inspection programs: (1) Meat and Poultry Inspection and (2) Egg Products Inspection.

1. The Meat and Poultry Inspection Program is authorized by the Federal Meat Inspection Act (FMIA) as amended and the Poultry Products Inspection Act (PPIA). The purpose of the program is to ensure that meat and poultry products are safe, wholesome, and correctly labeled through inspection and regulation of these products so that they are suitable for commercial distribution for human consumption. The FY 2008 Farm bill amended the FMIA to make siluriformes an amenable species and upon approval of the Fish inspection rule in FY 2015, FSIS will begin inspection of siluriformes under the FMIA. FSIS also enforces the Humane Methods of Slaughter Act through the program, which requires that all livestock at Federally-inspected establishments be handled and slaughtered in a humane way. FSIS conducts inspection activities at Federally-inspected meat and poultry establishments; and for State programs, the agency ensures that State meat and poultry inspection programs have standards that are at least equivalent to Federal standards. FSIS also ensures that meat and poultry products imported to the United States are produced under standards equivalent to U.S. inspection standards, and facilitates the certification of regulated products. FSIS’ science-based inspection system, known as the Hazard Analysis and Critical Control Point (HACCP) system, places emphasis on the identification, prevention, and control of foodborne hazards. HACCP requirements include meeting sanitation, facility, and operational standards, and other prerequisite programs to control pathogen contamination and produce safe and unadulterated food.
2. The Egg Products Inspection Program is authorized by the Egg Product Inspection Act (EPIA). The program’s purpose is to ensure that liquid, frozen and dried egg products are safe, wholesome, and correctly labeled through continuous mandatory inspection of egg processing plants that manufacture these products. FSIS also ensures processed egg products imported to the United States are produced under standards equivalent to U.S. inspection standards, and facilitates the certification of exported regulated products.

During 2014, the agency maintained headquarters offices in the Washington D.C. metropolitan area; 10 district offices; the Policy Development Division in Omaha, Nebraska; laboratories at Athens, Georgia, St. Louis, Missouri, and Alameda, California; the Financial Processing Center in Des Moines, Iowa; the Human Resources Field Office in Minneapolis, Minnesota; and a nationwide network of inspection personnel in 6,389 Federally regulated establishments in 50 States, Puerto Rico, Guam, and the Virgin Islands. Included are 350 establishments operating under Talmadge-Aiken Cooperative Agreements. A Talmadge-Aiken plant is a Federal plant with State inspection program personnel operating as Federal inspectors under Federal supervisors. Much of the agency’s work is conducted in cooperation with Federal, State, and municipal agencies, as well as private industry.
Organizational Chart

The Office of Food Safety (OFS) is one of seven mission areas that comprise the Department of Agriculture. OFS includes one agency: the Food Safety and Inspection Service (FSIS). The Office typically consists of one Under Secretary for Food Safety, one or more Deputy Under Secretaries, a Chief of Staff and a Confidential Assistant. Below is the Organizational Chart for the FSIS.
United States Department of Agriculture
2016 Presidential Transition
Food Safety and Inspection Service (FSIS)

Biographies for Career and Political Staff in Key Leadership Positions

Alfred V. Almanza
Deputy Under Secretary and Acting FSIS Administrator
202-720-7025, Al.Almanza@fsis.usda.gov

Alfred V. Almanza was appointed Deputy Under Secretary for Food Safety by the U.S. Department of Agriculture’s (USDA) Secretary Thomas J. Vilsack in September 2014, after having served as Administrator of USDA’s Food Safety and Inspection Service (FSIS) since June 2007. Mr. Almanza will simultaneously serve as Acting Administrator, continuing to lead nearly 9,400 employees in the agency’s mission to protect public health.

In 1978, Mr. Almanza began his FSIS career as a food inspector in a small slaughter plant in Dalhart, Texas. During his 36-year career with FSIS, Mr. Almanza moved up quickly from that entry level position – serving as Labor Management specialist, District Manager of the Agency’s Dallas District Office, and ultimately Administrator of FSIS. His experiences in the field and headquarters have made him extraordinarily qualified to lead the agency.

During his tenure as Administrator, Mr. Almanza focused on modernizing inspection and identifying ways to make the Agency more efficient and effective. He spearheaded the development of the New Poultry Inspection System which redirects FSIS inspection to a more balanced and efficient approach while simultaneously reducing pathogen levels in young poultry slaughter establishments. It is anticipated that the new approach will prevent thousands of illnesses from *Salmonella* and *Campylobacter*. In addition, Mr. Almanza’s regulatory strategies against potentially deadly *E. coli* O157:H7 have significantly reduced illnesses from this pathogen. Under his leadership, FSIS implemented a zero-tolerance policy for six additional strains of *E. coli* that are responsible for human illness. He also led the development of new *Campylobacter* and *Salmonella* performance standards, which hold slaughter establishments accountable for reducing these pathogens in young chickens and turkeys. In 2006 the positive *Salmonella* testing rate was 16%; today it is less than 7%. In 2013, FSIS released the *Salmonella* Action Plan, which outlines the agency’s key steps towards reducing the incidence of *Salmonella* contamination.

Under Mr. Almanza’s leadership, FSIS launched the Public Health Information System (PHIS), a modern repository for all data about public health trends and food safety violations at nearly 6,400 FSIS-regulated plants across the country. Since 2011, PHIS has streamlined data collection and access for the agency.

As part of USDA’s Blueprint for Stronger Service, Mr. Almanza determined that FSIS could streamline resources by reducing the number of district offices from 15 to 10. The district consolidation helped to improve efficiency, consistency, and integration by more evenly distributing the circuits, establishments, and FSIS employees that each district office oversees. Furthermore, Mr. Almanza reorganized headquarters offices and staff to improve organizational efficiency and the ability to better target existing resources.
Mr. Almanza led the development of the FSIS FY 2011-2016 Strategic Plan, which includes results-oriented performance measures. The plan includes 30 distinct, quantifiable performance measures that support eight larger goals. In 2012, he led the development of the internal Annual Performance Plan, which included specific outcomes linked to the Strategic Plan. The plan bridges the FSIS Strategic Plan with Senior Executive Service individual performance standards, and presents three ‘key results’ to be achieved by each Program Area. The transparency provided by this integration of plans makes it possible for each employee to clearly see how his or her work relates to the FSIS mission.

Mr. Almanza is mindful of the more than 8,400 FSIS field employees in his day-to-day tasks. Recognizing that FSIS employees are the agency’s greatest asset, Mr. Almanza works diligently to foster productive relationships. In the most recent FSIS employee survey, top ten results indicate employees like their work, understand how it relates to the agency’s goals, have a sense of accomplishment, and believe in being held accountable.

Brian Ronholm
Deputy Under Secretary for Food Safety [Political]
202-720-0350, Brian.Ronholm@osec.usda.gov

Brian Ronholm was named Acting Under Secretary for Food Safety in December 2013. He oversees the policies and programs of the Food Safety and Inspection Service (FSIS), USDA's public health regulatory agency that ensures that the nation's commercial meat, poultry, and egg products are safe, wholesome, and correctly labeled. He also chairs the U.S. Codex Policy Steering Committee, which provides guidance to U.S. delegations to the Codex Alimentarius Commission.

Mr. Ronholm joined USDA in April 2011 as Deputy Under Secretary for Food Safety. In this position, he was part of a leadership team that implemented significant new policies that have enhanced consumer protection, including: zero tolerance for six strains of pathogenic E. coli in raw beef; a common sense 'test and hold' requirement prohibiting food from entering commerce before critical test results are confirmed; tough new performance standards for Salmonella and the first ever performance standard for Campylobacter in poultry; and improved capabilities for tracing contaminated meat.

Prior to joining USDA, Mr. Ronholm he served as an Agriculture Appropriations associate on the staff of Congresswoman Rosa L. DeLauro, managing a wide range of issues related to the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies in support of the former chairwoman. Mr. Ronholm was actively involved in many comprehensive legislative efforts to improve food safety and nutrition, including the 2008 Farm Bill, the Child Nutrition Reauthorization bill, and the FDA Food Safety Modernization Act.

He earned a master's degree in political management at The George Washington University and an undergraduate degree in finance from California State University at Hayward.
Carmen Rottenberg  
FSIS Deputy Administrator  
202-692-4207, Carmen.Rottenberg@fsis.usda.gov

Carmen Rottenberg was appointed Deputy Administrator of the Food Safety and Inspection Service (FSIS) at USDA in April 2016. In this position, she plays an integral role in ensuring that FSIS continues to fulfill its core mission to protect public health by keeping harmful meat, poultry, and processed egg products out of commerce and to keep consumers safe from foodborne pathogens.

Ms. Rottenberg has direct oversight of the Agency’s five year Strategic Plan and she oversees the development of the FSIS Annual Performance Plan each year. Prior to becoming Deputy Administrator, Ms. Rottenberg served as the Chief Operating Officer for FSIS. Since joining FSIS in 2007, she has served in various leadership roles in the Agency, including Deputy Director of the Civil Rights Staff and Chief of Staff to the Administrator.

Ms. Rottenberg holds a B.A. in Political Science and Philosophy from Hope College in Holland, MI and a Juris Doctorate degree from American University’s Washington College of Law. Ms. Rottenberg began her Federal government career in the Federal Trade Commission’s Office of General Counsel, and prior to joining FSIS, Ms. Rottenberg was a law clerk at a small law firm in Fairfax, VA.

Jane Doherty  
International Coordination Executive, Office of the Administrator  
202-708-8769, Jane.Doherty@fsis.usda.gov

Jane Doherty was appointed the International Coordination Executive in the Food Safety and Inspection Service (FSIS) at USDA in May 2014. She supports FSIS Strategic Goal 2, to enhance compliance of domestic and foreign-produced products with safety regulations and guidance. Part of that mission includes ensuring that criteria for measuring equivalence of a foreign food safety system will be more closely aligned with existing and emerging domestic food safety regulations and policies.

Ms. Doherty brings a wealth of expertise to FSIS, with over twenty-four years working in international negotiations and government policy involving trade, food safety and environmental policies and issues. Prior to joining the USDA, she was the Director of Sanitary and Phytosanitary Affairs at the Office of the United States Trade Representative (USTR). She acted as the Chief Negotiator for the United States on trade policy affecting food safety, animal and plant life and health issues. Under her leadership, the USTR achieved groundbreaking trade agreements with Canada, the European Union, and Japan related to USDA organic equivalence arrangements, which eliminated trade barriers for organic producers while maintaining USDA’s quality standards.

Ms. Doherty earned a Bachelor of Sciences in International Affairs and a Juris Doctorate from George Washington University.
United States Department of Agriculture  
2016 Presidential Transition  
Food Safety and Inspection Service (FSIS)

Steven A. Fisher  
Chief Financial Officer (CFO)  
202-720-8700, Steven.Fisher@fsis.usda.gov

Steven A. Fisher has served as the Chief Financial Officer (CFO) at USDA’s Food Safety and Inspection Service (FSIS) since June 2014. The Office of the CFO (OCFO) is responsible for supporting food safety, protecting public health, and ensuring food defense requirements through strategic planning, budgeting and ensuring sound financial management practices and strong fiscal stewardship of the resources provided to FSIS by Congress.

As CFO, Mr. Fisher is responsible for providing executive and technical leadership, as well as policy advice, on financial management and accounting operations, systems, and plans; and budget formulation, execution, and budget-performance integration. Mr. Fisher also serves as the agency’s Performance Improvement Officer in support of the Government Performance and Results Act, leading and coordinating the agency’s strategic planning, and performance monitoring and reporting activities.

Mr. Fisher has over 20 years of experience in the financial management and strategic planning arena. Just before joining FSIS, he directed critical support functions as the Acting Deputy Executive Director and CFO of the Federal Trade Commission (FTC). As the CFO for FTC he led that agency in attaining 6 consecutive nationally recognized accountability awards (Certificate of Excellence in Accounting Reporting). Prior to his roles at FTC, Mr. Fisher has held several executive positions within the Department of Defense (DoD), including serving as the Director of the Business Integration Office, Office of the Secretary, where he helped lead the Department’s efforts to modernize its legacy business systems by implementing major Enterprise Resource Planning (ERP) systems.

Mr. Fisher has been an active Certified Public Accountant for 23 years and is also a Certified Government Financial Manager and a Certified Fraud Examiner. He earned his Master’s degree in Information Systems from the University of Maryland, and a Bachelor’s degree in Business Administration from Loyola University in Baltimore, Maryland.

Janet B. Stevens, PMP  
Chief Information Officer (CIO)  
202-205-9950, Janet.Stevens@fsis.usda.gov

Janet B. Stevens, PMP, has served as the Chief Information Officer (CIO) at USDA’s Food Safety and Inspection Service (FSIS) since April 2007. The Office of the CIO is responsible for supporting food safety, protecting public health, and ensuring food defense requirements through the development, implementation and protection of secure information systems, data and infrastructure.

Ms. Stevens oversees innovative and award-winning technical work associated with the deployment of cyber security systems for FSIS. She has also led several USDA eGovernment initiatives. She participated in the development of Federal recommendations for public web sites.
as part of OMB’s Interagency Committee on Government Information Web Content Standards Working Group as well as the Federal Digital Government Strategy.

Ms. Stevens is a proponent of social media and other innovative methods of communication and data as avenues to improve outreach efforts with other departments and stakeholders, both within and outside of FSIS, as well as to improve data streams for the analysis of information available on the internet. She is dedicated to providing the best customer service possible, for internal FSIS employees and external stakeholders. She ensures that all FSIS employees have the IT tools necessary to fulfill the mission of protecting public health.

As CIO, Ms. Stevens leads the FSIS efforts in protecting the integrity of data and information. In 2012, Ms. Stevens received the U.S. Government Information Security Leadership Award for leadership of FSIS accomplishments in cyber security process and policy improvements.

Previously, Ms. Stevens was the Director of the FSIS Web Services Staff from 2004 to 2006 and was the Director of the Management Controls Technology Staff from 2006 until April 2007. She began her career at USDA in 1991 as a writer/editor for the Economic Management Service (now part of the Economic Research Service). In 1998, she became the web manager for the Risk Management Agency (RMA). At RMA, she also served as the acting Public Affairs Director. Ms. Stevens is a graduate of George Mason University, where she earned a Bachelor of Arts in English with a concentration in Communications in 1991.

Terri Nintemann  
Assistant Administrator, Office of Data Integration and Food Protection (ODIFP)  
202-690-6486, Terri.Nintemann@fsis.usda.gov

Ms. Terri Nintemann was appointed as Assistant Administrator of the Office of Data Integration and Food Protection (ODIFP) in the Food Safety and Inspection Service (FSIS) in June 2011, having served as Acting Assistant Administrator since September 2010. Ms. Nintemann leads the collection, analysis, and integration of Agency data across program areas. She also oversees the development and implementation of procedures to prepare for, respond to, and recover from food emergencies. Additionally, she is responsible for oversight of the agency’s food defense activities.

Under her leadership, FSIS has taken steps to increase data availability and transparency. She led the development of annual sampling plans, started for Fiscal Year 2012, which provide a comprehensive summary of the agency’s sampling activities. Prior to the annual sampling plans, she led an agency wide effort to document the history of FSIS sampling programs, which was released in 2011. Her office has also re-implemented the public health regulations decision criterion, one of the key criteria to use inspection findings to inform agency decision making. Under Ms. Nintemann’s leadership, ODIFP also led a broad review of the agency’s microbiological sampling programs and initiated efforts to better design those programs to estimate prevalence. Finally, she has led the agency’s reporting through Public Health Information System with reports now available for Federal, state and industry users. She serves as the lead for FSIS Strategic Goal 4: Strengthen Collaboration among Internal and External Stakeholders to Prevent Foodborne Illness.
Ms. Nintemann is the chair of the FSIS Enterprise Steering Board, which leads Agency reviews of or implementation of new initiatives that impact multiple program areas. She is also a tri-lead, along with two other executives, of the FSIS Data Coordination Committee, which coordinates Agency data activities and provides feedback on data analysis within FSIS. Ms. Nintemann is the FSIS representative to the USDA Security Council, charged with improving coordination of security activities—physical and information—within the Department, and she also represents FSIS on the Federal Border Interagency Executive Council, which is focused on interagency collaboration regarding imports. Additionally, she serves on the Secretary’s Executive Resources Board as a FSIS mission area representative.

A lifelong agricultural enthusiast and Minnesota native, Ms. Nintemann joined FSIS in 2003 as the Deputy Assistant Administrator of the Office of Public Affairs, Education, and Outreach. In 2006, she was named Assistant Administrator of the office, now known as the Office of Public Affairs and Consumer Education. Prior to joining USDA, Ms. Nintemann was a professional staff member and legislative director for the Senate Committee on Agriculture, Nutrition, and Forestry from 1992 to 2003. She served as a legislative director for Congressman Dave Camp from 1991 to 1992. From 1986 to 1991 she was a staff member for Senator Rudy Boschwitz. Ms. Nintemann’s passion for public service is rooted in her participation in FFA and 4-H as a young adult. She graduated from the University of Minnesota in 1986 with a Bachelor of Science degree in Animal Science and a minor in Ag Economics.

William “Bill” Smith
Assistant Administrator (AA), Office of Field Operations (OFO)
202-720-8803, William.Smith@fsis.usda.gov

Mr. William C. “Bill” Smith was named the Assistant Administrator for the Office of Field Operations (OFO) in the Food Safety and Inspection Service (FSIS) at USDA in July of 2014. He previously served as AA for OFO and is now beginning his second assignment leading this program area. In this role, he is responsible for ensuring that food safety inspection aligns with existing and emerging risks to minimize existing and emerging food safety hazards. He also oversees animal welfare activities conducted every day by nearly 7,800 employees in nearly 6,400 meat, poultry, and processed egg, and import facilities.

The Assistant Administrator for OFO focuses on consistent and standardized application of food safety policies by the field employees in the 10 district offices under his purview and places a particular emphasis on providing field inspectors with adequate training so that they can correctly interpret the laws that they are charged with implementing.

Prior to his current role in OFO, Mr. Smith was the Assistant Administrator for the Office of Investigation, Enforcement and Audit (OIEA) where he managed the Agency’s investigation and enforcement resources, State and foreign audit programs, and litigation functions to protect public health and respond to food safety and food defense issues associated with the handling, sale, and distribution of meat, poultry, and processed egg products in-commerce. His staff of 156 investigators worked to ensure compliance at over 150,000 facilities in commerce.
Mr. Smith has 38 years of experience in inspection and enforcement of food safety and other consumer protections, from working as an in-plant inspector to positions in FSIS headquarters. He managed the launch of the Hazard Analysis and Critical Control Point (HACCP) program in the late 1990s. The rule clarified the respective roles of government and industry in food safety efforts. The HACCP program has been a critical factor in the overall decline of bacterial foodborne illnesses since 1996.

Mr. Smith graduated from Kansas State University in 1974 with a degree in Biological Science.

**Michael Watts**  
**Assistant Administrator, Office of Outreach, Employee Education and Training (OOEET)**  
202-205-0194, Michael.Watts@fsis.usda.gov

Michael Watts joined the U.S. Department of Agriculture in May 2003 and has been a Food Safety and Inspection Service (FSIS) Assistant Administrator for the Office of Outreach, Employee Education and Training (OOEET) since October 2012. His current role complements a career spent cultivating his expertise in civil rights, diversity management and training development and delivery. As Assistant Administrator of OOEET, his mission is to provide executive leadership and oversight for training and developing the FSIS workforce. Mr. Watts is responsible for ensuring that employees have the critical skills and training they need to support the Agency mission and to be successful. In addition, he focuses on identifying and reducing skill gaps in the workforce to ensure that the Agency has a talented cadre of professionals who are prepared to protect the American public from foodborne illnesses.

From May 2007 to October 2012, Mr. Watts led civil rights initiatives in the Department from two roles within the Office of the Assistant Secretary for Civil Rights. He held the positions of Civil Rights Director for the Department and Director of the Office of Compliance, Policy, Training and Cultural Transformation.

Before joining USDA, Mr. Watts was the State of Minnesota’s Assistant Commissioner of Diversity and Equal Opportunity, an executive position in the Department of Employee Relations, a cabinet-level office that reported to the Governor. Mr. Watts began his career in the military, where he developed a solid foundation of experience in training management. After leaving the military and completing law school, he worked as Equal Employment Opportunity Manager for the Department of Veterans Affairs – Birmingham VA Medical Center in Birmingham, Alabama.

Mr. Watts has a keen interest in mediation and dispute resolution, which led him to earn his Juris Doctorate at the Cumberland School of Law at Samford University in Birmingham, Alabama. Watts received his Masters’ Degree at Webster University in St. Louis, Missouri in Administration of Justice and Human Relations. He is a graduate of the University of Alabama, where he earned a Bachelor’s degree in Political Science and Criminal Justice. He is also a graduate of the US Army Command and General Staff College, the Marine Corps Command and Staff College, and the Harvard Kennedy School of Government Senior Managers in Government Course.
Carol Blake  
Assistant Administrator, Office of Public Affairs and Consumer Education (OPACE)  
202-720-3884, Carol.Blake@fsis.usda.gov

Carol Blake was appointed as the Assistant Administrator for the Office of Public Affairs and Consumer Education (OPACE) in the Food Safety and Inspection Service (FSIS) in November of 2011. As the leader for OPACE, Ms. Blake manages efforts to ensure that all segments of the farm-to-table chain receive valuable food safety information. Her extensive communications experience with FSIS and USDA provides a solid foundation to lead OPACE initiatives.

As Assistant Administrator of OPACE, Ms. Blake oversees the communication of public health messages to consumers and develops strategies to gain appropriate attention from news and other media outlets. During her time with USDA, she has seen a wide range of technology advancements that have helped raise the profile of FSIS in the ever-evolving world of 21st century communications. Under her leadership, FSIS has modernized its website into a mobile friendly public health tool for consumers and led innovative outreach using social media. In her current role, she leads efforts that directly link to FSIS’ strategic goal to increase the number of consumers who follow safe food handling practices through education and awareness campaigns. She ensures that the public can receive critical food safety information through a variety of social media, leads the Agency in its development of apps and consumer tools, and pursues partnerships with government and non-government organizations to obtain consumer data that ultimately shape additional consumer education opportunities. Ms. Blake is committed to being fiscally responsible in her quest to advance consumer education and awareness.

In August 2008, Ms. Blake was named the Director of OPACE's Congressional and Public Affairs Office. Since joining FSIS in 1999, she held positions that include press officer, public affairs specialist, and deputy director for correspondence and FOIA. Prior to joining FSIS, Ms. Blake handled media and communication initiatives for the Agricultural Marketing Service and USDA's Office of Communications.

Though Ms. Blake didn’t set out determined for a career at USDA, she feels a strong connection with the Department, as her grandfather was the head of what is now USDA’s Office of Budget and Program Analysis. Ms. Blake’s earliest formal experience at USDA entailed working as a clerk with the Forest Service during college breaks. She graduated from Randolph-Macon College with a degree in English.

Peter Bridgeman  
Acting Assistant Administrator, Office of Management (OM)  
202-720-4425, Peter.Bridgeman@fsis.usda.gov

Peter Bridgeman was recently appointed as the Acting Assistant Administrator of the Food Safety and Inspection Service’s (FSIS) Office of Management (OM). In this position, he leads OM in improving the overall management and effectiveness of FSIS programs by providing a full range of administrative and support services, to include: Human Resources Management
and Operations, Employee and Labor Relations, Environmental Safety, Health and Wellness, 
Procurement, Property, Fleet, Security and Records Management, Printing, Graphics, 
Distribution, and Copier Management Services, and Organizational “Green” Initiative.

Mr. Bridgeman has extensive leadership experience with FSIS, having previously served in 
executive leadership positions within the Office of Investigation, Enforcement and Audits and 
the Office of the Chief Financial Officer. Additionally, he has held leadership positions with the 
Office of Public Health Science and the Office of Field Operations during his 31 year career with 
FSIS.

A native of Pittsburgh, PA, Mr. Bridgeman served for four years in the U.S. Navy, successfully 
completing the Naval Nuclear Power School program, where he studied Nuclear Physics and 
Reactor Principles. Pete also studied at Rutgers University and Edison State College in New 
Jersey, where he majored in Business Administration and minored in Journalism.

Carl A. Mayes 
Assistant Administrator, Office of Investigation, Enforcement and Audit (OIEA) 
202-720-0294, Carl.Mayes@fsis.usda.gov

Mr. Carl A. Mayes was appointed Assistant Administrator (AA) for the Office of Investigation, 
Enforcement and Audit (OIEA) in the Food Safety and Inspection Service (FSIS) at USDA in 
February 2015. He leads the Agency’s surveillance and investigation activities for incidents of 
foodborne illness outbreaks, recalls, natural disasters and intentional contamination. Mr. Mayes 
also oversees state and foreign audit programs and enforcement and litigation functions. 
Mr. Mayes joined FSIS in August 2009 and was named the Deputy, Chief Information Officer 
for the Office of the Chief Information Officer (OCIO) in 2012. As OCIO’s Deputy Chief 
Information Officer he was responsible for implementing OCIO’s technology plan for 
modernizing the Agency’s applications and infrastructure. In October 2014, he was appointed to 
serve as OIEA’s Acting Assistant Administrator.

Prior to joining FSIS, Mr. Mayes was with the Defense Intelligence Agency (DIA) where he 
served as the Mission Application Division Chief for Counterintelligence (CI) and Human 
Intelligence (HUMINT) software applications overseeing the daily operations of over 200 
personnel. Mr. Mayes entered Federal service in 2006 with the Counterintelligence Field 
Activity (CIFA) where he worked closely within the United States Intelligence Community (I.C.) 
with such agencies as the Air Force Office of Special Investigations (AF OSI), Naval Criminal 
Investigative Service (NCIS), the U.S. Army Intelligence and Security Command (INSCOM) 
and other I.C. members to further U.S. national objectives.

Previously, Mr. Mayes spent 21 years in the United States Air Force (USAF) where he served as 
the Deputy Inspector General for the 480th Intelligence Wing (IW) at Langley Air Force Base 
(LAFB). While serving as USAF’s Deputy Inspector General he managed Fraud, Waste & 
Abuse complaints and audits, as well as compliance and quality assurance inspections for units 
actively involved in wartime and contingency operations worldwide. Before moving into this 
position, Mr. Mayes was the Squadron Superintendent for the 27th Intelligence Support
Squadron at LAFB, where he ensured personnel were trained and available to meet the organization’s mission of processing near-real-time intelligence, and disseminating Intelligence, Surveillance and Reconnaissance information worldwide. During his time with the USAF, Mr. Mayes also served as the Chief of Database Services, 82nd Computer Support Squadron, LAFB, where he led a team managing and maintaining a multi-million dollar U.S. State Department payroll system. Mr. Mayes was stationed at different bases stateside and overseas during his time with USAF and spent his first 12 years with the Security Forces performing law enforcement and security duties.

Mr. Mayes graduated from Georgia College & State University in Milledgeville, Georgia with a Masters of Business Administration and received a Masters of Management Information Systems from the University of Illinois at Springfield. He holds a dual Bachelor of Science degree in Computer Information Systems/Management and Accounting/Management from Park University, Parkville, MO.

Dr. David Goldman
Assistant Administrator, Office of Public Health Science (OPHS)
202-720-2644, David.Goldman@fsis.usda.gov

Dr. David Goldman was appointed in November 2004 as Assistant Administrator for the Office of Public Health Science (OPHS) at the Food Safety and Inspection Service (FSIS) and serves as the Acting Chief Medical Officer for the Department. He was formerly Director of the Human Health Sciences Division at FSIS, joining the agency in 2002. He is a family practice and preventive medicine/public health physician, and a member of the Commissioned Corps of the U.S. Public Health Service (USPHS).

Dr. Goldman oversees the OPHS, which provides expert scientific analysis, advice, and recommendations on all matters involving public health and science that are of concern to FSIS. During his time in OPHS, Dr. Goldman has led the creation and implementation of a comprehensive scientific agenda that focuses on the Agency’s most significant needs, including updating the National Residue Program, analyzing environmental contaminants, developing a plan to meet the Healthy People 2020 goals for Salmonella illness reduction, and communicating scientific measures to mitigate the risk of Listeria contamination at retail. He is the Agency’s point person during foodborne illness outbreaks, collaborating and coordinating with other public health leaders throughout government to support a swift and effective response. The FSIS labs are also under his purview.

Among his other duties, Dr. Goldman is a co-lead for USDA’s participation in the One Health initiative, a worldwide strategy for expanding interdisciplinary collaborations and communications in all aspects of diseases for humans, animals and the environment. One Health seeks to advance health care for the 21st century and beyond by accelerating biomedical research discoveries, enhancing public health efficacy, and expeditiously expanding the scientific knowledge base for zoonoses.
In August of 2013, the USPHS named Dr. Goldman as its new Chief Professional Officer for the medical category. In this capacity, Dr. Goldman serves as the primary point of contact between the Office of the Surgeon General and the 800+ physicians in the PHS. Since 2005, Dr. Goldman has served as the Surgeon General’s Policy Advisory Committee representative for USDA to represent any needs of FSIS to HHS with respect to 22 officers detailed here.

Dr. Goldman spent 10 years in the US Army Medical Corps in both family practice and preventive medicine. He then spent 3 ½ years at the Virginia Department of Health, first as a District Health Director, then briefly as the Deputy State Epidemiologist, before joining the Public Health Service. He is board-certified in both Family Medicine and General Preventive Medicine/Public Health and continues to see patients 1 day per month at a free clinic in Virginia. He received his Bachelor of Arts from the University of Virginia in 1979, a Doctor of Medicine degree from the University of Virginia in 1988, and his Master of Public Health in Epidemiology from the University of Washington in 1996.

**Dan Engeljohn, PhD**  
**Assistant Administrator, Office of Policy and Program Development**  
202-205-0495, Daniel.Engeljohn@fsis.usda.gov

Dan Engeljohn, PhD has been with the U.S. Department of Agriculture since 1979 and was named Assistant Administrator for the Office of Policy and Program Development (OPPD) in the Food Safety and Inspection Service (FSIS) at USDA in July of 2014. In this position, he leads the development of Agency policies and the development and publication of numerous FSIS policy documents, including regulations, instructions to the field, and guidance to industry.

Dr. Engeljohn directs staff that conducts economic analyses for regulations and Agency policy; reviews and approves labels for meat, poultry and egg products; and reviews and approves the use of new technologies and ingredients in meat, poultry, and egg products. His responsibilities also include development of Agency policy and instructions to the field concerning import and export of meat, poultry, and egg products.

Prior to his current position, he served as Assistant Administrator for the Office of Field Operations and was responsible for ensuring that the risk management policies for food safety and animal welfare were effectively conducted by nearly 7,800 employees in nearly 6,400 meat, poultry, and processed egg, and import facilities. Dr. Engeljohn also previously served as the Assistant Administrator for the OPPD. In his 26 years with OPPD, he developed food safety policies and procedures to ensure that FSIS fulfills its mission. In his 34 years of experience as a government regulator of the food industry, Dr. Engeljohn has served as a scientific spokesperson on food safety strategies, including food irradiation and pathogen control procedures.

Dr. Engeljohn earned a PhD in Nutrition, at Howard University, Washington, DC, specializing in Human Experimental Nutrition, and has taught an introductory nutrition course at the university for 17 years. He received his Bachelor’s and Masters’ degrees at the University of Illinois, Champaign-Urbana.
United States Department of Agriculture  
2016 Presidential Transition  
Food Safety and Inspection Service (FSIS)  

Organizational Budget and Financial Management  

<table>
<thead>
<tr>
<th>Food Safety and Inspection Service</th>
<th>Budget Authority FY 2009-2016</th>
<th>(Dollars in Thousands)</th>
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<td>Federal Food Safety &amp; Inspection</td>
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<td>$16,483</td>
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<tr>
<td>Other Sub-total</td>
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<td>$2,655</td>
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<td>Non-Federal Funds:</td>
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<td>$185,500</td>
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1. Negative numbers are caused by carryover off no-year funds
Enterprise Workforce Data

Workforce Data FY 2009 - FY 2016

- Staff Years
- FY 2009 to FY 2016

- Washington DC (HQ)
- Field Offices
- Total Staff

GS Level Distribution
- GS 5 - GS 7, 34%
- GS 8 - GS 12, 55%
- GS 13 - GS 15, 10%
- ES/SES, 0%
United States Department of Agriculture
2016 Presidential Transition
Food Safety and Inspection Service (FSIS)

Current Workforce by Program Area

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Number of Staff Years</th>
<th>Percentage of Staff Years</th>
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</thead>
<tbody>
<tr>
<td>Federal Food Safety &amp; Inspection</td>
<td>8888</td>
<td>98%</td>
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<tr>
<td>Public Health Data Communication Infrastructure System (PHDCIS)</td>
<td>0</td>
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<tr>
<td>International Food Safety &amp; Inspection</td>
<td>120</td>
<td>1%</td>
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<tr>
<td>State Food Safety &amp; Inspection</td>
<td>20</td>
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</tr>
<tr>
<td>Codex Alimentarius</td>
<td>8</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>9036</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

- Food Safety and Inspection Service employs a workforce of over 9,700 employees of which the following are full-time and part-time
  - Full-time: 9,341 employees
  - Part-time/Other: 518 employees
  Among these people are our Frontline workforce that works in approximately 6,389 federally regulated establishments, 3 FSIS laboratories and 127 import establishments at ports of entry.
- FSIS employs 354 Other than permanent, and 150 Temporary and Indefinite workers to fill in for employees in their absence.
- Of our total workforce, 35% are eligible to retire within the next year.
- 6,620 members of our workforce are Bargaining Unit Employees.
- Our headquarters is located in Washington, D.C. which houses 7% of our workforce.
- FSIS has 10 District offices, 3 Labs and 4 Regional offices.
- Approximately 90% of our Employees are Frontline workers who work directly on the Food Safety Mission by verifying that the processing of meat, poultry, and liquid egg products comply with statutory requirements. The remaining employees provide vital mission critical support service roles in ensuring the safety of America’s food supply and public health.
II. Policies and Regulations

Statutory Authorities

FSIS is responsible for administering the Federal Meat Inspection Act (FMIA) (21 U.S.C. 601-695), the Poultry Production Inspection Act (PPIA) (21 U.S.C. 451-470), the Egg Products Inspection Act (EPIA) (21 U.S.C. 1031-1056), the Humane Methods of Slaughter Act of 1978 (HMSA) (7 U.S.C. 1901 – 1906), and select sections of the Agricultural Marketing Act of 1946 (AMA) (7 U.S.C. 1622 and 1624). The FMIA and the PPIA ensure meat and poultry products distributed in commerce for human consumption are safe, wholesome, and correctly labeled through inspection and regulation of these products. Under the EPIA, FSIS ensures that liquid, frozen, and dried egg products distributed in commerce for human consumption are safe, wholesome, and correctly labeled. The HMSA requires that the handling and slaughtering of livestock be carried out only by humane methods. FSIS also operates a voluntary fee-for-service inspection program for exotic animals, rabbits, and non-amenable poultry, along with several other voluntary services, under the AMA.

Important Policies and Regulations

FSIS publishes on average four final rules per year and three proposed rules per year. Approximately 50% of FSIS regulations are designated significant or economically significant by the Office of Information and Regulatory Affairs.

Policies Finalized within the Last Year

- Descriptive Designation for Needle- or Blade-Tenderized (Mechanically Tenderized) Beef Products (Final Rule Published May 18, 2015; Effective Date: May 17, 2016)
- Eligibility of Lithuania to Export Meat and Meat Products to the United States (Final Rule Published August 31, 2015; Effective Date: October 30, 2015)
- Mandatory Inspection of Fish of the Order Siluriformes and Products Derived from Such Fish (Final Rule Published December 2, 2015)
- Records to be Kept by Official Establishments and Retail Stores that Grind Raw Beef Products (Final Rule Published December 21, 2015; Compliance Date: October 1, 2016)
- New Performance Standards for Salmonella and Campylobacter in Not-Ready-to-Eat Comminuted Chicken and Turkey Products and Raw Chicken Parts and Changes to Related Agency Verification Procedures: Response to Comments and Announcement of Implementation Schedule (Notice Published February 11, 2016)
- Classes of Poultry (Final Rule Published April 13, 2016; Effective Date: January 1, 2018)
United States Department of Agriculture
2016 Presidential Transition
Food Safety and Inspection Service (FSIS)

- Electronic Export Application and Certification Charge; Flexibility in the Requirements for Export Inspection Marks, Devices, and Certificates; Egg Products Export Certification (Final Rule Published June 29, 2016; Effective Date: August 29, 2016; Applicability Date for certain provisions: June 29, 2017)

- Eligibility of Namibia to Export Meat Products to the United States (Final Rule Published July 13, 2016; Effective Date: September 12, 2016)

- Requirements for the Disposition of Non-Ambulatory Disabled Veal Calves (Final Rule Published July 18, 2016; Effective Date: September 16, 2016)

- Statements That Bioengineered or Genetically Modified (GM) Ingredients or Animal Feed Were Not Used in the Production of Meat, Poultry, or Egg Products (Notice and Guidance Document Published August 24, 2016; Comment Period Ends October 24, 2016)

Proposed Rules Issued within the Last Year

- Elimination of Trichinae Control Regulations and Consolidation of Thermally Processed, Commercially Sterile Regulations (Proposed Rule Published March 28, 2016)

- Eligibility of Honduras to Export Poultry Products to the United States (Proposed Rule Published April 13, 2016)

- Eligibility of the Republic of Poland to Export Poultry Products to the United States (Proposed Rule Published April 20, 2016)

Rules at OMB

- Revision of the Nutrition Facts Panels for Meat and Poultry Products and Updating Certain Reference Amounts Customarily Consumed (Currently in OMB Clearance)
Overview of the Policy/Regulation Review Process

FSIS issues policies and regulations to lower the incidence of pathogens that cause foodborne illness and limit the occurrence of outbreaks in our regulated products. Millions of Americans and consumers around the world depend on the work of FSIS to keep them safe. As a public health agency, FSIS uses science to achieve the statutory mission laid out for us by Congress. Science drives our policy, which drives our inspection that ensures that we are prepared to address existing and new food safety threats.

FSIS prevents foodborne illness by:

- Issuing instructions to its personnel performing food safety inspection activities at more than 6,000 establishments nationwide through FSIS Directives and Notices, and ensuring that inspection aligns with existing and emerging risks;

- Maximizing international compliance with food safety policies by issuing regulations that address foreign countries’ equivalence to the U.S. inspection system;

- Issuing regulations to address the causes of outbreaks and improve traceback procedures when there is an outbreak;

- Issuing regulations and policies to address new and evolving risks by using science to understand foodborne illness and emerging trends; and

- Issuing regulations to modernize inspection systems.

FSIS also issues policies and regulations to advance other important goals, including:

- Ensuring that animals are handled humanely at slaughter; and

- Ensuring that regulated products are properly packaged and labeled so consumers have access to important information about the product.

Finally, FSIS issues policies and regulations when legislation requires it or when FSIS grants a petition for rulemaking (e.g., from a stakeholder, consumer group, or individual).

GAO and OIG Audits

**USDA-Office of the Inspector General (OIG) Reports**


**Government Accountability Office (GAO) High Risk List**


**Government Accountability Office (GAO) Audit Reports**


III. Congressional Relations and Issues

Overview
The following issues have been issues of importance to Congress and/or issues that have been the subject of a high volume of congressional correspondence and inquiries.

• Catfish/Equivalency:

As mandated in the 2008 and 2014 farm bills, the U.S. Department of Agriculture’s (USDA) Food Safety and Inspection Service (FSIS) completed and published the final rule “Mandatory Inspection of Fish of the Order Siluriformes and Products Derived from Such Fish” (80 FR 75590), which applies to all fish in the order of Siluriformes and products derived from such fish, on December 2, 2015. The final rule became effective on March 1, 2016, and includes an 18-month transition period that ends on September 1, 2017. FSIS will fully enforce the regulatory requirements described in the final rule on September 1, 2017.

The 18-month transition period also applies to imported Siluriformes fish and fish products. Shipments of imported products are being selected for reinspection, and therefore sampling, based on specific targeting criteria including past compliance history provided by FDA. Sample analyses include: speciation, residues (pesticide, drugs, and dyes) and Salmonella. A complete list of contaminants can be found at: http://www.fsis.usda.gov/wps/portal/fsis/topics/science/laboratories-and-procedures/guidebooks-and-methods/chemistry-laboratory-guidebook. When any imported or domestic Siluriformes products fail testing requirements, FSIS has taken action, including rejecting shipments and issuing a recall.

In May 2016, the Senate passed a resolution of disapproval of the FSIS Siluriformes Inspection rule. The resolution is currently awaiting House action. Should the resolution be enacted, jurisdiction of Siluriformes inspection will revert back to FDA.

• Oversight Issues:

The Food Safety and Inspection Service, as the Agency responsible for ensuring that the nation's commercial supply of meat, poultry, and egg products is safe, wholesome, and correctly labeled and packaged, frequently interacts with plants and related businesses in the course of taking regulatory actions. For slaughter plants and processing facilities, this can mean taking regulatory control actions, withholding the marks of inspection, and or suspension actions as defined under Rules of Practice. Throughout any course of regulatory action being taken by FSIS, the affected plant or business can work with FSIS frontline supervisors, the District Office, or the Small Plant Help Desk in order to take the steps necessary to regain compliance. In some cases, if an individual or plant does not agree with FSIS procedure or protocol for a specific action, they will contact their federal representatives who are then in contact with FSIS.
• Small Plant Access:

The ability of small plants to connect with and form relationships with federal regulating entities has been discussed and/or questioned in recent congressional hearings. FSIS strongly encourages that plant or business management to reach out to the District Office, the local Front Line Supervisor, or the Small Plant Help Desk in order to take the steps necessary to understand and comply with the FSIS regulations. It is a high priority of FSIS to ensure that smaller plants and processing facilities are given every opportunity to qualify for the FSIS Grant of Inspection.

• Labeling:

FSIS is the Agency responsible for ensuring the truthful and accurate labeling of the nation's commercial supply of meat, poultry, and egg products. In the course of managing this task, FSIS develops and provides labeling guidance, policies, and administers programs to protect consumers from misbranded and economically adulterated meat, poultry, and egg products. The FSIS Labeling Staff in the Office of Policy and Program Development (OPPD) works to ensure that all labels are truthful and not misleading. Congress is increasingly paying attention to these issues given the rise in consumer attention to genetically engineered products, organic products, and the use of certain terms and raising claims on labels, such ‘natural’, ‘grass fed,’ free range,’ and ‘humanely raised’. In addition, FSIS reviews and approves all labels for packaging, which can gain congressional attention if the individual or producer applying for the label wants particular attention paid to his/her product.

• Horse Slaughter:

In 2007, the U.S. Court of Appeals, Fifth Circuit ruling effectively closed any U.S. plants slaughtering horses for human food consumption. The FY 2008, FY 2009, and FY 2010 appropriations acts prohibit the use of funds to pay the salaries or expenses of personnel to inspect horses under the Federal Meat Inspection Act (FMIA) and the Humane Methods of Slaughter Act (HMSA). This prohibition was first passed in the 2006 appropriations act and was automatically renewed via the 2007 continuing resolution. Similar to previous funding bills, FSIS is barred under the FY 2016 Consolidated Appropriations Act from spending funds to perform ante-mortem inspection of horses at slaughter intended for human consumption. Under the funding ban contained in the fiscal year 2016 omnibus appropriations legislation, FSIS is also not permitted to operate a fee for service program for the inspection of horses for human consumption. State inspection programs would likewise be barred from using Federal funds to perform ante-mortem inspection, which likely would effectively mean that States also could not institute ante-mortem inspection of equines intended for human consumption. No horse slaughter establishment can operate legally without the presence of FSIS inspection program personnel. The FMIA requires inspection of amenable species intended for human consumption, including horses. Meat from amenable species that have not been inspected cannot be shipped or sold for human consumption. There is no equivalency process for the inspection of horse meat slaughtered for human
consumption, since the inspection is not allowed under current law; therefore imports of horse meat for human consumption is not permissible.

IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations:

- U.S. Department of Agriculture (USDA)
  - Animal and Plant Health Inspection Service (APHIS)
  - Grain Inspection, Packer, and Stockyards Administration (GIPSA)
  - Office of Budget and Program Analysis (OBPA)
  - Agricultural Research Service (ARS)
  - National Agricultural Statistics Service (NASS)
  - Office of the General Counsel (OGC)
  - Agricultural Marketing Service (AMS)
  - Foreign Agricultural Service (FAS)
  - Office of the Chief Economist (OCE)
  - Office of the Chief Information Officer (OCIO)
  - Food and Nutrition Service (FNS)
  - National Institute of Food and Agriculture (NIFA)
- Centers for Disease Control and Prevention (CDC)
- Food and Drug Administration (FDA)
- Customs and Border Protection (CBP)
- U.S. Trade Representative (USTR)
- Foreign Governments
- State Departments of Health
- State Departments of Agriculture
- Government Accountability Office (GAO)
- Office of Management and Budget (OMB)
- Occupational Safety and Health Administration (OSHA)
- Department of Homeland Security (DHS)

Stakeholder Group Overview

- Academia and Academic Professional Organizations (AAPOs)
- American Academy of Family Physicians
- American Veterinary Medical Association (AVMA)
- Consumer Interest Groups
- Council to Improve Foodborne Outbreak Response (CIFOR)
- FSIS-inspected establishments/industry representatives
- National Advisory Committee on Meat and Poultry Inspection (NACMPI)
- National Advisory Committee on Microbiological Criteria for Foods (NACMCF)
- National Joint Council (NJC) of Food Inspection Locals, American Federation of Government Employees (AFGE)
- Partnership for Food Safety Education
- State Departments of Health officials
State Meat and Poultry Inspection Directors and Inspection Personnel (for 27 state cooperative MPI programs)

Recent Engagements with Stakeholder Groups

- FSIS holds monthly consumer and stakeholder group meetings.
- Beginning quarterly meetings with humane handling stakeholders.
- FSIS holds meetings with small and very small slaughter processing establishments.
- All recent stakeholder and consumer meetings can be found: http://www.fsis.usda.gov/wps/portal/fsis/newsroom/meetings/officials-calendar-of-meetings/officials-calendar-of-meetings
August 2016 Engagements:

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<th>Other FSIS/OFS Participants</th>
<th>Non-FSIS/OFS Participants</th>
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<td>Industry Representatives</td>
<td>Consumer Meeting</td>
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<td>Aaron Lavallee, Deputy Assistant Administrator, FSIS</td>
<td>Joe DeStio, Newsradio</td>
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<td>Aaron Lavallee, Deputy Assistant Administrator and Nina Anand, Public Affairs Specialist, FSIS</td>
<td>Jeff Nalley, Agri-Pulse</td>
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<td>Carmen Rotenberg, Deputy Administrator</td>
<td>Lisa Wallenda Picard, Vice President, National Turkey Federation</td>
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<td>Dale Jackson, Senior Director of Agriculture Business; Shanon McDaniel, Executive Director of Agriculture, Choctaw Nation of Oklahoma; and Kayla Gebeck, Public Affairs Advisor, Holland &amp; Knight LLP</td>
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<td>Alfred V. Almanza, Deputy Under Secretary, OFS, Acting Administrator, FSIS</td>
<td>July 14, 2016 Washington, DC</td>
<td>Aaron Lavallee, Deputy Assistant Administrator, FSIS</td>
<td>Richard Raymond, Food Safety/Public Health Consulting</td>
<td>Discuss Deputy Under Secretary Government Career</td>
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V. Top Issues

Hot Topics

Implementation of Mandatory Inspection of Siluriformes
Provisions of the 2008 and 2014 Farm Bills amended the Federal Meat Inspection Act, mandating FSIS inspection of Siluriformes fish. On December 2, 2015, FSIS published a final rule requiring inspection of fish of the Order Siluriformes and products derived from such fish. The final rule became effective on March 1, 2017, switching oversight of these products from the Food and Drug Administration to FSIS. FSIS will continue to implement the mandatory inspection of fish of the order Siluriformes and products derived from such fish. FSIS is currently in the 18-month transitional period (transition to complete implementation) where it is exercising broad enforcement discretion. On September 1, 2017, FSIS will begin fully enforcing the regulatory requirements. As stated in the final rule, if a foreign country would like to remain eligible to export Siluriformes fish and fish products to the U.S. on and after September 1, 2017, it must make a written request to initiate the equivalence process and provide a complete equivalence packet.

Sampling Programs and Pathogen Reduction Performance Standards
Salmonella bacteria are among the most frequent causes of foodborne illness. These bacteria can reside in the intestinal tract of food animals. Salmonella contamination of raw products occurs during slaughter operations, as well as during the live-animal rearing process (e.g., on-farm contamination can coat the exterior of the animal and remain attached to the skin). Currently, events that cause contamination of raw carcasses cannot be eliminated through the commercial production and slaughter practices employed in the United States. Contamination can be minimized, however, with the use of proper sanitary dressing procedures and by the application of antimicrobial interventions during slaughter and thereafter during fabrication of the carcasses. FSIS uses the pathogen reduction performance standards to ensure that eligible establishments are consistently controlling or reducing harmful bacteria on raw meat and poultry products. In February 2016, FSIS announced new performance standards for Salmonella and Campylobacter in not ready-to-eat comminuted chicken and turkey products and raw chicken parts and changes to FSIS’s verification sampling program. FSIS is considering developing a new Salmonella performance standard for ground beef product.

FSIS also maintains many Shiga toxin-producing Escherichia coli (STEC) sampling projects for domestic establishments, imported products, and raw ground beef in retail. FSIS is considering beginning analyzing raw ground beef, raw ground beef components, and bench (purchased) trimmings for non-O157 STEC.

China Equivalency
The People’s Republic of China (PRC) is currently eligible to export processed poultry products to the United States if the products are derived from poultry slaughtered in the United States or in other countries eligible to slaughter and export poultry to the United States. The PRC is seeking an equivalence determination from FSIS to be able to export to the United States poultry...
products from birds slaughtered in the PRC. FSIS has reviewed the PRC’s laws, regulations, and poultry slaughter inspection system as implemented. Upon final determination of China’s equivalence with the recently implemented Modernization of Poultry Slaughter Inspection Final Rule, FSIS will move forward with the rulemaking process to propose to list China as eligible to export to the U.S. poultry product derived from poultry slaughtered in China. Should a rule become final, slaughtered poultry, or parts or other products thereof, processed in certified PRC establishments, would be eligible for export to the United States.

Local and Regional Food Systems
FSIS recognizes the growth of local and regional food systems, and aims to support producers engaged in local and regional markets. We value the collaboration with the Know Your Farmer, Know Your Food (KYF2) team to better serve new and beginning farmers and ranchers, many of whom get their start in farmers markets, Community Supported Agriculture, and other direct markets in their local communities. We also know that as local and regional food systems mature, the demand for local food is expanding beyond direct markets and into major grocery stores, restaurants, and schools, often through the work of food hubs and other intermediaries. Most recently, FSIS has partnered with KYF2 partners, including the Food and Nutrition Service (FNS) and Rural Development (RD), to develop clear, simple guidance documents on local meat, poultry, and eggs for school buyers, food hubs, and farmers markets. We look forward to continuing work with Know Your Farmer, Know Your Food (KYF2) to improve programs for these producers, make sure we are reaching the right audiences, and offer a more cohesive, service-oriented “One USDA” to our customers.

FSIS Priorities for Local and Regional Food Systems:

• Host “New Plant 101” webinar geared towards potential new processors with limited regulatory knowledge. The webinar will outline the basics of FSIS regulations to help remove technical barriers to new plant start-up.
• Coordinate with KYF2 on additional outreach opportunities to local food community and continue to engage with other USDA agencies to maintain awareness of other USDA programs that could provide assistance or opportunities to meat/poultry processors.
• Continue current efforts (events, website, etc.) to promote Small Plant Help Desk and assist local meat and poultry stakeholders.

Use of the Voluntary Claim “Natural” on Labeling of Meat and Poultry Products
FSIS currently has policy guidance that states the criteria for when “natural” may be used in the labeling of meat and poultry products. However, there has been much controversy over which products qualify to be labeled as “natural.” FSIS was petitioned by Hormel in 2006 to initiate rulemaking to codify the definition of the voluntary claim “natural” and clarify the circumstances under which the claim may be used in the labeling of meat and poultry products. In 2006, FSIS also received over 12,000 comments in response to a public meeting and a Federal Register Notice on the “natural” claim. In 2009, FSIS received over 7,500 comments in response to an advanced notice of proposed rulemaking asking for comments on the seven major issues raised in the 2006 proceedings. In 2014, Consumer Reports’ Food Safety and Sustainability Center and various other consumer and animal welfare advocacy organizations petitioned FSIS to issue an
interpretive rule to prohibit use of the claim “natural” in the labeling of meat and poultry products. The Agency will seek to clarify and resolve issues surrounding use of the “natural” claim in the labeling of meat and poultry products.

Declare Antibiotic-Resistant (ABR) Strains of Salmonella Adulterants
The Center for Science in the Public Interest petitioned FSIS in 2014 requesting that FSIS issue an interpretive rule to declare ABR strains of Salmonella Hadar, Salmonella Heidelberg, Salmonella Newport, and Salmonella Typhimurium to be adulterants in all raw meat and raw poultry products. There is much media and public interest in ABR pathogens. A few members of Congress are also interested.

Genetically Modified Organism (“GMO”) Labeling
FSIS will evaluate all labels with GMO or non-GMO claims. Examples of acceptable negative claims related to the nonuse of GMO feed or ingredients for single-ingredient products include, “Pasture raised beef fed a vegetarian diet with no bioengineered ingredients,” “Chicken raised on a diet containing no genetically engineered ingredients,” or “Derived from beef fed no GMO feed.” Examples of acceptable non-GMO claims for multi-ingredient products include, “Contains No GMO ingredients,” “No genetically modified ingredients,” “Ingredients used are not bioengineered,” and “No genetically engineered ingredients through the use of modern biotechnology.” FSIS recently published guidelines for establishments that wish to use these types of claims on the labeling of meat, poultry and egg products. Because FSIS does not have the ability to independently verify negative claims for ingredients or feed, FSIS has required establishments that make these claims to comply with standards established by a third-party certifying organization. FSIS currently requires that the third-party certifying organization’s standards be publicly available on a web site and the label or labeling disclose the web site address of the third-party certifying organization. For products that qualify for an “organic” claim under the NOP, establishments are not required to provide FSIS with additional documentation for approval of negative claims. FSIS is also collaborating with AMS on the use of these claims with respect to the recently enacted Public Law 114-216 instructing AMS to publish regulations that will provide criteria for mandatory labeling of GMO containing ingredients.

FSIS and AMS Labeling Coordination
Both FSIS and Agricultural Marketing Service (AMS) have a role in the labeling of meat and poultry products. FSIS is responsible for reviewing all labeling claims made on these products and ensuring that they are truthful and not misleading. Through the Process Verified Program, AMS works with companies on a voluntary basis to verify certain marketing claims. Stakeholder interest in marketing claims, such as grass fed, humanely raised and natural, has increased in recent years and USDA has been criticized when AMS and FSIS have not been perfectly aligned on the meaning of certain claims. In response to stakeholder feedback and in an effort to ensure improved coordination between the agencies, FSIS and AMS are working together on standard operating procedures to ensure coordination and collaboration on labeling issues (for example, AMS consultation on a standard’s validity, and new labeling policies and regulations that would affect both agencies). In addition, FSIS is working with AMS to develop a plan to post the standards for labeling claims in an online “reading room,” in order to increase transparency and
reduce consumer confusion. Finally, the agencies are working together to determine the scope of potential umbrella rulemaking that would include a number of marketing claims, as well as stronger verification requirements.

Timeline

January 2017, the Agency is expecting to:
- Participate as a co-sponsor of the Partnership for Food Safety Education conference, which seeks to communicate and share how to change consumer behavior through education.

February 2017, the Agency is expecting to:
- Issue a proposed rule to define the conditions under which the voluntary claim “natural” may be used on the label or in the labeling of meat and poultry products.
- Issue a final rule to amend the Federal meat inspection regulations to eliminate the requirements for both ready-to-eat (RTE) and not-ready-to-eat (NTRE) pork and pork products to be treated to destroy trichina (Trichinella spiralis) because the regulations are inconsistent with the Hazard Analysis and Critical Control Point (HACCP) regulations, and these prescriptive regulations are no longer necessary. This final rule would also consolidate the regulations on thermally processed, commercially sterile meat and poultry products (i.e., canned food products containing meat and poultry).

March 2017, the Agency is expecting to:
- Work with Department of Defense to develop a Memorandum of Understanding (MOU) to formalize and strengthen collaboration on food safety and food defense issues in the U.S. and abroad.

April 2017, the Agency is expecting to:
- Issue a final rule to amend the poultry products inspection regulations to list Honduras as eligible to export poultry products to the United States.
- Issue a final rule to amend the poultry products inspection regulations to list Poland as eligible to export poultry products to the United States.
- Issue notice to the union of intent to bargain the Agency Labor Management Agreement.

May 2017, the Agency is expecting to:
- Issue a proposed rule to amend its labeling regulations to establish criteria for when meat products derived from calves can be called “veal.”
United States Department of Agriculture
2016 Presidential Transition
Food Safety and Inspection Service (FSIS)

- Continue the multi-year multi-agency (CDC, FDA, ARS, FSIS) initiative to enhance the level of detail when characterizing individual pathogen strains by conducting whole genome sequencing (WGS). The result will be improved speed and efficiency in the analysis and reporting of regulatory results which will allow for a higher level of accuracy when identifying and preventing foodborne illnesses and containing outbreaks.

July 2017, the Agency is expecting to:
- Implement an electronic export application and certification system, which will be a component of the Agency’s Public Health Information System (PHIS).
# Appendix A. Acronyms

## Acronyms of FSIS USDA

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<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
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<td>AAR</td>
<td>Acquisition Approval Request</td>
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<td>ADRS</td>
<td>Animal Disposition Reporting System</td>
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<td>AES</td>
<td>Applied Epidemiology Staff</td>
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<td>ALP</td>
<td>Accredited Laboratory Program</td>
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<td>AMR</td>
<td>Advanced Meat Recovery</td>
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<td>AMS</td>
<td>Agricultural Marketing Service, USDA</td>
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<td>ANPR</td>
<td>Advance Notice of Proposed Rulemaking</td>
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<td>APHIS</td>
<td>Animal and Plant Health Inspection Service, USDA</td>
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<td>Agricultural Research Service, USDA</td>
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<td>ASD</td>
<td>Administrative Services Division</td>
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<td>Budget Division</td>
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<td>BSE</td>
<td>Bovine Spongiform Encephalopathy</td>
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<td>CAC</td>
<td>Codex Alimentarius Commission</td>
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<td>U.S. Customs and Border Protection</td>
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<td>CDC</td>
<td>Centers for Disease Control and Prevention</td>
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<td>CIFOR</td>
<td>Council to Improve Foodborne Outbreak Response</td>
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<td>Consumer Compliant Monitoring System</td>
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<td>Chief Financial Officer</td>
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<td>Compliance and Investigations Division</td>
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<td>CPAO</td>
<td>Congressional and Public Affairs Office</td>
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<td>COOP</td>
<td>Continuity of Operations</td>
</tr>
<tr>
<td>CRS</td>
<td>Civil Rights Staff</td>
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<tr>
<td>CSI</td>
<td>Consumer Safety Inspector</td>
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<td>CSO</td>
<td>Consumer Safety Officer</td>
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<tr>
<td>CSRS</td>
<td>Civil Service Retirement System</td>
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<tr>
<td>DAS</td>
<td>Data Analysis Staff</td>
</tr>
<tr>
<td>DHHS</td>
<td>(U.S. Department of) Health and Human Services</td>
</tr>
<tr>
<td>DHS</td>
<td>U.S. Department of Homeland Security</td>
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<tr>
<td>DO</td>
<td>District Office</td>
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<tr>
<td>DVMS</td>
<td>District Veterinary Medical Specialist</td>
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<tr>
<td>eCFR</td>
<td>Electronic Code of Federal Regulations</td>
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<tr>
<td>ECIMS</td>
<td>Executive Correspondence and Issues Management Staff</td>
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<tr>
<td>EED</td>
<td>Evaluation and Enforcement Division</td>
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<tr>
<td>EEO</td>
<td>Equal Employment Opportunity</td>
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<tr>
<td>EIAO</td>
<td>Enforcement, Investigations, and Analysis Officer</td>
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United States Department of Agriculture  
2016 Presidential Transition  
Food Safety and Inspection Service (FSIS)

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tr>
<td>EIO</td>
<td>Enforcement Investigations Division</td>
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<tr>
<td>EL</td>
<td>Eastern Laboratory</td>
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<td>ELD</td>
<td>Enforcement Litigation Division</td>
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<tr>
<td>eOFP</td>
<td>Electronic Official Personnel Folder</td>
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<td>EPA</td>
<td>U.S. Environmental Protection Agency</td>
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<tr>
<td>EPIA</td>
<td>Egg Products Inspection Act</td>
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<td>ERT</td>
<td>Emergency Response Team</td>
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<td>FAS</td>
<td>Foreign Agricultural Service, USDA</td>
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<td>FDA</td>
<td>U.S. Food and Drug Administration, Department of Health and Human Services</td>
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<td>FEGLI</td>
<td>Federal Employees Group Life Insurance</td>
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<td>FEHB</td>
<td>Federal Employees Health Benefits</td>
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<td>FERN</td>
<td>Federal Emergency Response Network</td>
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<td>FERS</td>
<td>Federal Employees Retirement System</td>
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<td>FI</td>
<td>Food Inspector</td>
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<td>FLS</td>
<td>Frontline Supervisor</td>
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<td>FMD</td>
<td>Financial Management Division</td>
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<td>FMIA</td>
<td>Federal Meat Inspection Act</td>
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<td>Field Operations (Office of Field Operations)</td>
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<td>FOIA</td>
<td>Freedom of Information Act</td>
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<td>Food Safety Education Staff</td>
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<td>Food Safety and Inspection Service</td>
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<td>Full-Time-Equivalent</td>
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<td>GPO</td>
<td>U.S. Government Printing Office</td>
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<td>HACCP</td>
<td>Hazard Analysis and Critical Control Point</td>
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<td>HIKE</td>
<td>Humane Interactive Knowledge Scenario</td>
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<td>HMSA</td>
<td>Humane Methods of Slaughter Act</td>
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<td>HRD</td>
<td>Human Resources Division</td>
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<td>HSRA</td>
<td>Hog Slaughter Risk Assessment</td>
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<td>IA</td>
<td>Interagency Agreement</td>
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<td>Internal Controls Division</td>
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<td>IDAS</td>
<td>Inspection Data Analysis Staff</td>
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<td>Inspector-in-Charge</td>
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<td>IID</td>
<td>Import Inspection Division</td>
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<td>IES</td>
<td>International Equivalence Staff</td>
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<td>IKE</td>
<td>Interactive Knowledge Exchange</td>
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<td>ISSP</td>
<td>Information Systems Security Program</td>
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<td>LCPS</td>
<td>Labeling and Consumer Protection Staff</td>
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<tr>
<td>LERD</td>
<td>Labor and Employee Relations Division</td>
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<tr>
<td>Lm</td>
<td><em>Listeria monocytogenes</em></td>
</tr>
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<td>Acronym</td>
<td>Description</td>
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<td>LPDD</td>
<td>Labeling and Program Delivery Division</td>
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<td>LQAS</td>
<td>Laboratory Quality Assurance Staff</td>
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<td>MD</td>
<td>Microbiology Division</td>
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<td>MOU</td>
<td>Memorandum of Understanding</td>
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<td>MPI</td>
<td>Meat and Poultry Inspection</td>
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<tr>
<td>MWL</td>
<td>Midwestern Laboratory</td>
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<tr>
<td>NACMCF</td>
<td>National Advisory Committee on Microbiological Criteria for Foods</td>
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<td>NACMPI</td>
<td>National Advisory Committee on Meat and Poultry Inspection</td>
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<td>NAL</td>
<td>National Agricultural Library, USDA</td>
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<td>NIFA</td>
<td>National Institute of Food and Agriculture, USDA</td>
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<td>NFSEM</td>
<td>National Food Safety Education Month</td>
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<td>NOIE</td>
<td>Notice of Intended Enforcement</td>
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<td>NPIS</td>
<td>New Poultry Inspection System</td>
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<td>NR</td>
<td>Noncompliance Record</td>
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<td>OA</td>
<td>Office of the Administrator</td>
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<td>OBPA</td>
<td>Office of Budget and Program Analysis (USDA)</td>
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<td>ODIFP</td>
<td>Office of Data Integration and Food Protection</td>
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<td>OEDB</td>
<td>Organization and Employee Development Branch</td>
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<td>Office of Field Operations</td>
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<td>Office of International Coordination</td>
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<td>OIEA</td>
<td>Office of Investigation, Enforcement and Audit</td>
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<td>OCFO</td>
<td>Office of the Chief Financial Officer</td>
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<td>OCIO</td>
<td>Office of the Chief Information Officer</td>
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<tr>
<td>OHR</td>
<td>Office of Human Resources</td>
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<tr>
<td>OM</td>
<td>Office of Management</td>
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<tr>
<td>OMB</td>
<td>Office of Management and Budget, Executive Office of the President</td>
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<tr>
<td>OOEET</td>
<td>Office of Outreach, Employee Education and Training</td>
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<td>OPACE</td>
<td>Office of Public Affairs and Consumer Education</td>
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<tr>
<td>OPHS</td>
<td>Office of Public Health Science</td>
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<td>OPM</td>
<td>U.S. Office of Personnel Management</td>
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<td>OPPD</td>
<td>Office of Policy and Program Development</td>
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<td>ORACBA</td>
<td>Office of Risk Assessment and Cost-Benefit Analysis (USDA)</td>
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<tr>
<td>OTP</td>
<td>Other-Than-Permanent</td>
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<td>PDD</td>
<td>Policy Development Division</td>
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<td>PEIS</td>
<td>Program Evaluation and Improvement Staff</td>
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<td>PFT</td>
<td>Permanent-Full-Time</td>
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<td>PHIS</td>
<td>Public Health Information System</td>
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<td>PHV</td>
<td>Public Health Veterinarian</td>
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<td>PPIA</td>
<td>Poultry Products Inspection Act</td>
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<td>PSRA</td>
<td>Poultry Slaughter Risk Assessment</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Description</td>
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<td>RAAS</td>
<td>Risk Assessment and Analysis Staff</td>
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<tr>
<td>RGB/RGBC</td>
<td>Raw Ground Beef; Raw Ground Beef Components</td>
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<td>RMTAS</td>
<td>Recall Management and Technical Analysis Staff</td>
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<td>RPMS</td>
<td>Resource Personnel Management Staff</td>
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<td>RTE</td>
<td>Ready-to-Eat</td>
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<td>SciS</td>
<td>Science Staff</td>
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<tr>
<td>SSOP</td>
<td>Sanitation Standard Operating Procedure</td>
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<td>STEC</td>
<td>Shiga-toxin Producing <em>Escherichia coli</em></td>
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<tr>
<td>SY</td>
<td>Staff Year</td>
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<tr>
<td>TA</td>
<td>Talmadge-Aiken</td>
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<td>TSE</td>
<td>Transmissible Spongiform Encephalopathy</td>
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<tr>
<td>TSP</td>
<td>Thrift Savings Plan</td>
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<td>USDA</td>
<td>United States Department of Agriculture</td>
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<tr>
<td>VMO</td>
<td>Veterinary Medical Officer</td>
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<tr>
<td>WAE</td>
<td>While Actually Employed - refers to Intermittent employee</td>
</tr>
<tr>
<td>WGS</td>
<td>Whole Genome Sequencing</td>
</tr>
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<td>WL</td>
<td>Western Laboratory</td>
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WHO WE ARE: OUR MISSION AREA

The mission of the Marketing and Regulatory Programs (MRP) is to facilitate and expand the domestic and international marketing of U.S. agricultural products, to help protect the agricultural sector from plant and animal health threats, and to ensure humane care and treatment of regulated animals. MRP agencies are active participants in setting national and international standards. MRP is composed of the Agricultural Marketing Service, the Animal and Plant Health Inspection Service, and the Grain Inspection, Packers, and Stockyards Administration.

WHO WE ARE: OUR WORKFORCE

- AMS – 2,074 permanent employees
- APHIS – 5,771 permanent employees, and 2,838 temporary employees
- GIPSA – 643 permanent employees

WHO WE SERVE: OUR CONSTITUENTS

MRP programs provide the basic infrastructure to improve agricultural market competitiveness for the overall benefit of consumers and producers of American agriculture. MRP efforts also ensure agricultural exports remains high – fiscal year 2015 was the third-highest year on record with $139.7 billion in farm exports.

KEY UPCOMING DECISIONS

- Establishment of a mandatory national bioengineered food disclosure standard; a study on consumer access to electronic disclosures must also be completed within one year.
- Whether APHIS should finalize new regulations under the Horse Protection Act to provide additional protections against soring?
- Whether APHIS should approve imports of Argentine lemons and EU apples/pears?
- Whether to proceed and how with a comprehensive revision of APHIS’ biotechnology regulations in light of scientific advances since they were established in 1987? How do we address diverse stakeholder interests in regulation of biotechnology?

BUDGET HIGHLIGHTS FY 2016

- AMS – total budget authority of $2.75 billion of which $723.7 million is non-federal marketing order assessments.
- APHIS – total budget authority of $1.36 billion. 15 percent is generated through Agricultural Quarantine Inspection User Fees.
- GIPSA – total budget authority of $98.0 million. 56 percent is generated through Inspection & Weighing Mandatory User Fees.
I. Organizational Overview

Organizational Chart

In addition, the Office of the Under Secretary includes one political position serving as Confidential Assistant to the Under Secretary. The office also includes two administrative support positions which are Program Analyst and Staff Assistant.

The MRP Mission Area, at full staff, composed of at minimum 7 full-time employees, with office space to support an additional 2 employees as needed (ie, as detailees to assist in special projects). Political appointments include: Under Secretary; Two Deputy Under Secretaries; Chief of Staff; and Confidential Assistant.

In addition to political appointees, there are two front-office career staff, with the titles of Program Analyst and Staff Assistant. In addition, MRP may bring in detailees from the agencies to assist in special priority projects.
Biographies for career staff in key leadership positions

Kevin Shea
APHIS Administrator
202-799-7000, Kevin.A.Shea@aphis.usda.gov

Kevin Shea was appointed Administrator of the U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) on June 18, 2013, after serving as Acting Administrator since June 2012. As Administrator, Mr. Shea carries out the agency's broad mission of protecting and promoting American agriculture, regulating genetically engineered organisms, administering the Animal Welfare Act and carrying out wildlife damage management activities. In addition to his regular duties, Mr. Shea serves on the Secretary's Executive Resources Board and the Secretary's Management Council.

Before becoming Administrator, Mr. Shea served as Associate Administrator since September 2004, ensuring the smooth functioning of the Agency and championing APHIS' unprecedented business process improvement efforts. Starting in 2000, Mr. Shea served as Deputy Administrator for Policy and Program Development, providing leadership for the overall planning and direction of policies, programs and activities at APHIS, as well as being responsible for the Agency's budget, regulation development and environmental compliance programs. From 1992 to 2000 he served as APHIS' Director of Budget and Accounting. Earlier in his career he worked as a budget analyst, Chief of the Program Analysis Branch, and Chief of the Policy Analysis and Development Staff. He also spent one year practicing law in the litigation department of Frank, Bernstein, Conaway and Goldman in Baltimore, MD. Mr. Shea graduated from DeMatha Catholic High School in Hyattsville, MD and the University of Maryland in College Park. He earned a law degree, summa cum laude, from the University of Baltimore School of Law.

A native Washingtonian, Mr. Shea now resides in Crofton, MD.

Elvis Cordova
Acting Under Secretary for Marketing and Regulatory Programs
202-720-0395, Elvis.Cordova@osec.usda.gov

Mr. Cordova is the Deputy Under Secretary for the Marketing and Regulatory Programs Mission Area at the U.S. Department of Agriculture where he helps to oversee the Agricultural Marketing Service, the Animal and Plant Health Inspection Service, and the Grain Inspection, Packers and Stockyards Administration. He previously served as the Chief of Staff for the Research, Education & Economics Mission Area at USDA where he helped to oversee the Agricultural Research Service, the Economic Research Service, the National Agricultural Statistical Service, and the National Institute of Food and Agriculture.
Before joining USDA, he served as a Presidential Management Fellow at the Farm Credit Administration and the U.S. Department of Energy where he worked on issues encompassing alternative energy, economic development, financial services, and international & public affairs. Mr. Cordova has also held the position of Vice President of Public Relations at Tzolkin Media Inc., a D.C. based start-up company that developed online entertainment content for the Latino youth market. Prior to joining Tzolkin Media, he was the Director for Latin American programs at the Self Reliance Foundation where he managed the organization's civil society building projects, which focused on teaching social media technology to journalists and radio producers throughout Latin America. Before relocating to Washington D.C., he lived in Argentina and Brazil where he conducted research on economic and trade development. During his time in New York City, he worked at the United Nations as a consultant where he researched state capacity building strategies aimed at enhancing trade development in emerging markets. He also worked as a management planning analyst for the New York City Department of Parks and Recreation. Mr. Cordova began his career as a financial analyst at the Harvard Management Company in Boston, Massachusetts.

Mr. Cordova, a recipient of the Woodrow Wilson Graduate Fellowship, holds a Master's Degree in Public Administration from the Wagner Graduate School of Public Service at New York University and a Bachelor's Degree in Criminal Justice from Northeastern University. He also holds various professional and academic certificates from Georgetown University, Harvard University, University of California at Berkeley, Universidad de Sevilla in Spain, Universidad de Buenos Aires in Argentina, Ecole Nationale des Travaux Publics de l'Etat in France, and Pontificia Universidade Catolica in Brazil. His languages include Spanish, Portuguese, and French. Mr. Cordova recently served as a member of the Executive Board of the Washington D.C. Chapter of the National Society of Hispanic MBAs.

Ben Thomas
Deputy Under Secretary for Marketing and Regulatory Programs
202-260-8322, Ben.Thomas@osec.usda.gov

Ben Thomas is the Deputy Under Secretary for the Marketing and Regulatory Programs Mission Area at the U.S. Department of Agriculture where he helps oversee the Agricultural Marketing Service, the Animal and Plant Health Inspection Service, and the Grain Inspection, Packers and Stockyards Administration. Most recently, he served as the Chief of Staff for the Farm and Foreign Agricultural Services Mission Area, which encompasses the Farm Service Agency, Foreign Agricultural Service, and Risk Management Agency. In that role, he oversaw the department's international activities and worked to implement provisions of the 2014 Farm Bill.

Prior to joining USDA, Ben served as Legislative Assistant and Counsel to two Members of the Senate Agriculture Committee, helping write the 2014 Farm Bill. He also provided counsel on trade, telecommunications, nutrition, the environment, rural development, and more. Prior to his Senate experience, Ben served in various policy positions at the Farm Service Agency and Risk Management Agency, and as a Law Clerk to the Chairman of the Federal Trade Commission.

Ben graduated from Austin College in Sherman, Texas with a Bachelor of Arts degree. He
received his Juris Doctor from Washington University in St. Louis, Missouri, and his LL.M in Agricultural and Food Law from the University of Arkansas in Fayetteville.

Ben was raised on a cotton and peanut farm near Morton, Texas, where his family still farms.

David Howard  
Chief of Staff and Acting Deputy Under Secretary for Marketing and Regulatory Programs  
202-720-5759, David.howard@osec.usda.gov

David Howard is the Chief of Staff and is also serving as Acting Deputy Under Secretary for the Marketing and Regulatory Programs Mission Area (MRP) at the U.S. Department of Agriculture, where he helps oversee the Agricultural Marketing Service, the Animal and Plant Health Inspection Service, and the Grain Inspection, Packers and Stockyards Administration. David also serves as the main conduit between the MRP mission area and the Office of the Secretary, including the Office of Congressional Relations and the Office of Communications. Before joining MRP, David covered the Rural Development and Natural Resources and Environment portfolios in the Department’s Office of Congressional Relations.

Prior to joining USDA, David worked for Senator Tom Harkin from 2007 – 2013 in various roles. David received a B.A. in political science from the University of Northern Iowa in 2007. He hails from the small town of Marble Rock, Iowa.

Elanor Starmer, AMS Administrator  
202-720-5115, elanor.starmer@ams.usda.gov

Ms. Elanor Starmer is USDA’s AMS Administrator. Ms. Starmer joined USDA in 2011, first to support the Deputy Secretary and then as a Senior Advisor to Secretary Tom Vilsack. She also served as the National Coordinator and Advisor for Local and Regional Food Systems at USDA. In this role, she guided Department-wide efforts to strengthen local and regional food systems.
and lead the Know Your Farmer, Know Your Food initiative. She acted as liaison to U.S. Food and Drug Administration on the Food Safety Modernization Act (FSMA) and developed Department-wide strategy to support industry on FSMA implementation.

Prior to joining USDA in 2011, Elanor worked on agriculture, food and development policy issues for over a decade with nonprofits in Washington, DC, Minnesota, and California. She also consulted with the Organization of American States’ agriculture policy arm in El Salvador. Originally from a small farming community in New Hampshire, Ms. Starmer has an MS in Agriculture Science and Policy from Tufts University’s Friedman School; an MA in Development Economics from the Fletcher School of Law and Diplomacy; and a BA from Brown University.

Larry Mitchell
GIPSA Administrator
202-720-0219, Larry.Mitchell@usda.gov

Larry Mitchell was appointed Administrator of the United States Department of Agriculture (USDA), Grain Inspection, Packers and Stockyards Administration (GIPSA) on June 3, 2012. He is responsible for a variety of programs that facilitate the marketing of livestock, poultry, meat, cereals, oilseeds, and related agricultural products, and to promote fair and competitive trading practices for the overall benefit of consumers and American agriculture. GIPSA’s programs directly and significantly impact two key sectors of American agriculture - the livestock and grain markets. The markets serviced by GIPSA represent a total economic value of approximately $170 billion annually with exports contributing over $28.7 billion to the U.S. economy.

Before joining GIPSA, Mr. Mitchell served as the Associate Director of the Office of Advocacy and Outreach at USDA and previously served as Deputy Administrator for Farm Programs of the Farm Service Agency (FSA) of USDA and Deputy Vice President at Commodity Credit Corporation in the 1990s.

In the interim, Mr. Mitchell served in the private and nonprofit sectors as President of K Street Research, Inc. and as Chief Executive Officer of the American Corn Growers Association. Prior to serving at USDA in the 1990s, Mitchell held the position of Vice President of Government Relations for the National Farmers Union in Washington, D.C., Director of Federal and State Relation for the American Agriculture Movement, Editor of the AAM Reporter and as an independent consultant and writer on American farm issues. Before coming to Washington in 1989, Mr. Mitchell was a grain and cotton farmer in Texas. Mr. Mitchell earned a Bachelor’s degree from Tarleton State University in Plant and Soil Science.

Overview of Agency Programs and Operations

The economic vitality and quality of life in rural America and the U.S. economy at large depends on a competitive, efficient, and productive agricultural system. U.S. agricultural producers are not simply farmers and ranchers; they are often small business owners trying to survive and support their families and rural communities in a challenging global, technologically advanced,
and competitive business environment. In an era of market consolidation and intense competition, these producers rely on fair and open access to markets and control over their decisions to thrive. Agricultural producers also need to safeguard animal and plant resources against the introduction of foreign agricultural pests and diseases.

The mission of the Marketing and Regulatory Programs (MRP) is to facilitate and expand the domestic and international marketing of U.S. agricultural products, to help protect the agricultural sector from plant and animal health threats, and to ensure humane care and treatment of regulated animals. Because these programs provide the basic infrastructure to improve agricultural market competitiveness for the overall benefit of consumers and producers of American agriculture, this mission area contributes to all of USDA’s Strategic Goals. As a result of many efforts within MRP and other mission areas, the U.S. achieved $139.7 billion in farm exports in fiscal year 2015, the third-best year on record. Notably, the Animal and Plant Health Inspection Service (APHIS) continued efforts to eliminate trade barriers and ensure that trade decisions are based on science. The grain inspection and weighing work of the Grain Inspection, Packers and Stockyards Administration (GIPSA) and the work of the Agricultural Marketing Service (AMS) also contributed to the high level of exports seen in fiscal year 2015. As a direct result of the work of the MRP agencies and their sister agencies, USDA resolved more than 150 trade-related issues involving U.S. agricultural exports valued at $2.4 billion.

Through GIPSA, MRP also conducts oversight activities to protect livestock, meat, and poultry producers from unfair competition and unfair business practices, and partners with the Department of Justice to help prevent anti-competitive behaviors for regulated entities in the livestock, meat, and poultry industries. In addition, MRP assists producers in management and domestic marketing by providing market trend analysis and business and marketing tools through the work of the AMS. MRP also helps increase the competitiveness of the agricultural sector by working to protect the Nation’s agriculture from pests and diseases, thereby increasing the efficiency of production.

MRP’s efforts over the years have made a lasting impact on markets important to small and mid-sized producers. Through the National Organic Program, AMS has provided critical support needed to help fuel double-digit growth in the organic consumer market. In 2015, the retail market for organic products was valued at $43.3 billion by the Organic Trade Association and continues to grow. AMS has worked to expand market access for organic farms and businesses. Today, the industry encompasses a record 22,818 certified organic businesses.

**Agriculture Marketing Service (AMS)**

**Quality Grading and Inspections.**

USDA quality grade marks are usually seen on beef, lamb, chicken, turkey, butter, and eggs. For many other products, such as fresh and processed fruits and vegetables, the grade mark isn’t always visible on the retail product. In these commodities, the grading service is used by wholesalers, and the final retail packaging may not include the grade mark. However, quality grades are widely used—even if they are not prominently displayed—as a "language" among
traders. They make business transactions easier whether they are local or made over long distances.

Consumers, as well as those involved in the marketing of agricultural products, benefit from the greater efficiency permitted by the availability and application of grade standards. AMS currently grades cotton, fresh fruits and vegetables, processed fruits and vegetables, poultry, eggs, livestock and meat, dairy products, and tobacco.

**Auditing and Accreditation**

AMS provides audit and accreditation programs based on International Organization for Standardization (ISO) Standards and/or Hazard Analysis and Critical Control Point (HACCP) Principles and Guidelines. These programs provide producers and suppliers of agricultural products the opportunity to assure customers of their ability to provide consistent quality products or services. AMS verifies their documented programs through independent, third-party audits. AMS audit and accreditation programs are voluntary and paid through hourly user-fees.

AMS is recognized nationally and internationally as a competent and reliable provider of audit and accreditation services. AMS utilizes the International Organization for Standardization (ISO) 19011:2011 guidelines for quality and/or environmental management systems auditing as the format to evaluate program documentation, to ensure consistent auditing practices, and to promote international recognition of audit results.

**Organic Certification and Accreditation**

- **Organic Certification** allows a farm or processing facility to sell, label, and represent their products as organic. Any organic operation in violation of the USDA organic regulations is subject to enforcement actions, which can include financial penalties or suspension/revocation of their organic certificate.
- **Organic Accreditation** authorizes private, foreign, or State entities to certify farms or processing facilities. Certifying agents are accredited by the USDA and are located throughout the United States and around the world. Certifying agents are responsible for ensuring that the USDA organic products meet or exceed all organic standards.

**Local Food Research & Development**

- **Farmers Markets and Direct-to-Consumer Marketing**: conducts regular data collection and analysis of farmers market operations and other direct-to-consumer marketing outlets (Community Supported Agriculture, food hubs, on-farm markets) to help market managers, planners, and researchers better understand the impact of these outlets on food access and local economic development, and help the public easily find sources of fresh, local food.
- **Food Value Chains and Food Hubs**: studies “food value chains”, an innovative business model in which agricultural producers, processors, buyers, and other supply chain members form collaborative, transparent partnerships that intentionally attempt to combine financial success with social benefit. “Food hubs”, a subset of these innovative enterprises, work to
ramp up the availability of local food in wholesale marketing channels by offering affordable aggregation, distribution and marketing services to small and mid-sized producers

- **Wholesale Markets and Facility Design:** provides targeted site assessment and design services for food market planners, managers and community stakeholders to improve the efficiency of permanent food market facilities.

- **USDA Farmers Market:** The Department’s own “living laboratory” for farmers market operations, the farmers market at USDA headquarters has been running strong for 17 years and counting on a seasonal basis, and currently operates throughout the year in both outdoor and indoor locations. Posted here are schedules of upcoming market days and special programs/events for USDA headquarters along with materials that provide transferable lessons about market management, layout and organizational self-assessment for use by farmers market stakeholders across the country.

- **AMS Grant Programs:** AMS administers four grant programs to help farmers and ranchers market the food they produce, including programs that further farmers markets, specialty crops such as fruit and vegetables, local food marketing, and cost-share programs to help farmers become organic.

**Know Your Farmer, Know Your Food Initiative**

The Know Your Farmer, Know Your Food (KYF2) initiative is a USDA-wide initiative (not an appropriated program) to strengthen local and regional food systems and strengthen the critical connection between farmers and consumers. The initiative facilitates cross-cutting efforts at USDA that seek to use existing USDA programs to break down structural barriers that have inhibited local food systems from thriving.

**Import/Export Certificates**

**Imports**

- **Specialty Crops:** The AMS Specialty Crops Program administers Marketing Orders and Section 8e Import regulations that apply quality standards to certain perishable fruits and vegetables entering the United States. These standards ensure that consumers have access to high-quality products and ensure that the American produce industry and imports are competing on a level playing field.

- **Shell Eggs:** Additionally, AMS routinely inspects egg imports for compliance with U.S. quality standards, including storage and transportation temperature requirements.

**Exports**

AMS certification and verification programs support American exporters by ensuring that products meet specific export requirements for countries around the world, including in the European Union, Asia, and South America.
To further facilitate domestic and international movement of U.S. agricultural products, AMS works to develop centralized electronic trade document solutions, including the Electronic Document Exchange (eTDE) System and the International Trade Data System (ITDS). These electronic systems give authorized product owners, buyers, carriers, brokers, and government port agents access to critical information around the clock and around the world--making the certification and verification process even faster and easier.

**Lab Testing & Approval**

AMS provides lab testing and approval services to facilitate domestic and international marketing of food and agricultural commodities.

- **Lab Testing:** AMS’ National Science Laboratories (NSL) is a fee-for-service lab network utilized by both industry and government. Through laboratories located in Gastonia, NC; Blakely and Dawson, GA; and Winter Haven, FL, NSL provides chemical, microbiological, and bio-molecular analyses on food and agricultural commodities. NSL provides testing service for AMS commodity programs, other USDA agencies, Federal and State agencies, US Military, research institutions, and private sector food and agricultural industries.

- **Lab Approval:** AMS approves, or accredits, labs to perform testing services in support of domestic and international trade. At the request of industry, other Federal agencies, or foreign governments, AMS develops and administers laboratory approval programs to verify that the analysis of food and agricultural products meet country or customer-specified requirements.

**Market Research & Analysis**

AMS has a long history of providing tools and services that help create opportunities for American farmers and businesses. One of the tools we provide—free of charge—is in-depth market information and analysis.

Price, volume, values, weather impacts, supply, and demand—the market and all of the economic factors surrounding it can be complex to track and understand. From the smallest farmer to the largest grocery store chain, all of American agriculture is impacted by the trends and prices within the marketplace. Having the right information at the right time is key to achieving success.

**Grants & Opportunities**

The U.S. Department of Agriculture’s (USDA) Agricultural Marketing Service (AMS) works to improve domestic and international opportunities for U.S. growers and producers. AMS works with State and local agricultural departments to provide support to rural America and the Nation’s agricultural sector.
AMS funding supports a variety of programs, including organic certification cost-share programs and efforts to expand farmers markets and other local food sources. This funding is one of the ways that USDA invests in the future of rural America and the nation’s agricultural sector.

- **The Farmers Market and Local Food Promotion Program**

Farmers Market and Local Food Promotion Program grants are available annually to support local and regional food systems through two competitive programs: the Farmers Market Promotion Program (FMPP) and the Local Food Promotion Program (LFPP). FMPP grants fund farmer-to-consumer direct marketing projects such as farmers markets, community-supported agriculture programs, roadside stands, and agritourism.

LFPP grants fund local and regional food business enterprises that serve as intermediaries to process, distribute, aggregate, and store locally or regionally produced food products. Projects also provide technical assistance and outreach, including planning grants for local food businesses.

- **Federal State Marketing Improvement Program**

FSMIP provides matching grant funds to conduct applied research projects that explore new market opportunities for U.S. food and agricultural products and improve the efficiency and performance of the U.S. agricultural marketing system.

These grants are awarded on a competitive basis to State departments of agriculture, forestry, natural resources, or energy, as well as other State agencies such as experiment stations, universities, and colleges.

- **Sheep Production and Marketing Grant Program**

The Sheep Production and Marketing Grant Program is designed to strengthen and enhance the production and marketing of sheep and sheep products in the United States. The program will create new opportunities by improving infrastructure, developing business and resources, and supporting innovative approaches to address long-term needs. Projects will be funded through the National Sheep Industry Improvement Center.

- **Specialty Crop Block Grant Program**

The SCBGP focuses on projects that enhance the competitiveness of specialty crops, including fruits, vegetables, tree nuts, cut flowers, and other horticulture products. Projects cover issues from food safety to business planning. The block grants are designed to increase the long-term success of producers and broaden the market for specialty crops.

Many of the projects help market locally grown foods and help increase opportunities for specialty crop farmers. SCBGP also offers funds to States to support research and marketing projects that help increase crop yields and to conduct research to mitigate the crop damage.
Transportation Research & Analysis

Our Transportation Services Division (TSD) serves as the definitive source for economic analysis of agricultural transportation from farm to market. TSD experts support domestic and international agribusinesses by providing market reports, economic analysis, transportation disruption reports, technical assistance, and outreach to various industry stakeholders.

Tracking developments in truck, rail, barge, and ocean transportation, TSD provides information and analysis on the four major modes of moving food from farm to table, port to market.

Plant Variety Protection

The Plant Variety Protection Office (PVPO) provides intellectual property protection to breeders of new varieties of seeds and tubers. Implementing the Plant Variety Protection Act (PVPA), we examine new applications and grant certificates that protect varieties for 20 years (25 years for vines and trees). Our certificates are recognized worldwide and allow faster filing of foreign PVP applications. Certificate owners have exclusive rights to market and sell their varieties, manage the use of their varieties by other breeders, and enjoy legal protection of their work.

Research & Promotion

Research & Promotion (R&P) programs, authorized by Congress, are requested, funded, and driven by industry. The programs establish a framework to pool resources to develop new markets, strengthen existing markets, and conduct important research and promotion activities. AMS provides oversight, ensuring fiscal responsibility, program efficiency, and fair treatment of participating stakeholders. AMS oversees more than 20 research and promotion boards that empower farmers, ranchers, and agricultural businesses.

Pesticide Data Program

The Pesticide Data Program (PDP) is a national pesticide residue monitoring program and produces the most comprehensive pesticide residue database in the U.S. PDP administers the sampling, testing, and reporting of pesticide residues on agricultural commodities in the U.S. food supply, with an emphasis on those commodities highly consumed by infants and children. The program is implemented through cooperation with State agriculture departments and other Federal agencies.

Cooperation with Cuba

USDA entered into a Memorandum of Understanding with the Republic of Cuba, in which the Ministry of Agriculture calls for cooperation on mutually determined activities in the fields of agriculture. AMS’ role with respect to the MOU is to conduct technical exchanges with subject matter experts regarding production, post-harvest handling, and certification processes.
USDA announced that it will allow the 22 industry-funded research and promotion programs and 18 specialty crop marketing organizations with research authorities to conduct authorized research and information exchange activities with Cuba. Authorized activities are limited to information exchanges with Cuban government and industry officials and to health, science, nutrition, and limited consumer-oriented research. Promotional and advertising campaigns or materials are prohibited. USDA’s oversight role includes review of all activities and travel related to Cuba to ensure consistency with USDA policy and all other federal statutes and regulations. All requests are vetted through AMS’s Office of General Counsel and the USDA Deputy Counsel, before being referred to the FAS, as necessary.

**Beginning Farmers**

AMS also participates in the cross Department Agency Priority Goal for New and Beginning Farmers. Through outreach, education, and added data collection, AMS aims to support 10 percent of the projects funded by the Farmers Market Promotion Program (FMPP) and Local Food Promotion Program (LFPP) to benefit beginning farmers and ranchers. Both of these programs have a statutory priority to support projects that benefit communities that (1) are located in areas of concentrated poverty with limited access to fresh locally or regionally grown foods; and (2) have not received benefits from the Program in the recent past. Taking these priorities into consideration, AMS also promotes outreach and education for projects that benefit beginning farmers and ranchers as a part of their overall mission. Data on beginning farmers and ranchers in such projects has not been gathered in previous years, but beginning with FY 15 grant awards, AMS will receive voluntary information from its awardees regarding project beneficiaries. In FY 2014 FMPP awarded 183 projects for $14 million; and LFPP awarded 191 projects for $12 million. Using the number of projects awarded in FY 14 and amount of funds available for FY 15 ($13 million), AMS estimates the following for projects that benefit beginning farmers and ranchers:

<table>
<thead>
<tr>
<th>Year</th>
<th># of FMPP Projects Benefitting Beginning Farmers and Ranchers</th>
<th>FMPP Dollars ($) Benefitting Beginning Farmers and Ranchers</th>
<th># of LFPP Projects Benefitting Beginning Farmers and Ranchers</th>
<th>LFPP Dollars ($) Benefitting Beginning Farmers and Ranchers</th>
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**Animal and Plant Health Inspection Service (APHIS)**

The Animal and Plant Health Inspection Service (APHIS) was reestablished by the Secretary of Agriculture on March 14, 1977, pursuant to authority contained in 5 U.S.C. 301 and Reorganization Plan No. 2 of 1953 (5 U.S.C. app.). APHIS was established to conduct regulatory and control programs to protect and improve animal and plant health for the benefit of
agriculture and the environment. In cooperation with State governments, industry stakeholders, and other Federal agencies, APHIS works to prevent the entry and establishment of foreign animal and plant pests. APHIS also regulates certain genetically engineered organisms and works to support healthy international agricultural trade and exports of U.S. agricultural products. In addition, the agency enforces regulations to ensure the humane treatment of certain animals and carries out research and operational activities to reduce crop and livestock depredation caused by birds, rodents, and predators.

**Biotechnology Regulatory Services**

Biotechnology regulatory officials are responsible for regulating the importation, movement, and field release of genetically engineered plants and certain other genetically engineered organisms that may pose a risk to plant health.

Biotechnology regulations are designed to ensure that genetically engineered organisms, such as herbicide-tolerant or drought-resistant crops, are as safe for agriculture and the environment as traditionally bred crop varieties. In regulating biotechnology, APHIS works in concert with the Environmental Protection Agency and the Food and Drug Administration, agencies that also play important roles in protecting agriculture, a safe food supply, and the environment. APHIS’ involvement begins when a person or organization wishes to import, move across a State line, or field-test a genetically engineered plant. These activities are subject to the Agency’s permitting and notification system.

**Plant Protection and Quarantine**

Plant protection officials are responsible for programs to control or eradicate damaging foreign plant pests and diseases. These programs are carried out in cooperation with the States involved, other Federal agencies, farmers, and private organizations. Pest control programs use a single tool or a combination of pest control techniques, both chemical and nonchemical, which are both effective and safe. Plant protection officials develop Federal regulations and policies that prohibit or restrict the entry into the United States of foreign pests and plants, plant products, and other materials that may harbor pests, diseases, or noxious weeds. They also manage programs for overseas preclearance—agricultural inspection—of commodities, passengers, and U.S. military activities. These efforts help protect the health and value of U.S. agricultural production and natural resources.

**Veterinary Services**

Animal health officials are responsible for programs to protect and improve the health, quality, and marketability of U.S. animals and animal products. The programs are carried out through cooperative links with States, foreign governments, livestock producers, and other Federal agencies.

APHIS officials conduct exclusion and quarantine activities for animal pests and diseases, carry out eradication and control programs for certain diseases, provide laboratory diagnostic services, and conduct animal health monitoring and surveillance. They also certify as to the health status of animals and animal products being exported to other countries and respond to animal disease incursions or epidemics that threaten the health status of U.S. livestock and poultry. Because
human health is closely linked to veterinary health, APHIS animal health officials cooperate with other agencies and organizations to effectively manage the intersection between wildlife, veterinary, and human health issues. APHIS also administers a Federal law intended to ensure that all veterinary biological products used in the diagnosis, prevention, and treatment of animal disease are safe, pure, potent, and effective.

**Animal Care**

APHIS administers the Animal Welfare Act, which establishes standards for the humane care and handling of certain warm-blooded animals bought, sold, and transported in commerce and used or intended for use as pets at the wholesale level or used or intended for use in exhibitions or for research purposes. The agency also enforces the Horse Protection Act of 1970, which prohibits the soring of horses at shows and sales.

**International Services**

APHIS activities in the international arena include conducting cooperative plant and animal pest and disease control, eradication, and surveillance programs in foreign countries. These programs provide a first line of defense for the United States against threats such as screwworm Mediterranean fruit fly, and other exotic pests and diseases. APHIS also provides international representation concerning sanitary and phytosanitary technical trade issues and conducts capacity building activities to help develop the animal and plant health competencies and infrastructure of international counterparts.

**Wildlife Services**

Wildlife services officials provide assistance, upon request, to States, counties, local communities, and agricultural producer groups to reduce crop and livestock depredations caused by birds, rodents, and predators. Using methods and techniques that are biologically sound, environmentally acceptable, and economically feasible, they educate and advise farmers and ranchers on proper uses of control methods and techniques; suppress serious nuisances and threats to public health and safety caused by birds, rodents, and other wildlife in urban and rural communities; and work with airport managers to reduce risks of bird strikes. Wildlife services officials also assist in the recovery of endangered and threatened species and monitor wildlife across the country for diseases to help protect animal and human health. In addition, they conduct research into predator-prey relationships, new control methods such as wildlife contraception, and more efficient and safe uses of existing methods such as toxicants, repellants and attractants, biological controls, scare devices, and habitat alteration.

**Grain Inspection, Packers and Stockyards Administration (GIPSA)**

**Federal Grain Inspection Service**

Across America, U.S. grain, rice, and other commodities flow from farm to elevator to destinations around the world. GIPSA’s Federal Grain Inspection Service (FGIS) helps move our Nation’s harvest into the marketplace by providing farmers, handlers, processors, exporters, and international buyers with sampling, inspection, process verification, weighing and stowage
examination services that accurately and consistently describe the quality and quantity of the commodities being bought and sold.

**Packers and Stockyards Program**

The Agency’s Packers and Stockyards Program (P&SP) promotes fair business practices and competitive environments to market livestock, meat, and poultry. Through its oversight activities under the Packers and Stockyards (P&S) Act, including monitoring programs, reviews, and investigations, P&SP fosters fair competition, and provides payment protection. It also guards against deceptive and fraudulent trade practices that affect the movement and price of meat animals and their products. P&SP’s work protects consumers and members of the livestock, meat, and poultry industries. P&SP’s major enforcement areas are payment protection, unfair, deceptive, and fraudulent practices, and competition
### United States Department of Agriculture
#### 2016 Presidential Transition
#### Marketing and Regulatory Programs (MRP)

## Budget and Staffing Summary

### MRP Mission Area

Budget Authority FY 2009 - FY 2016  (Dollars in Thousands)

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**Summary by Agency:**

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APHIS Discretionary Funding

The FY 2011 Full-Year Continuing Resolution removed $27 million from APHIS’ appropriation related to approximately 45 Congressionally directed projects. Without funding, APHIS permanently discontinued many of the specific projects.

Congress provided $20 million in 2-year funding through a general provision in the FY 2014 appropriation for the Multi-Agency Coordination (MAC) Group for Huanglongbing (HLB), or citrus greening. HLB is a devastating disease that threatens U.S. citrus production, valued at $3.1 billion in 2013. Congress provided an additional $5.5 million in the FY 2016 appropriation for the HLB MAC that is available until the end of FY 2017.

The Plant Protection Act and the Animal Health Protection Act grant the Secretary of Agriculture authority to transfer funds to APHIS for use in controlling outbreaks of insects, plant diseases, and animal and poultry diseases. Although the Secretary is authorized to transfer funds from any USDA agency or corporation, the funds are typically transferred from the Commodity Credit Corporation (CCC). Each year, APHIS’ appropriation also emphasizes this authority. In FY 2015, APHIS received approximately $1 billion in emergency funds transferred from the CCC to address the largest animal outbreak in history – that of notifiable avian influenza.

Also, in FY 2015 the Department decentralized its General Services Administration (GSA) rent account. The appropriated budget included a new line item totaling $42.5 million to cover APHIS’ portion of this account.

APHIS’ Mandatory Funding

Congress originally created a program in the 2008 Farm Bill to prevent the introduction or spread of plant pests and diseases that threaten U.S. agriculture and the environment. There was a significant funding increase for this purpose between FY 2009 and FY 2010. The House and Senate Agriculture Committees renewed their support for the program in the 2014 Farm Bill, making the program permanent and expanding funding.

APHIS’ Supplemental Funding

APHIS received a transfer from the Department of Health and Human Services’ Centers for Disease Control and Prevention to extend surveillance and diagnostic capabilities associated with influenza viruses in domestic swine in response to the Novel H1N1 2009 Virus outbreak. APHIS’ efforts assisted in determining whether the novel H1N1 virus influenza or other strains of interest are present in the U.S. swine population.
II. Top Issues/Hot Topics

Timeline

AMS

The USDA Foods Business Management Improvement (BMI)

<table>
<thead>
<tr>
<th>Actions/Decisions</th>
<th>Date</th>
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<tbody>
<tr>
<td>Brief Agency executives on BMI business case and implementation plan</td>
<td>April, 2017</td>
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<tr>
<td>Agency executives approve BMI business case and implementation plan</td>
<td>May, 2017</td>
</tr>
<tr>
<td>Agency staff implement prioritized “quick wins” with USDA Foods Stakeholders</td>
<td>June, 2017</td>
</tr>
<tr>
<td>Agency staff prioritize WBSCM change projects and tool development to implement new operation procedures</td>
<td>June, 2017</td>
</tr>
<tr>
<td>Agency staff develop plans and notional schedules to implement solutions in FY17 &amp; FY18</td>
<td>June, 2017</td>
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USDA Certified Transitional Program

<table>
<thead>
<tr>
<th>Actions/Decisions</th>
<th>Date</th>
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<tbody>
<tr>
<td>Legal analysis of program options</td>
<td>October – November 2016</td>
</tr>
<tr>
<td>Tentative implementation planning for partial program, based on legal analysis</td>
<td>December 2016</td>
</tr>
<tr>
<td>Tentative program rollout based on steps above</td>
<td>January 2017</td>
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</tbody>
</table>

Livestock, Poultry and Seed Programs

<table>
<thead>
<tr>
<th>Actions/Decisions</th>
<th>Date</th>
</tr>
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<tbody>
<tr>
<td>GMO Disclosure: Request for Proposal Announcement for the Electronic or Digital Disclosure Study required by statute</td>
<td>October 2016</td>
</tr>
<tr>
<td>Georgia Dock Report: Launch new solution to enhance poultry reporting</td>
<td>October 2016</td>
</tr>
<tr>
<td>Catfish Grading: Determine a course of action about developing a standard and voluntary grading program for catfish, based on comments received on a July 14, 2016, Federal Register notice and industry feedback. The comment period closed September 12, 2015.</td>
<td>November 2016</td>
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United States Department of Agriculture
2016 Presidential Transition
Marketing and Regulatory Programs (MRP)

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<tr>
<th>GMO Disclosure: Award of Contract for Electronic or Digital Disclosure Study</th>
<th>December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revisions to Beef Standards (Adding Dentition to Determine Maturity Grouping): Determine whether to proceed with specific changes to the beef standards after evaluating comments received from an August 24, 2016, notice in the Federal Register. The notice asked for feedback on a petition from industry stakeholders. The comment period closes October 24, 2016.</td>
<td>December 2016</td>
</tr>
<tr>
<td>GMO Disclosure: Public comment on Electronic or Digital Disclosure Study</td>
<td>March 2017</td>
</tr>
<tr>
<td>GMO Disclosure: USDA review of Electronic or Digital Disclosure Study for July 2017 publication</td>
<td>June 2017</td>
</tr>
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APHIS

Regulatory Actions
A regulation is a legally binding rule developed by an agency. For that reason, rulemaking is a thorough, time consuming, and often complicated process that provides opportunity for the public to provide input on regulations before they are finalized. The process is governed by the Administrative Procedures Act and several Executive Orders. Rulemaking can take from several months to several years. Factors affecting the timeline include the complexity of the issues involved; the availability of data needed for economic, risk, or environmental analyses; the extent of public participation in the rulemaking, and the number and nature of comments received; the priority of the rulemaking relative to other Agency rulemakings under development at the same time; and whether the rule requires review by the Office of Management and Budget. Some also require consultations with State and local government, and Indian Tribes.

From January through June 2017, APHIS will continue the rulemaking process for the proposed regulatory actions listed below whose comment periods closed and for which we published no final regulatory decision prior to the end of fiscal year (FY) 2016. APHIS will update its rulemaking priorities following any published update to the Current Unified Agenda of Regulatory and Deregulatory Actions, including:

- the proposed rule for amending the horse protection regulations (published 7/26/16; comments due 10/26/16);
- the proposed rule for the importation of live sheep, goats, and certain other non-bovine ruminants, and products derived from sheep and goats, with regard to transmissible spongiform encephalopathies such as bovine spongiform encephalopathy (BSE) and scrapie (published 7/8/16; comments due 9/16/16);
the proposed rule to update our National Environmental Policy Act regulations
(published 7/20/16; comments due 10/19/16);
the proposed rule for establishing de minimis exemptions from the Animal Welfare Act (published 8/4/16; comments due 11/2/16);
the proposed rule for the importation of lemons from Argentina (published 5/10/16; comments due 8/10/16);
the proposed rule for marine mammals (published 2/3/16; comments due 5/4/16)
the proposed rule for the select agents program (published 1/19/16; comments due 3/21/16);
the proposed rule for brucellosis and tuberculosis (TB) (published 12/16/15; comments due 5/16/16);
the proposed rule to establish performance standards for importation and interstate movement of fruits and vegetables (Q56 expansion) (published 9/9/14; comments due 11/10/14; comment period reopened 12/04/14; comments due 1/09/15; comment period reopened 2/06/15; comments due 3/10/15);
the proposed rule for scrapie (published 9/10/15; comments due 11/9/15; comment period reopened 11/16/15; comments due 12/09/2015)
the proposed rule for the forfeiture regulations (published 5/21/2013; comments due 7/22/13); and,
the interim rule to specify conditions for payment of indemnity claims for highly pathogenic avian influenza (HPAI) (published and effective 2/9/16; comments due 4/11/16).

(See Important Policies and Regulations for additional information about many of these proposed rules.)

APHIS will also continue to address petitions to deregulate genetically engineered plants, including:

• a petition from Scotts and Monsanto to deregulate creeping bentgrass genetically engineered for resistance to the herbicide glyphosate (notice published 1/08/2016; comments due 3/8/16; notice of environmental impact statement published 9/30/2016; comments due 11/14/16).
• a petition from ArborGen Inc. to deregulate freeze tolerant eucalyptus lines designated 427 and 435, which have been genetically engineered to be more tolerant of cold conditions (notice published 2/27/2013; comments due 4/29/2013; draft environmental impact statement and Endangered Species Act findings submitted to the Department of the Interior, Fish and Wildlife Service 4/2015).

January 2017

Pet Bird Home Quarantine Business Process Improvement (BPI)
In January 2017, APHIS expects to move into phase 2 of its Pet Bird Home Quarantine BPI, which will focus on increasing the effectiveness of the process for bringing certain pet birds into
the United States and permitting them to be quarantined at home rather than a Federal quarantine facility. This change will allow APHIS to improve communication with importers before and after the birds arrive in the United States and improve the Agency’s oversight of the birds from pre-export through import, quarantine, and release. In FY 2017, APHIS plans to share data regarding the improvements with stakeholders.

New APHIS Inspection Facility in Eagle Pass, TX
APHIS inspects cattle entering the United States from Mexico at several locations along the United States-Mexico border to ensure they are free of specific diseases and pests that could harm domestic livestock and impact trade. The current APHIS livestock inspection facility in Eagle Pass, TX, is not suitable for long-term use for several reasons, including concern for employee safety due to violence in the region. APHIS is working to lease/build new space in Eagle Pass while maintaining operations in the current space. The lease is anticipated to be in place by the end of 2016 with construction beginning in early 2017 and a goal for occupancy by the end of FY 2017. Industry is very interested in, and has been asking questions about, the new facility. APHIS anticipates moving facilities will have only minimal operational impact to stakeholders.

Expansion of the Systems Approach Program for the Export of Hass Avocado from Mexico into the United States
APHIS, in collaboration with its Mexican counterpart, SENASICA, and avocado industry representatives, will sign an operational work plan that includes measures for the inclusion of avocado-producing areas in Mexico into the avocado import program. This program facilitates the safe importation of this commodity into the United States.

Announce Projects Approved for Funding Through Farm Bill Section 10007
APHIS plans to announce the projects that will receive $62.5 million in overall funding in 2017 through the Farm Bill’s Section 10007. Section 10007 funding is split between two programs: the Plant Pest and Disease Management and Disaster Prevention Program, and the National Clean Plant Network (NCPN). Of the overall funding distributed, at least $5 million will go to NCPN. APHIS – with input from stakeholders – chooses projects that are best aligned with the Agency’s specific goals for preventing the introduction or spread of plant pests and diseases that threaten U.S. agriculture and the environment. A variety of entities, including State departments of agriculture, academic partners, non-profit organizations, and other Federal agencies carry out these 10007 projects.

Broad Offsetting Collection Activities (Audit # 100332)
The U.S. Government Accountability Office (GAO) is reviewing the different types of collection authorities that regulatory agencies use and how those agencies balance autonomy and Congressional oversight. The tentative due date for the report is January 31, 2017.

Safety of Imported Beef from Countries with Foot-and-Mouth Disease (Audit #100294)
GAO is reviewing USDA’s processes to ensure that beef from foreign sources is disease-free and safe for import into the United States. This includes a review of how USDA determines the potential risk to U.S agriculture from beef imported from countries with a recent history of foot-and-mouth disease, the methods USDA uses to verify animal health data received from foreign
agricultural authorities seeking approval to export beef to the United States, and how USDA decides what specific conditions foreign entities should meet before their beef products may be imported. The tentative due date for the report is January 31, 2017.

**February 2017**

**Certification of a Second Irradiation Facility in Vietnam for the Treatment of Commodities Intended for Export to the United States**
APHIS, in partnership with the Vietnam National Plant Protection Organization, will finalize the certification process to approve a second irradiation facility in Hanoi, Vietnam. Under the purview of a preclearance program, local producers will be able to treat their fruit closer to growing areas and expedite the export inspection and certification process of commodities to be shipped to the United States.

**March 2017**

**Completion of Recommendations from Reviews of Fast-Track Action Committee on Select Agent Regulations (FTAC-SAR) and Federal Experts Security Advisory Panel (FESAP)**
APHIS and the Centers for Disease Control and Prevention (CDC) manage the Federal Select Agent Program (FSAP). The program oversees the possession, use and transfer of biological select agents and toxins that have the potential to pose a severe threat to public, animal or plant health or to animal or plant products. FSAP is leading implementation for 19 recommendations stemming from White House-driven reviews of the FTAC-SAR and FESAP. APHIS expects to complete any remaining recommendations by early 2017.

**Implementation of an Offshore Certification Program for the Importation of Ornamental Cuttings into the United States**
APHIS has partnered with the U.S. greenhouse industry to develop a voluntary certification program for overseas (i.e., offshore) facilities that produce ornamental cuttings to be exported to the United States. This means that APHIS will audit and certify the offshore facilities to produce the cuttings. This will standardize facility operating procedures, streamline inspections, and provide APHIS with additional safeguards against the entry of plant pests and pathogens on ornamental cuttings. APHIS and industry will pilot this program in fiscal year 2017, beginning as early as March if agreeable to industry, using the plant inspection stations in Atlanta, Georgia and Miami, Florida.

**Highly Pathogenic Avian Influenza (Audit # 100668)**
USDA’s Office of the Inspector General is reviewing any threats the highly pathogenic avian influenza virus may pose to public health, agriculture, or the economy in the United States; steps the Federal Government is taking to address these threats; and what gaps remain for addressing any future threats. The tentative due date for the report is March 31, 2017.
April 2017

Implementation of Suspension and Debarment Tools in the U.S. Department of Agriculture
USDA’s Office of the Inspector General is reviewing USDA’s controls to ensure agencies initiate and refer USDA program violators for Suspension and Debarment actions. The tentative due date for the report is April 30, 2017.

May 2017

N/A

June 2017

Publication: Results of Infectious Salmon Anemia Virus (ISAV) Surveillance
The APHIS aquaculture program supports producers, promotes good farming practices, and monitors for disease in aquaculture. In 2012, in response to unofficial ISAV findings in British Columbia, APHIS, multiple State and Federal agencies, and Tribal entities launched a surveillance program to detect if ISAV is present in wild and farm-raised salmon in the Pacific Northwest. Infectious salmon anemia is a serious viral disease that affects farmed Atlantic salmon in several areas of the world, and its presence in British Columbia would have raised concerns about the potential impact to wild fish populations and commercial aquaculture in Alaska and Washington. The surveillance effort concluded in FY 2016 with 4,000 animals sampled and tested and no evidence of the virus found. APHIS and its collaborative partners plan to publish the surveillance findings by June 2017.

Wild Bird Surveillance for Highly Pathogenic Avian Influenza (HPAI)
APHIS coordinates the U.S. interagency surveillance efforts for HPAI in wild birds. The goals of this effort are to maximize our ability to detect avian influenza viruses in wild waterfowl in the United States, detect virus spread to new areas, provide a flexible surveillance framework to monitor wild dabbling duck populations for influenza reassortants and introductions of new viruses, and estimate the prevalence of new influenzas once detected. Between July 2016 and June 2017, APHIS and its State and Federal partners will collect about 30,000 samples from migratory waterfowl in 47 States and test them for HPAI. Progress on this sampling effort will be posted weekly on the APHIS avian influenza web page.

GIPSA

Packers and Stockyards Program
Assuming that the Farmer Fair Practices Rules are published in the Federal Register in November or December 2016, with a 60-day comment period, the new administration will have to first determine whether to extend the comment period. That is anticipated before mid-February, 2017. Once the comment period closes, the program will have to review comments and decide how to proceed on the proposed rules
The President recently signed P.L. 114-237, which amended the Packers and Stockyards Act to define market agency to include livestock sales conducted online through video or other electronic methods and to allow packers, market agencies, and dealers to pay for livestock by wire, electronic fund transfer, or any other method determined appropriate. The new administration will need to review existing regulations and decide how to proceed with rules to implement the amendments to the Packers and Stockyards Act.

Federal Grain Inspection Service
No key decisions or program actions are anticipated in the first six months of the new administration, through June 30, 2017.

Mission Area Issues

AMS

Labeling of Bioengineered Food
On July 29, 2016, President Obama signed into a law a mandatory national bioengineered food disclosure standard (Public Law 114-216). AMS is the USDA Agency responsible for implementing the labeling requirements. AMS has published the new law on its website and provided an opportunity for the public to provide comments and ask questions on the new law via phone and email. The new law requires AMS to conduct a study identifying technical challenges for consumers to access an electronic or digital disclosure. On September 1, AMS published a Request for Information seeking input from vendors and general stakeholders on the study design, which closed on September 15. On September 14, AMS Administrator Starmer delivered to all AMS Deputy Administrators a policy memorandum affirming the new law’s consistency with the National Organic Program (NOP) and ensuring that rulemaking on the new law will not impact the NOP.

Next Steps: AMS is using the comments received on the RFI to develop the solicitation for vendor proposals for the study on the electronic or digital disclosure. However, posting of the solicitation is contingent on funding. AMS is continuing to analyze the requirements of the law, establish funding for staffing and study requirements, determine potential interactions with existing AMS programs, and work within the regulatory process to publish an advanced notice of public rulemaking in the Federal Register.

U.S. District Court Decision on Resolute Forest Products, Inc.
On April 15, 2015, Resolute Forest Products filed a motion for summary judgment claiming that the Softwood Lumber Research and Promotion Order is unconstitutional. USDA has been involved in ongoing deliberation since the initial filing. On May 17, 2016, the U.S. District Court found that USDA’s Softwood Lumber Order was unlawful as promulgated. At a June 1, 2016, hearing held to discuss remedies, the court ordered: (1) USDA and the Softwood Lumber Board are prohibited from collecting further assessments from Resolute under the current Order; (2) USDA and the Board must maintain a balance of funds of not less than $1.1 million under the
current Order; and, (3) USDA and Department of Justice (DOJ) shall file a brief supporting
USDA’s position that the $1.1 million is assessments paid by Resolute should not be refunded in
its entirety. A brief developed by AMS and DOJ for the court was filed on June 30, 2016.
Resolute filed its response on July 20, 2016; USDA/DOJ’s reply was filed by the extended due
date of August 24, 2016. Subsequent to the briefs being filed, the judge ordered the parties to
submit briefs on issues regarding sovereign immunity and the authority of USDA to require the
Board to refund assessments to Resolute. The deadlines for USDA and Resolute to submit their
briefs are October 18, 2016 and November 1, 2016, respectively. On June 30, 2016, AMS
posted external Q&As about the case per the industry’s request.

AMS published a notice on July 20, 2016, notifying industry that a continuance referendum
originally scheduled for August 20 will not be held. On July 13, 2016, AMS met with the Office
of the Chief Economist (OCE) to discuss analyses necessary for upcoming rulemaking on the de
minimis provisions of the order. On August 30, 2016, an interim rule was published in the
Federal Register revising the time frame for the continuance referenda under the Softwood
Lumber Order. The rule revises the time frame from 5 years (2016) to no later than 7 years
(2018). Comments are due by October 31, 2016. On September 1, 2016, Resolute filed a notice
of supplemental authority to emphasize its previous arguments about the order in the context of
USDA’s August 2016 interim rule. On September 14, 2016, AMS and DOJ decided to file a
response to Resolute’s notice of supplemental authority. Our response will clarify the status of
the rulemaking and any subsequent referenda on the order.

R-CALF USA v. USDA/Vilsack
On May 2, 2016, R-CALF USA filed suit in Federal District Court in Montana against Secretary
Vilsack arguing that the Beef Checkoff Program should be promoting only U.S. beef. The
complaint argues that the Checkoff Program denies R-CALF USA members in Montana their
First Amendment rights since they are required to pay into the Montana chapter of the Checkoff
program without a say in the marketing strategy. AMS will soon issue a rule regarding the
redirection of beef Checkoff funds so producers have the option of directing their full assessment
under the Beef Checkoff go entirely to the National Board. According to R-CALF’s legal
challenge, the activities of the National Board are considered constitutionally sound by the
Supreme Court, while the activities of the State Beef Councils are not. Thus, by giving
producers the option to direct their monies to the National Board, R-CALF’s purported violations
of First Amendment rights should be addressed.

On June 7, AMS asked if the Montana Beef Council would comply if a producer requested that
they redirect assessments to the Cattlemen’s Beef Board. The Montana Beef Council responded
that any redirection request, accompanied by appropriate and timely documentation, would be
considered independently and that all state and Federal laws would be considered when making
board decisions. The redirection rule was published on July 15, 2016, with a 60-day comment
period that closed on September 13, 2016. USDA filed a motion to dismiss the case on August 4,
2016. On August 24, 2016, R-CALF responded to the motion to dismiss. On September 12,
2016, R-CALF also filed a motion for a temporary restraining order (TRO) to prevent USDA
from allowing the Montana Beef Council from retaining half of the assessments. On 9/28/16,
USDA filed opposition to the TRO and reply in support of its summary judgment motion. On
September 20, 2016, the Court issued an Order for a hearing to take place on October 25, 2016, at 2 p.m. regarding USDA’s Motion to Dismiss and Plaintiffs Motions to Summary Judgement and their Motion for a Temporary Restraining Order.

**American Egg Board**

The Chief Executive Officer of Hampton Creek, Inc., San Francisco, CA (Hampton Creek) complained that the American Egg Board (AEB) exceeded its mandate by funding a campaign to halt the growth of Hampton Creek. An internal AMS review of the allegations has been completed and was released publicly on October 7, 2016.

**The USDA Farmers Market**


Located on the corner of 12th and Independence Avenue, SW, the USDA Farmers Market is the Department's own "living laboratory" for farmers’ market operations across the country. The market supports the local economy, increases marketing opportunities for farmers and small businesses, provides access to an assortment of local and regionally sourced products, and increases access to healthy, affordable food in the District of Columbia's Ward 2. In its 21st year of operation, the USDA Farmers Market has experienced tremendous growth and has become a “go to” destination for federal employees and Washington, DC, visitors on Fridays during the spring and summer.

The daytime market hosts approximately 30 produce, prepared food, and cut flower vendors, and the nighttime market hosts approximately 24 vendors. The farmers market upholds the principles of “sourcing locally.” For prepared food vendors to participate in the market, they must demonstrate that the foods they are preparing are using ingredients sourced from local producers. It also conducts a weekly fruit and vegetable education program where shoppers can attend short 10-minute classes and get a "VegUcation" - learning how to pick, prepare and store a particular fruit or vegetable that is in season in the United States.

**Additional Pending Issues**

**Peoples Republic of China Government Officials to Visit U.S. Beef Production**

China Ministry of Agriculture officials conducted an assessment of the U.S. beef industry from September 11-19, 2016, to determine whether boxed beef products can be traceable to the ranch of origin. FAS, AMS, FSIS, and APHIS accompanied the delegation during the assessment. The opening meeting in Denver, CO, included the USDA agencies and various members of industry. The group continued to Nebraska to review two cow/calf ranch operations, one feedlot, and two slaughter facilities. Industry demonstrated its ability to trace the boxed beef to cattle arriving from slaughter, and the cattle to ranch of origin, through AMS' program for source and age verification, which would eventually be a part of an Export Verification, developed for China. The delegation then traveled to the State of Washington, where APHIS briefed the delegation on how the single incidence of BSE in December 2003 was handled to ensure that BSE is still a negligible risk in the United States according to OIE standards.
On September 22, 2016, China officially lifted its 13-year ban on U.S. beef.

**Notice Seeking Comments on U.S. Standards for Grades of Catfish and Catfish Products**

On July 14, 2016, AMS published a Notice in the Federal Register seeking comments, data, research, and other information to help the Agency carry out the 2014 Farm Bill mandate to establish a voluntary fee-based grading program for catfish and catfish products. AMS is coordinating with the Department of Commerce’s National Marine Fisheries Service (NMFS), which has a program for quality evaluation of product, grading, and certification of fish (including catfish), shellfish, and fish products. We received four comments during the comment period, which ended on September 12, 2016. AMS will conduct two workshops to share information with stakeholders and gain more input to assist in developing grade standards and establishing a USDA grading program for catfish.

**Petition to Revise U.S. Beef Standards to Allow Alternate Means of Age Determination in Carcass Beef**

On April 13, 2016, AMS received a petition from several industry stakeholders asking the Agency to make changes to allow for dentition as a means of age determination and eligibility for carcass grading. AMS published a Notice in the Federal Register on August 24, 2016, seeking public comments on the changes proposed in the petition. Comments were due by October 24, 2016. Based on an analysis of the comments received, AMS will decide whether to proceed with specific changes to the standards.

**Japan to Audit U.S. Beef Production**

Japan government officials have set a tentative date of November 7-18, 2016, to visit the United States to audit U.S. beef producers exporting to Japan. Japan is awaiting additional questionnaires from beef producers, and evaluating responses from AMS on the JBS Souderton issue before audit sites are selected and the trip is finalized.

- **JBS Souderton Suspended from Export Verification Programs** - In April 2016, AMS suspended and delisted JBS Souderton from the Export Verification (EV) program because of issues related to the shipment of non-conforming beef products to Korea through Chicago Meat Authority. AMS completed “for cause” audits at all JBS facilities in late May, and subsequent corrective actions and required training in July. AMS provided a summary of the audit findings to Japan in late July and continues to address Japan’s questions about the findings and corrective actions. On August 22, AMS provided info to Japan regarding mislabeled packages from JBS Souderton, which shipped to Japan but did not enter commerce. Japan notified importing companies that it suspended imports of product from JBS Souderton. FAS will keep AMS apprised of any developments.

**Development of Industry Standard Definition for “Cage-Free” Eggs**

On September 21, 2016, Secretary Vilsack hosted a meeting with key representatives of the grocery and food retail sectors and the U.S. shell egg industry to discuss strategies for meeting the 2026 deadline established by volume food buyers for transitioning to cage-free supplies. All
parties agreed that the starting point was for industry to develop a standard definition of the term “cage-free.” The United Egg Producers (UEP) is leading the effort; AMS offered to play a support role and facilitate discussions.

A meeting is tentatively planned for October 27, 2016, in Washington, DC, at which interested egg producers and members of the food retailing sectors will begin developing an agreed-upon definition. Once that definition is developed, UEP and the group will then engage consumer and animal rights organizations.

**Cornucopia Institute v. USDA/Secretary Vilsack**
On April 19, the Cornucopia Institute filed a complaint with the U.S. District Court for the Western District of Wisconsin on behalf of two organic producers. The complaint charges that USDA violated the Organic Foods Production Act (OFPA) in appointing members to the NOSB who did not meet OFPA qualifications. AMS continues to provide OGC and DOJ with information to support the case as requested.

**National Organic Program Freedom of Information Act (FOIA) Lawsuits**
The Cornucopia Institute filed eight lawsuits over AMS handling of FOIA requests related to National Organic Program records. AMS continues to coordinate with General Law on case-specific actions, and NOP has awarded a contract to support expanding FOIA needs.

**Process Verified Program (PVP)**
LPS provided independent verification and transparency to issues of increasing importance to consumers by partnering with industry to develop several groundbreaking consumer marketing programs. These include a non-GE/GMO USDA Process Verified Program (PVP) for consumer-facing products and the McDonald’s Responsible Antibiotic Use PVP for chicken, which launched publicly during the Summer Olympics, 5 months earlier than originally planned; the School Food Focus (SFF) Certified Responsible Antibiotic Use PVP for chicken; and a non-GE/GMO USDA Process Verified Program (PVP) for grain. In total, PVPs verify antibiotic-related claims for nearly 15 percent of the U.S. broiler industry, with an additional 12 percent committed by the end of the calendar year. LPS relaunched the PVP after completing all action items related to the OIG audit of the PVP, developing consistent procedures to maintain public and customer confidence in AMS third-party verification services. LPS and AMS Public Affairs developed a comprehensive communications plan to inform customers of the program changes through publishing three PVP blogs and an infographic, updating PVP Web site information, reformatting the PVP listing to highlight process points, partnering with external stakeholders to highlight the PVP in practice, and rolling out PVP updates on the GovDelivery platform.

**Transition of Layer Industry to “Cage-Free” Eggs**
On September 21, 2016, the Secretary of Agriculture and AMS hosted a meeting with leaders in the retail, manufacturing, and foodservice sectors and U.S. egg producers to discuss the challenges in transitioning egg production from conventional caged systems to “cage-free.” The meeting provided USDA an opportunity to show support for the industry and commit its assistance in addressing several of the major hurdles ahead.
United States Department of Agriculture
2016 Presidential Transition
Marketing and Regulatory Programs (MRP)

A major outcome of the meeting was that all the participants agreed that a clear and commonly accepted definition for “cage-free” was necessary for all parties to have confidence in moving forward. Participants agreed that efforts to develop a common definition should be led by industry, with support from AMS. The participants also agreed that animal rights and consumer groups should be involved in future discussions, with as much direct communication between these organizations and the industry and food sector as possible. The next meeting has been scheduled for November 30, 2016, and will be convened by the United Egg Producers.

Center for Food Safety, et al. v. Vilsack, et al/Green Waste: A second complaint, filed on April 14, 2015, relates to Guidance Document – NOP 5016 (Allowance of Green Waste in Organic Production Systems). On June 20, 2016, the U.S. District Court Judge for the Northern District of California ruled that NOP 5016 must be vacated by August 22, 2016. AMS did so, withdrawing NOP 5016 on August 22 as directed. A Notice to Trade was sent on August 18 to update the organic community. AMS is currently drafting a proposed rule to replace the guidance with a regulatory rule change, with the opportunity for public comment. The work plan was designated as significant by OMB on August 31. On September 19, 2016, USDA and the plaintiffs executed a settlement agreement for legal fees authorized under the Equal Access to Justice Act.

Livestock Mandatory Reporting (LMR) Study
The Agriculture Reauthorizations Act of 2015 specified that USDA complete, by March 1, 2018, a study through AMS and the Office of the Chief Economist, and in consultation with the livestock and meat industry, to analyze current livestock marketing practices; identify future legislative or regulatory recommendations; analyze price and supply information reporting services of USDA related to cattle, swine, and lamb; and, address any other issues that the Secretary considers appropriate. AMS commissioned a baseline “as is” study of the livestock and meat industry and LMR, which was completed August 2016, to help inform this comprehensive review. To gather feedback from industry stakeholders, AMS will bring members of the industry together in a series of structured stakeholder meetings to openly discuss the marketing methods and current challenges with reporting livestock and meat markets to reach consensus on what each commodity area would like changed in the next reauthorization of LMR. All meetings will be facilitated by the Federal Mediation and Conciliation Service (FMCS). The goal of these meetings is to reach consensus on what each commodity area would like changed in the next reauthorization of LMR. This industry consensus report will provide information for Congress to consider to facilitate an orderly reauthorization of LMR in 2020. The first stakeholder meeting will be held on November 15-16, 2016, in Washington, DC.

Humane Society of the United States vs. Vilsack
In September 2012, the Humane Society of the United States (HSUS) filed suit in the Federal District Court of the District of Columbia against the Secretary of Agriculture under the Administrative Procedure Act (APA) challenging the approval of the National Pork Board’s (Board) purchase of four trademarks including the “Pork, The Other White Meat” (PTOWM) slogan from the National Pork Producers Council (NPPC). On August 14, 2015, HSUS won its appeal for standing. The case is still pending with each party submitting records to the Court. The decision will be based upon the administrative records filed on June 29, 2016. On August
24, 2016, USDA filed additional materials to supplement USDA’s administrative record that was originally filed with the court on June 29, 2016.

**USDA Certified Transitional Program**
AMS is reviewing the Organic Trade Association’s Transitional Certification standard, which was submitted on May 20. The standard would allow AMS to approve Accredited Certifying Agents to verify processes and practices used by producers during the 3-year transition period required by the National Organic Program regulations when moving from conventional to organic production. On September 27, AMS met with OTA to outline the issues, primarily with the label. AMS continues to work with OGC.

**Global Food Safety Initiative**
In recent years, international entities, such as the Global Food Safety Initiative (GFSI), have worked to build equivalence and convergence among the various effective food safety management systems in an effort to eliminate redundancy in the audit process for buyers and producers, and to improve the operational efficiency of the food safety certification sector. Major U.S. corporations, namely Walmart, McDonald’s, Cargill, Kroger and Wegmans, sit on the GFSI Board of Directors.

AMS is working closely with GFSI to obtain equivalency under the new GFSI Standard Equivalency Process for Government Entities. This accreditation will allow AMS’ audit program to serve as a single, accredited certification body that can meet buyers’ multiple requirements for audits.

**Pesticide Data Program--Glyphosate**
Glyphosate is an herbicide used to control weeds used in soybeans, corn, cotton, wheat, pasture/hay, orchards/grapes, and fruit and vegetables. In the past, the Pesticide Data Program (PDP), a national pesticide residue monitoring program that produces the most comprehensive pesticide residue database in the U.S., did not routinely test glyphosate because it was not widely used on many of the fruit and vegetables and other products tested and requires a specialized method of analysis. PDP is implemented through cooperation with State agriculture departments and other Federal agencies and selections for testing are made based on EPA’s data needs.

Glyphosate has been a popular topic in agricultural/consumer news. Currently, FDA is testing corn and soybean grains for glyphosate residues. The FDA glyphosate residues testing will provide results to help determine if EPA needs additional data. When FDA results become available, USDA will consult with EPA to ensure we continue to provide quality data to meet EPA’s data needs.
Overarching Issues

1. Increasing Exports

Issue: The years 2011-2015 were the best for agricultural exports in U.S. history. However, many countries maintain barriers to U.S. agricultural exports related to animal and plant health concerns (sanitary and phytosanitary, or SPS, issues). Many of these barriers are not justified by science and impede U.S. agricultural export growth.

Public Policy Reason for APHIS Involvement: APHIS experts work with foreign counterparts to negotiate science-based import and export requirements, eliminate unjustified SPS barriers to trade, and advocate on behalf of U.S. agriculture in international forums such as the World Trade Organization, the World Organisation for Animal Health, and the International Plant Protection Convention. APHIS also helps exporters whose products have been detained in foreign ports. In addition, APHIS supports the free flow of exports by certifying that U.S. agricultural products meet importing countries' entry requirements.

APHIS’ Statutory/Regulatory Scope: In accordance with the Animal Health Protection Act, the Plant Protection Act, and related regulations, APHIS regulates the export of live animals and facilitates the export of animal products, plants, and plant products. APHIS supports these exports through its Veterinary Services (VS), Plant Protection and Quarantine (PPQ), International Services (IS), and Biotechnology Regulatory Services programs. Serving as the United States’ veterinary medical and plant protection authorities, respectively, VS and PPQ negotiate conditions for U.S. exports (with support from IS) and develop risk mitigations necessary to prevent the spread of pests and diseases.

Items in Controversy: [b] (5) Deliberative Process Privilege

Industry, Consumer, and Congressional Interest: In addition to relying on APHIS to resolve immediate trade issues involving exports, a wide range of exporters—including poultry, beef, and specialty crop producers—have asked APHIS to help expand their access to markets abroad. Congress requested reports on the status of foreign market access requests submitted by U.S. producers, companies, and others in the fiscal year (FY) 2016 Appropriations Act and FY 2017 House Appropriations Bill. As of October, the report in response to the FY 2016 Appropriations Act is in USDA clearance.
Executive Branch Position to Date: APHIS was a party to negotiations with 11 other Pacific Rim nations for the Trans-Pacific Partnership, concluded earlier this year. It is currently involved in negotiations for the Trans-Atlantic Trade and Investment Partnership with the EU. APHIS also holds annual meetings with representatives of major export sectors to determine issues of concern and how APHIS can assist. In FY 2015, APHIS resolved 171 trade-related issues valued at $2.5 billion; it also successfully obtained the release of 293 individual shipments valued at more than $25 million.

APHIS received increased funding in the last two appropriations acts ($2 million in FY 2015 and $1 million in FY 2016) to support resolution of issues affecting U.S. exports. The Agency is using this funding to support exports by, among other things, training and assigning more personnel to key positions domestically or in emerging markets, which have the largest potential growth for U.S. exporters but also present difficulties caused by technical and regulatory issues. APHIS is also using this funding to provide greater oversight of how growers and packers are implementing the export requirements of foreign countries, to ensure export products may enter foreign markets safely and efficiently.

APHIS has long worked to streamline the export process through continual advancements in its Web-based Phytosanitary Certificate Issuance and Tracking system, which handles all phases of the phytosanitary certificate application and issuance process. In response to an Executive Order to streamline the import and export process for America’s businesses, APHIS is also coordinating with other Federal agencies to implement the International Trade Data System. This system will allow businesses to electronically submit data required by U.S. Customs and Border Protection and partner government agencies to import or export cargo through a single “window.”

Potential Alternative Approaches: (b) (5) Deliberative Process Privilege

2. Border Security

Issue: Beginning in 2010, violence in Mexico at or near the U.S. border—mostly due to drug trafficking organizations—reached levels that required APHIS to periodically modify or suspend operations in some areas to ensure employee safety. APHIS takes these actions in concert with the U.S. Department of State (DOS), which has authority to determine whether U.S. Government (USG) personnel can operate in Mexico.

The violence tends to be transitory and operational actions APHIS takes are usually short-term, though there are exceptions. One involves APHIS’ movement of cattle inspection facilities from Mexico to four locations on the U.S. side of the border in Texas (Pharr, Del Rio, Eagle Pass, and Laredo). Border issues have also affected APHIS’ long-term pest and disease reduction-efforts with Mexico on bovine tuberculosis (TB), fruit fly, and cotton pest suppression programs, among
others. With respect to TB, security concerns have reduced APHIS’ ability to evaluate the TB program status of cattle coming from certain areas of Mexico. As a result, APHIS is unable to consider changing U.S. entry requirements for those cattle if the disease prevalence has changed—e.g., strengthening or reducing import restrictions as appropriate.

APHIS has nearly 600 employees along the U.S. border with Mexico working in a variety of programs to safeguard U.S. agriculture and to facilitate trade. Nearly half are Foreign Service national employees of APHIS who live and work in Mexico; the rest are U.S. residents whose work frequently requires them to cross into Mexico. DOS has prohibited USG personnel from working in areas of Mexico due to gun battles, executions, kidnappings, and carjackings. At times, APHIS employees have witnessed these activities, been directly threatened, and, on one occasion, robbed and carjacked.

**Public Policy Reason for APHIS Involvement:** APHIS’ work in Mexico helps facilitate trade and ensures that products exported from Mexico to the United States do not pose a disease or pest risk to U.S. agriculture.

**APHIS’ Statutory/Regulatory Scope:** APHIS’ programmatic activities in Mexico are carried out under the authority of the Animal Health Protection Act and the Plant Protection Act. However, DOS has ultimate authority over USG personnel in Mexico. APHIS security staff work with DOS’ Regional Security Officers and—as appropriate—the Department of Homeland Security (DHS) to assess security situations prior to a DOS determination.

**Items in Controversy:**

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**Industry, Consumer, and Congressional Interest:** APHIS’ work in Mexico benefits agricultural importers and exporters in the United States who do business with counterparts in Mexico. Programmatic work in Mexico also helps safeguard U.S. citrus production in southern Texas, and much of Mexican fruit fly eradication efforts are undertaken in coordination with Mexico’s Secretary of Agriculture, Livestock Rural Development, Fisheries, and Food. Trapping for Mexican fruit flies along the northern Tamaulipas border is severely limited due to security issues. The citrus industry is concerned that if violence were to disrupt APHIS’ use of aerial release and sterile insect technique efforts to suppress fruit flies in Northern Mexico on a long-term basis, citrus production in south Texas could be impacted. In another case, the United States temporarily halted the import of Mexican avocados, when security concerns prevented APHIS from conducting inspections and certifying facilities to ensure the avocados met U.S. import requirements.

Several Congressional representatives have inquired about APHIS modifications or suspensions of activities along the border when they have impacted members of their districts, particularly in Texas. House Committee staff have informally inquired about border security issues in recent
years and their impact on some APHIS programs, especially the cotton pests programs. The House included language in the fiscal year 2016 appropriation directing APHIS to work with the U.S. cotton industry to develop a plan of action to protect the United States from boll weevil re-infestation. While APHIS is working with Mexican counterparts on the final stage of eradicating the cotton pest, security issues have affected this work because APHIS counterparts in Mexico cannot perform program activities such as conducting trapping and cotton treatment.

**Executive Branch Position to Date:** Employee safety and security is paramount and APHIS’ top priority. APHIS has developed strategies for ensuring a secure working environment for its employees, while protecting plant and animal health and allowing for safe trade. APHIS will continue to pursue such strategies as needed and will continue to work with DOS and DHS on evaluating potentially unsafe situations.

**Potential Alternative Approaches:** [b] (5) Deliberative Process Privilege

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**Animal Care**

1. **Horse Protection Act (HPA)**

**Issue:** The HPA, passed by Congress in 1970 and enforced by APHIS, prohibits the showing, sale, auction, exhibition, or transport of sored horses. The HPA has dual purposes: eliminating the inhumane practice of soring and restoring fair competition within the walking horse industry. Soring is a cruel and inhumane practice that aims to accentuate a horse’s gait through the application of chemicals, mechanical agents, or training methods. Soring is primarily used in the training of Tennessee Walking Horses, racking horses and related breeds to gain an advantage for persons showing sored horses.

Currently, the horse industry trains and oversees horse show inspectors. A 2010 report from the Office of the Inspector General (OIG) found that this industry-led inspection process creates a conflict of interest that allows the inhumane practice of soring to continue. APHIS veterinary medical officers conduct unannounced inspections at roughly 18 percent of horse shows annually to evaluate industry-hired inspectors and to visually and physically inspect horses to determine compliance with the HPA. OIG found that, for the shows they reviewed, industry-hired inspectors issued 49 percent of their total violations at the six percent of shows APHIS officials also attended, indicating inconsistent application of the HPA. In July 2016, APHIS published a proposed rule (Docket No. APHIS-2011-0009) that would bring responsibility for training and licensing horse show inspectors directly under the control of APHIS, and implement prohibitions on equipment correlated to the presence of soring.

**Public Policy Reason for APHIS Involvement:** Eliminating the practice of soring is one of the original missions of the Agency and remains a top priority.
APHIS’ Statutory/Regulatory Scope: 1976 amendments to the HPA authorized the appointment of “qualified persons” to detect soreness in horses and led to the establishment of the Designated Qualified Person (DQP) program. The DQP program allows horse show management to obtain services from a DQP—who is licensed by a Horse Industry Organization—to detect horses that are sored. The HPA also authorizes APHIS to issue rules and regulations it deems necessary to carry out the provisions of the Act.

Items in Controversy: APHIS has faced legal challenges and Congressional questions about the consistency of APHIS inspections at HPA-covered events to detect soreness in horses, and the process for disqualifying horses from competition based on inspection findings. This issue has proven contentious enough to, in some cases, result in personal threats to Agency officials by horse show participants.

Industry, Consumer, and Congressional Interest: Several Representatives and Senators, along with members of the performance horse segment of the industry that continue to use pads and action devices during horse shows, exhibitions, sales, and auctions, oppose the proposed rule. Several other Representatives and Senators, together with the American Veterinary Medical Association, the American Association of Equine Practitioners, and the animal protection community, support the proposed changes.

Executive Branch Position to Date: The Administration published the proposed rule to bring responsibility for training and licensing horse show inspectors directly under the control of APHIS, and eliminate the use of stacked pads and chains and other “action devices,” as well as foreign substances. The proposed rule aligns with OIG’s recommendations that APHIS play a larger role in training and overseeing horse protection inspectors. APHIS extended the comment period on the proposed rule 30 days to October 26, 2016.

Potential Alternative Approaches: [b] (5) Deliberative Process Privilege

2. Inspection of Agricultural Research Service’s Research Facilities

Issue: In January 2015, the New York Times published a lengthy investigative piece alleging significant animal welfare violations at the U.S. Meat Animal Research Center (MARC), a U.S. Department of Agriculture (USDA) Agricultural Research Service (ARS) facility in Nebraska that works to improve livestock health and production.

In response to the article’s allegations, the Secretary directed ARS and APHIS to implement a plan to ensure that APHIS inspects ARS facilities that use animals for agriculture or production research. Additionally, the U.S. House of Representatives placed a directive in the fiscal year (FY) 2016 omnibus appropriation, instructing ARS to enter into an agreement with APHIS. Under the terms of the agreement, APHIS would conduct animal welfare inspections—as it does
for non-governmental entities regulated under the Animal Welfare Act (AWA)—at ARS facilities that use animals in agriculture or production research to ensure compliance with the AWA.

The AWA sets standards for the humane care and treatment of most warm-blooded animals exhibited to the public, bred for commercial sale, used in medical research, or transported commercially. Regulated facilities must provide their animals with, among other things, adequate housing, sanitation, nutrition, water, and veterinary care. Because the AWA generally exempts agriculture research from regulatory oversight, when evaluating ARS’ compliance with the AWA, APHIS will rely on both the AWA regulations and standards as well as the standards of care for farm animals used in research, as set forth in the Federation of Animal Science Societies’ Guide for the Care and Use of Agricultural Animals in Agricultural Research and Teaching (commonly referred to as the Ag Guide).

The House directive further stipulated that more than $57 million of ARS’ appropriation would not be obligated until the Secretary certified to Congress that ARS had updated its animal care policies and all ARS animal research facilities had established fully functioning Institutional Animal Care and Use Committees (IACUC). In compliance with the directive, APHIS and ARS signed a memorandum of understanding under which APHIS would conduct animal welfare inspections at ARS facilities and make the results of those inspections publically available on its website.

In August 2015, APHIS inspectors initiated pre-compliance site visits at ARS facilities to evaluate the welfare of animals at each facility and work with ARS officials on building an effective inspection program that will ensure the facilities are in full compliance with the AWA. The pre-compliance visits were completed in early October 2016. Based on ARS’ progress in meeting AWA requirements at its research facilities, the House appropriations committee released ARS’ remaining appropriation in the summer of 2016. Starting in November 2016, APHIS officials will begin conducting unannounced animal welfare inspections at 37 ARS locations engaged in agricultural research activities.

Public Policy Reason for APHIS Involvement: As the agency charged with enforcement of the AWA, APHIS was asked to fulfill Congress’s directive to oversee certain aspects of animal welfare at ARS research facilities.

APHIS’ Statutory/Regulatory Scope: APHIS is authorized under the AWA to conduct unannounced inspections of research facilities that use certain animal species. However, facilities that use only livestock or poultry for research to improve livestock health and production are exempt from AWA regulation. Prior to the House’s directive, all Federal Government research facilities were also exempt from registering with APHIS, as each agency has the responsibility to ensure that any of its facilities that conduct research on AWA-protected animals remain in compliance with the AWA. Federal animal research facilities have long been required to have animal oversight committees similar in composition and function to the IACUCs required at other research facilities.
Items in Controversy: The New York Times article alleged that a significant number of serious animal abuses were occurring at the MARC. Prior to the House directive, no Federal animal research facility was ever required to register with APHIS, although APHIS offers courtesy registration and inspections to Federal facilities upon request.

Industry, Consumer, and Congressional Interest: The New York Times article spurred other media to pick up the story, triggering concern about the alleged animal abuses at the MARC facility. The House Appropriations Committee, especially its Democratic staff, has expressed strong interest in the issue. At a February 2015 House Agriculture Committee hearing, Representative Brad Ashford (D-NE) asked the Secretary for an update on actions taken. In addition to requiring ARS to work with APHIS on the inspection process, the 2016 omnibus appropriations bill included language requiring ARS to share inspection reports with the Committee. Senator Corey Booker (D-NJ) and Representative Earl Blumenauer (D-OR) introduced companion bills in February 2015 that would amend the AWA to require inspections at Federal research facilities that conduct livestock research. However, the legislation did not advance.

Executive Branch Position to Date: APHIS and ARS have complied with the House of Representatives’ directives. During its inspections of ARS facilities, APHIS evaluates compliance based on AWA and Ag Guide standards. The IACUC at each ARS facility has the responsibility to closely monitor the care and treatment of animals and ensure that research protocols are properly carried out and documented. If, during an inspection, APHIS identifies a direct noncompliance (one currently having a serious or severe adverse effect on the health and well-being of the animal) with the AWA or Ag Guide, the facility’s IACUC will suspend the research activity until corrective action has been taken, and then report that action to APHIS.

3. Animal Welfare Act

Issue: APHIS administers the Animal Welfare Act (AWA) and its associated regulations, which set standards for the humane care and treatment of most warm-blooded animals exhibited to the public, bred for commercial sale, used in medical research, or transported commercially. Facilities using regulated animals for these purposes must provide their animals with, among other things, adequate housing, sanitation, nutrition, water, and veterinary care. The AWA also prohibits most animal fighting ventures. Every year, APHIS conducts roughly 10,000 unannounced inspections of facilities licensed or registered under the AWA, ensuring the health and welfare of more than 2 million animals. Sanctions for alleged violations of the AWA and its implementing regulations include license suspensions and revocations, civil penalties, cease and desist orders, and misdemeanor criminal penalties (for alleged violations of statutory provisions). APHIS operates a Center for Animal Welfare that provides training to employees and stakeholders and serves as the USDA national science and technology resource in support of the AWA. APHIS received $28 million from Congress in fiscal year (FY) 2015 and $28.4 million in FY 2016 for AWA-related activities.
Public Policy Reason for APHIS Involvement: Congress directed the Secretary of Agriculture to enforce the provisions of the Animal Welfare Act. APHIS’ extensive animal health capabilities and regulatory experience position it particularly well to oversee certain aspects of animal welfare.

APHIS’ Statutory/Regulatory Scope: The AWA does not cover all animals used in all activities. Farm animals used for food or fiber (fur, hide, etc.), coldblooded species (amphibians and reptiles), horses not used for research, fish, invertebrates (crustaceans, insects, etc.), or rats of the genus Rattus and mice of the genus Mus bred for use in research are not covered. Birds are covered under the AWA but we have not yet established specific regulatory standards for them.

Items in Controversy: APHIS has faced intense scrutiny and legal challenges from AWA licensees, animal protection groups, and concerned citizens, as well as Congressional inquiries, about its inspection activities at regulated facilities and sanctions levied for AWA violations. Certain issues—such as the welfare of elephants and big cats in circuses and zoos, dogs sold by breeders and dealers, orcas in exhibition, and primates used in laboratory research—are focal points for public attention and attract local and national press coverage.

Industry, Consumer, and Congressional Interest: APHIS receives a large volume of inquiries expressing concerns about the welfare of regulated animals. Although most industry partners work closely with APHIS to ensure they meet AWA standards, certain breeders and exhibitors consistently remain out of compliance with AWA standards; we have sanctioned them. Spurred by constituent and interest-group activism, Congressional offices regularly contact APHIS about its AWA-related activities. Some believe that APHIS is too intrusive or unfair in enforcement matters while others argue that APHIS does too little.

Executive Branch Position to Date: APHIS has undertaken significant actions in the past several years in response to Office of the Inspector General audits, congressional interest, and concerns from the general public, as well as internally generated initiatives. In 2013, APHIS finalized a rule amending the AWA to require dealers selling animals sight unseen over the Internet to be licensed. As with many animal welfare issues, this action generated intense congressional and public interest both for and against the rule. The following year, the Agency finalized a rule required by the 2008 Farm Bill to prohibit imports of most dogs into the United States for resale, research, or veterinary treatment unless the dogs are vaccinated, healthy, and at least 6 months old. In response to provisions in the FY 2016 Consolidated Appropriations Act, APHIS also stopped issuing or renewing AWA licenses for Class B “random” dealers selling animals from various sources, some believed to be illegitimate. In early 2016, the Agency published for public comment a proposed rule amending the AWA to further support the humane handling, care and treatment of marine mammals such as orcas in captivity; the comments are under review. APHIS also issued a policy promoting humane handling of newborn and infant exotic cats, such as tigers and lions, which risked illness and even death as a result of direct contact with the public, and held three public listening sessions on broader issues involving the handling of dangerous animals. In addition, APHIS has published a proposed “de minimis” rule authorized by the 2014 Farm Bill exempting certain businesses that are small or infrequently
exhibit certain animals—as well as owners of household pets that are exhibited occasionally and meet other criteria—from AWA license/oversight requirements. Public comments are due in early November 2016. Beginning that month, APHIS will perform regular inspections of animals at 37 USDA Agricultural Research Service research facilities to ensure AWA compliance.

To ensure fair and effective AWA enforcement, APHIS regularly reviews its internal processes, including its civil penalty guidelines, and reaches out to licensees and registrants to enhance their understanding of their obligations under the AWA. Further, although the AWA does not apply to privately owned pets, APHIS supports pets during emergencies. After Hurricane Katrina (2005), APHIS created an Emergency Programs division to work with the Federal Emergency Management Agency, States, and others to safeguard public safety and animal welfare by supporting collaborative capacity building in animal emergency management. Examples demonstrating the effectiveness of this effort include the Colorado airlift of over 800 animals accompanying owners evacuated from flood zones (2013) and recent Louisiana flooding (2016) where pets/animals were evacuated with their owners from flooded areas and sheltered.

Potential Alternative Approaches:  

4. Public Contact with Dangerous Animals

Issue: APHIS is considering revising the Animal Welfare Act (AWA) regulations governing handling and public contact of dangerous animals. APHIS’ main focus is ensuring the welfare of animals while striving to develop and enact the most appropriate measures to protect animals from any potential harm that can result from being handled by humans. Some members of the public, animal interest groups and the regulated community have strong and divergent views on the subject.

Public Policy Reason for APHIS Involvement: Congress directed the Secretary of Agriculture to enforce the provisions of the Animal Welfare Act. APHIS’ extensive animal health capabilities and regulatory experience position it particularly well to oversee certain aspects of animal welfare.

APHIS’ Statutory/Regulatory Scope: The Animal Welfare Act and its associated regulations require the enforcement by USDA (APHIS) of federally established standards of care and treatment for certain warm-blooded animals bred for commercial sale, used in research, transported commercially or exhibited to the public. This docket applies to the latter category.
**Items in Controversy:** APHIS receives many public complaints related to the handling of animals, including handling resulting in injuries to animals and the public. During follow-up inspections, APHIS often documents evidence of noncompliance with AWA handling regulations.

**Industry, Consumer, and Congressional Interest:** More than 70 AWA-licensed exhibitors allow public contact with dangerous animals. APHIS has issued internal and external guidance interpreting the handling regulations, particularly as they relate to the handling of large felids (big cats). On average, APHIS initiates 45 investigations each year related to the handling of animals, including cases that resulted in significant injuries to, and the deaths of, animals and members of the public. Within the past decade, approximately 74 percent of those cases involved exhibitors of animals.

**Executive Branch Position to Date:** When APHIS promulgated current handling regulations, APHIS stated “exhibitors do not have the right to allow contact between public and dangerous animals,” but the regulatory text itself is less clear on this point. In 2000, APHIS published a handling policy in the Federal Register for public comment, and, in 2004, withdrew this policy from consideration noting “any clarification of the regulations should take place through rulemaking.” Thereafter, in 2007, a licensed exhibitor sued APHIS in Federal District Court alleging APHIS’ interpretation of the handling regulations to restrict contact between juvenile and adult large felids (big cats) and the public was arbitrary and capricious. Although the District Court found APHIS’ interpretation of the regulations was not unreasonable (and the Fourth Circuit Court of Appeals affirmed this decision), APHIS is repeatedly challenged during both inspections and administrative enforcement proceedings regarding this interpretation, and exhibitors often seek to circumvent the handling regulations.

On August 5, 2013, APHIS published in the Federal Register for comment a petition filed by the Humane Society of the United States on behalf of a broader coalition of stakeholders to prohibit public contact with big cats, bears, and nonhuman primates. The published petition (Docket No. APHIS-2012-0107) received more than 15,000 public comments. Officials reviewed all comments and found overall support for the basis of the petition. As a result, APHIS published a notice on June 24, 2016, reopening the comment period for the petition to explore the possibility of revising the Animal Welfare Act (AWA) regulations governing handling of and public contact with dangerous animals. APHIS also hosted a series of listening sessions that allowed participants to provide oral comments and hear responses on handling regulations. Archived audio recordings and written transcripts of these sessions can be found at: https://www.aphis.usda.gov/aphis/ourfocus/animalwelfare/handling-dangerous-animals-feedback-page. APHIS officials are carefully reviewing the more than 6,000 comments they received on or prior to the August 31, 2016, closing of the reopened comment period, and they will evaluate and address all feedback before proceeding with any decisionmaking on this matter.

Additionally, on April 4, 2016, APHIS notified all affected USDA license holders of their regulatory responsibilities under the AWA to ensure that newborn and infant nondomestic cats 28 days of age or younger are provided preventive and responsive veterinary care and adequate housing and nutrition, and to ensure that these animals are handled safely and protected from
harm. Licensees must handle these animals in a manner that does not expose them to any form of public contact, including public feeding and handling. The guidance document is located at https://www.aphis.usda.gov/publications/animal_welfare/2016/tech-neonatal-nondomestic-cats.pdf.

Potential Alternative Approaches: [b] (5) Deliberative Process Privilege

Biotechnology Regulatory Services

1. Proposed 340 Regulations

Issue: USDA uses science-based regulatory systems to allow for the safe development, use, and trade of products derived from new agricultural technologies. USDA continues to regulate the importation, interstate movement, and field-testing of newly developed genetically engineered (GE) organisms that qualify as “regulated articles” to ensure they do not pose a threat to plant health before they can be commercialized. These science-based evaluations facilitate the safe introduction of new agricultural production options and enhance public and international confidence in these products. As a part of this effort, the Animal and Plant Health Inspection Service (APHIS) will publish a proposed rule to revise its regulations regarding the regulation of GE organisms.

Public Policy Reason for APHIS Involvement: APHIS’ mission is to protect plants from plant pests and noxious weeds, and is conducted under the authority of the PPA. There’s a critical need to make the current regulations more relevant in light of significant scientific advances and the risk assessment experience gained over the years. APHIS plans to better align its regulations with its statutory authority, align its regulatory oversight with risks to plant health, and ensure its regulatory program is more consistent with the current status of the science of genetic engineering.

APHIS’ Statutory/Regulatory Scope: When current biotechnology regulations were codified in 1987, the PPA had not yet been passed and the existing regulations were written pursuant to the Federal Plant Pest Act of 1957. The Plant Protection Act of 2000 gives APHIS authority to regulate organisms that are plant pests, noxious weeds, or both, and pose a risk to plant health. Amongst other changes, the proposed revisions will more closely align our regulations with the PPA to allow APHIS to regulate GE organisms that may pose a plant pest or noxious weed risk.

Items in Controversy: In March 2015, USDA withdrew a 2008 proposed rule to change the regulations. The 2008 proposed revisions were extensive and included significant changes to the scope of the regulations and the mechanics of APHIS’ regulatory oversight. APHIS received more than 88,300 comments on the 2008 proposed rule, indicating the proposed scope and many of the provisions of the rule were unclear, needed additional rigor, were far-reaching and overly restrictive. APHIS received concerns regarding what future criteria might be used to determine what organisms would fall under APHIS regulatory jurisdiction. Concerns regarding oversight
of crops that produce pharmaceutical and industrial compounds and increased regulatory burden are just a few examples of the complex issues raised by commenters. Therefore, APHIS withdrew the 2008 proposed rule and sought additional input from stakeholders.

In 2015, following the withdrawal of the 2008 proposed rule, APHIS reached out to the public for input with a series of webinars and through a public comment period to start a fresh dialogue with stakeholders on future proposed rulemaking. We received more than 220,000 comments. After considering those comments, on February 5, 2015, APHIS published a Notice of Intent (NOI) to prepare a programmatic environmental impact statement (EIS), as required for any significant rule change. The Agency is thoroughly considering all public input submitted during the 75-day public comment period on the NOI as we develop the draft programmatic EIS and the new proposed rule.

The goal of the proposed regulation is to consider a broader range of potential harms, prevent potential gaps in oversight, improve clarity and transparency of risk assessments, and regulate by specifically identifying and including all GE organisms that may pose plant pest or noxious weed risks. Although APHIS will be conducting initial reviews of certain types of GE organisms that are not now subject to review, overall the proposed rule will lead to substantial regulatory relief that fosters innovation through a more efficient, risk-based system. APHIS will stay within the statutory authority of the PPA, and the public will have ample opportunity to comment on the proposed rule and the draft programmatic EIS. Based on the comments already received on the NOI, APHIS has modified the alternatives considered in its draft programmatic EIS.

Revising the current regulations will help ensure the appropriate oversight by the regulatory system and increase transparency, while continuing to provide a framework that fosters innovation to address some of society’s most pressing challenges.

**Industry, Consumer, and Congressional Interest:** Biotechnology itself is a controversial subject, with strong convictions both from those who oppose it and those who support it. Industry organizations currently regulated by APHIS are generally supportive of the concept of revising the regulations to reflect scientific advances and to better align regulation with risk. Some special interest groups/NGOs oppose genetic engineering in general and tend to resist any change they perceive as resulting in less regulation. Congressman Aderholt (R-AL) of the House Agriculture Appropriations Subcommittee has historically been interested in APHIS’ biotechnology and regulatory efforts.

**Executive Branch Position to Date:** APHIS has been communicating about a new rule throughout the Executive Branch for nearly two years, and has strong support from the Executive Office of the President, as well as our Coordinated Framework partners in Health and Human Services’ Food and Drug Administration and the Environmental Protection Agency, and from other USDA agencies. In September 2016, APHIS sent the proposed rule to the Office of Management and Budget for its review as part of the formal rulemaking process. When that review process is complete, APHIS intends to publish the proposed rule for public comment.
2. Coordinated Framework

**Issue:** The White House Office of Science and Technology Policy (OSTP) is leading a process to modernize the Federal regulatory system for products of biotechnology. This is to ensure that Federal regulatory agencies with jurisdiction over biotechnology products keep pace with rapidly changing science, without creating barriers to future innovation and competitiveness. The Executive Office of the President released two documents on September 16, 2016 as part of that effort.

**Public Policy Reason for APHIS Involvement:** The Coordinated Framework for the Regulation of Biotechnology (CF) describes the comprehensive Federal regulatory policy for ensuring the safety of biotechnology products and is comprised of the regulatory authorities and review efforts of the Food and Drug Administration (FDA), the Environmental Protection Agency (EPA), and the USDA. Advances in science and technology have dramatically altered the biotechnology landscape, enabling the development of products not envisioned when the CF was published. In addition, the complexity of the array of regulations and guidance documents developed by the three primary Federal agencies can make it difficult for the public to understand how the safety of biotechnology products is evaluated. Navigating the regulatory process for these products can be challenging, especially for small companies.

**APHIS’ Statutory/Regulatory Scope:** USDA’s authority to regulate genetically engineered (GE) plants falls under the Plant Protection Act (PPA). Under the PPA, APHIS regulates certain GE organisms that may be plant pests and pose a risk to plant health. The update of the CF is especially timely for USDA as it considers options for revising its regulations for the field-testing and development of new GE organisms. APHIS plans to better align its regulations with its statutory authority, better align its regulatory oversight with risks to plant health, and ensure its regulatory program is more consistent with the evolving science of genetic engineering. These activities support the goals of the OSTP in its effort to modernize the Federal regulatory system for products of biotechnologies.

**Items in Controversy:** The current regulatory system for the products of biotechnology effectively protects health and the environment. However, in some cases, unnecessary costs and burdens associated with regulatory uncertainty about agency jurisdiction, and lack of predictability of timeframes for review, for example, have grown. Updating the CF and laying the foundation for future updates is intended to help ensure the appropriate oversight by the regulatory system and increase transparency, while continuing to provide a framework for advancing innovation to address some of society’s most pressing challenges.

**Industry, Consumer, and Congressional Interest:** Biotechnology itself is a controversial subject, with strong convictions both from those who oppose it, and those who support it.
Chairman Aderholt (R-AL) of the House Agriculture Appropriations Subcommittee has historically been interested in APHIS’ biotechnology and regulatory efforts.

**Executive Branch Position to Date:** APHIS, FDA, and EPA have been working closely with the Executive Office of the President (EOP) to modernize the CF.

On July 2, 2015, the EOP directed FDA, EPA, and USDA to update the CF by clarifying current roles and responsibilities, to develop a long-term strategy to ensure that the Federal biotechnology regulatory system is prepared for the future products of biotechnology, and to commission an expert analysis of the future landscape of biotechnology products to support these efforts. For the last 14 months, these agencies have analyzed Federal regulation of biotechnology products, reviewed more than 900 comments submitted in response to a Request for Information, and conducted three public meetings in different regions of the country, with presentations, case studies, and break-out “listening sessions.”

EOP released two products of this effort: the *Update to the Coordinated Framework for the Regulation of Biotechnology*, and the *National Strategy for Modernizing the Regulatory System for Biotechnology Products*.

The *Update to the Coordinated Framework for the Regulation of Biotechnology* offers the public a complete picture of the regulatory structure that provides oversight for the products of modern biotechnology, and present clarifying information about agency roles, responsibilities, and coordination. On September 22, 2016, the OSTP published a notice in the Federal Register asking for public comments on the proposed update to the CF. Comments will be accepted through November 1.

The *National Strategy for Modernizing the Regulatory System for Biotechnology Products* sets forth a 5-year vision for ensuring that the Federal regulatory system is equipped to assess efficiently the risks, if any, associated with future products of biotechnology while supporting innovation, protecting health and the environment, maintaining public confidence in the regulatory process, increasing transparency and predictability, and reducing unnecessary costs and burdens.

FDA, EPA, and USDA have also commissioned a report by the National Academies of Sciences, Engineering, and Medicine, titled “*Future Biotechnology Products and Opportunities to Enhance Capabilities of the Biotechnology Regulatory System.*” The report is expected to be released at the end of 2016 and will be used by the agencies to: 1) gain a better understanding of future products and how they fit within the U.S. regulatory system; 2) consider any necessary updates to scientific assessments; 3) consider any necessary updates to regulatory processes or procedures; and 4) enhance communication with stakeholders.

3. **Significant Biotechnology Issues**

**Issue:** The Federal government has been regulating genetically engineered (GE) organisms since 1987. As part of the regulatory process, APHIS ensures that developers, growers, and
others take important steps to prevent unauthorized releases of GE organisms. However, there remain several significant issues, including the coexistence of GE crops with non-GE and organic crops, herbicide resistant weeds, the labeling of GE products and new and emerging technologies used to modify plant genes that require further consideration by both APHIS and other Federal agencies.

Public Policy Reason for APHIS Involvement: The biotechnology industry—valued worldwide at $280 billion—creates products that can improve medical care and increase agricultural production. While American farmers and consumers can benefit from the products, it is important to ensure that they do not pose a risk to America’s agricultural and natural resources. APHIS works to ensure new GE crops will not pose plant health risks when released into the environment.

APHIS’ Statutory/Regulatory Scope: The Plant Protection Act gives APHIS authority to regulate certain GE organisms that might pose a risk to plant health. APHIS regulates the introduction—meaning the importation, interstate movement, and field-testing—of certain organisms derived through biotechnology that may pose a plant pest risk.

Items in Controversy:

- **Coexistence:** USDA’s policy has been to support all forms of agriculture, including GE, non-GE and organic, and to strengthen coexistence among these agricultural production systems. In order to maintain the integrity of differentiated markets, farmers employ a variety of practices to prevent the accidental comingling of GE crops with other crops. When comingling does happen, some stakeholders have the strong opinion that the companies who patent, promote, and profit from GE products should be responsible for covering the losses associated with the impacted crops and for taking measures to prevent this from occurring in the future. Currently, there is no compensation mechanism for farmers impacted by unintended presence of GE in non-GE production. USDA is working with an Advisory Council (AC21) to identify measures that can promote and strengthen coexistence. These include:
  - Engaging stakeholders and seeking public input on how to foster communication and collaboration to strengthen coexistence.
  - Funding or conducting research relevant to crop stewardship and gene flow risk mitigation under USDA’s Biotechnology Risk Assessment Grants program.
  - Development of an approach for examining seed purity of holdings in the USDA/Agriculture Research Service National Plant Germplasm System.

- **Herbicide Resistant Weeds:** The Environmental Protection Agency (EPA) is currently the only Federal agency with authority to implement weed resistance management through the Federal Insecticide, Fungicide, and Rodenticide Act. APHIS’ role in this effort is to promote the use of best management practices during GE field trials, especially for field trials of herbicide resistant crops. APHIS is collaborating USDA’s Natural Resources Conservation Service, the Office of Pest
Management Policy, the EPA, and the Weed Science Society of America to better understand impediments to the adoption of weed management strategies and to identify ways to encourage producers to adopt diverse tactics for weed management, including herbicide control.

- **Labeling:** APHIS has no direct role in the labeling of GE products. The Food and Drug Administration has issued labeling guidance for companies who wish to voluntarily label their products, and several food companies are doing so. Additionally, States have considered laws to mandate labeling for food products. In July 2016, Congress passed a disclosure law that requires most food packages to carry a text label, symbol or electronic code to indicate whether the food contains biotech material. The President signed the bill on August 1, 2016; this law preempts any state laws. The authority provided by the July 2016 law was delegated to the Agricultural Marketing Service.

- **Gene Editing Technology:** Several methods of gene editing (Zinc Fingers, TALENs and CRISPRs) are now being used to modify crops. For example, in 2015, APHIS responded to two inquiries regarding the need for regulation for products developed with CRISPRs. For both products, a white button mushroom developed by Penn State, and waxy corn developed by DuPont Pioneer, the only change to the plant genome was a deletion. APHIS determined that neither product falls under APHIS regulations because no genetic material from plant pests was inserted into the final genomes. APHIS also concluded that neither plant presents a risk to plant health as weeds. However, APHIS regulates GE plants produced using genome editing techniques if plant pest DNA is inserted in the final product or otherwise poses a risk to plant health.

**Industry, Consumer, and Congressional Interest:** There are a wide variety of viewpoints on these issues - some stakeholders believe that GE products are too dangerous and need more regulation (or should be banned), while others believe that APHIS should expedite the deregulation of products. Consumers are very supportive of product labeling. In 2015, Congressman Bishop (D-GA) asked about coexistence, and Congresswoman Pingree (D-ME) asked about “superweeds” as part of the House Agriculture Appropriations hearing. Congresswoman Pingree also states that consumers want to know what is in their food (labeling) and growers do not want their crops contaminated.

**Executive Branch Position to Date:** APHIS supports all forms of agriculture. We hear the concerns of all types of farmers and where able, are providing dedicated resources to address public concerns.
International Services

1. Engagement with Cuba

Issue: The decision to extend diplomatic relations to Cuba has already led to greater movement of people; ultimately, it may also entail increased U.S. agricultural exports and the lifting of the current U.S. embargo on Cuban imports. Given decades of limited contact, however, relatively little is known about the current state of Cuban agriculture, including its plant and animal pests and diseases. On the first official USDA visit to Cuba since 1961, focused on strengthening bilateral agricultural engagement, Secretary Vilsack recommended that Cuba complete detailed pest risk analyses to start the decisionmaking process for exports when the embargo is lifted. If trade restrictions are lifted and the United States allows imports from Cuba, domestic producers may be concerned about the introduction of potentially harmful plant and animal pests and diseases under APHIS’ purview, including screwworm and classical swine fever—both eradicated in the United States—and possibly fruit flies and other threats.

Public Policy Reason for APHIS Involvement: APHIS safeguards U.S. agricultural and natural resources against the entry, establishment, and spread of significant pests and diseases, while facilitating the safe and fair trade of agricultural products.

APHIS’ Statutory/Regulatory Scope: In accordance with the Plant Protection Act and the Animal Health Protection Act, APHIS safeguards U.S. agriculture from potentially harmful plant and animal pests and diseases that may be present in Cuba.

Items in Controversy: APHIS’ Cuban counterparts wish to begin exporting agricultural products to the United States. Similarly, many U.S. agricultural industries and States are interested in opening or expanding markets for U.S. products— particularly rice, wheat, soybeans, pork, poultry, and corn—to Cuba.

Industry, Consumer, and Congressional Interest: In 2015, the United States exported $148 million worth of agricultural products to Cuba. U.S. poultry and soybean producers account for a large share of these exports and have a vested interest in expanded trade relations. Other industry groups, including the American Farm Bureau Federation, the American Feed Industry Association, the International Dairy Foods Association, the National Farmers Union, and the U.S. Grains Council have also expressed significant interest in a more open Cuban market. During the November 2015 USDA visit to Havana, Secretary Vilsack was accompanied by APHIS Administrator Kevin Shea, U.S. Senator Jeff Merkley (D-Oregon), and U.S. Representatives Terri Sewell (D-Alabama), Suzan DelBene (D-Washington), and Kurt Schrader (D-Oregon).

Executive Branch Position to Date: For many years, APHIS has sought to stay current on potential Cuban agricultural risks through its offices in Puerto Rico, the Dominican Republic, Haiti, and Trinidad and Tobago. APHIS has also participated in regional initiatives such as CaribVET and the Caribbean Plant Health Directors Forum, which facilitates information exchange between APHIS and Cuban regulatory counterparts. APHIS has supported U.S.
exporters through such successful actions as working with Cuban counterparts to lift bans on U.S. poultry imports related to highly pathogenic avian influenza and ensuring Cuban recognition of the United States as a country at negligible risk for bovine spongiform encephalopathy.

Along with the signing of a Memorandum of Understanding establishing bilateral cooperation in the U.S. and Cuban agricultural and forestry sectors, APHIS has been involved in workplan negotiations to develop relationships with Cuban animal and plant health counterparts and address risks from established pests and diseases in Cuba. APHIS recently sent an employee on detail to Cuba to facilitate information exchanges between APHIS plant and animal health experts and their Cuban counterparts.

Potential Alternative Approaches:

**Plant Protection and Quarantine**

1. **Argentine Lemon Imports**

**Issue:** Argentina has requested that APHIS amend its regulations to allow the importation of lemons from the northwest region of that country into the United States. APHIS approved market access for Argentine lemons in 2000, but in October 2001 the U.S. citrus industry filed a lawsuit opposing this decision and APHIS stopped importations.

In 2013, Argentina requested consultations with the United States through the World Trade Organization (WTO) regarding market access for Argentine lemons. In response, in April 2014 APHIS completed a pest risk analysis, and in June 2015 conducted a site visit. In May 2016 APHIS used this information to publish a proposed rule (Docket No. APHIS-2014-0092-0001) that would allow the importation of lemons from Northwest Argentina under a systems approach. The systems approach would require a series of safeguards to effectively mitigate pest risk.

In September 2016, after an extended comment period that ended on August 10, 2016, APHIS conducted another site visit during peak growing season to verify that Argentina had implemented the proposed mitigation measures. The Agency then shared its findings with industry and other stakeholders that its site visit confirmed that Argentina has a system of safeguards in place to mitigate any pest risk. If the Office of Management and Budget (OMB) designates the rule not significant, APHIS intends to publish a final rule by December 2016. If it is deemed significant, publication would likely be 3 to 4 months later.
Public Policy Reason for APHIS Involvement: APHIS safeguards U.S. agriculture and natural resources against the entry, establishment, and spread of significant pests, while facilitating the safe and fair trade of agricultural products.

APHIS’ Statutory/Regulatory Scope: APHIS regulates the importation of fruits and under the Plant Protection Act and our regulations in “Subpart—Fruits and Vegetables” (7 CFR 319.56-1 through 319.56-74).

Items in Controversy: Argentina began consultations through the WTO and, if the rule is not finalized, would likely proceed with the dispute. If this rule is finalized, the U.S. citrus industry may again attempt to block imports through legal action, as it did 2001.

Industry, Consumer, and Congressional Interest: There is both support for and opposition to the rule. There is congressional support from representatives of States with large ports who believe there would be an economic benefit to granting market access. Industry and legislators from citrus-growing States strongly oppose the rule. Congresswoman Rosa DeLaura (D-CT) also expressed concerns that the United States would make regulatory concessions due to WTO involvement.

Executive Branch Position to Date: APHIS has determined the systems approach will mitigate pest risk; the current administration believes the rule is necessary to strengthen the trade relationship with Argentina and avoid issues with the WTO.

Potential Alternative Approaches: (b) (5) Deliberative Process Privilege

2. European Union (EU) Apple and Pear Imports

Issue: The EU requested that APHIS amend its regulations to replace the current preclearance program with a systems approach for the importation of apples and pears from certain member countries: Belgium, Germany, France, Italy, Poland, Portugal, Spain, and the Netherlands. Under the current preclearance program, we require producers in the exporting countries to contribute to a trust fund to cover the cost of APHIS inspection in the exporting country, as well as any risk mitigation measures. The systems approach, which combines a series of risk mitigation measures, would eliminate this preclearance inspection protocol and rely on individual countries’ National Plant Protection Organization to ensure that producers carry out required risk mitigation activities in fields and packing houses. APHIS plans to conduct an annual audit of the systems approach and works with the Department of Homeland Security’s Customs and Border Protection to carry out inspections of arriving apple shipments to ensure compliance with the U.S. import requirements.

In 2015, APHIS published a risk management document that outlined risk mitigation measures necessary to address previously identified pest risks. These measures are essentially the same as
those used in the current preclearance program. APHIS published a proposed rule (Docket No. APHIS-2015-0073-0001) in January, 2016 reflecting the change to a systems approach.

**Public Policy Reason for APHIS Involvement:** APHIS safeguards U.S. agriculture and natural resources against the entry, establishment, and spread of significant pests, while facilitating the safe and fair trade of agricultural products.

**APHIS’ Statutory/Regulatory Scope:** APHIS regulates the importation of fruits and under the Plant Protection Act and our regulations in “Subpart—Fruits and Vegetables” (7 CFR 319.56-1 through 319.56-74).

**Items in Controversy:** Poland was a late addition to the list of countries seeking market access. However, unlike the other countries on the list, APHIS has not completed a separate pest risk assessment for Poland because that country’s pests were previously identified and analyzed in published materials.

**Industry, Consumer, and Congressional Interest:** Industry and some legislators have expressed concern about pest risk generally and specifically with regard to Poland. In March 2012, the EU banned the import of U.S. apples based on their reduced tolerance level for a chemical used by U.S. producers to mitigate disease risk. U.S. stakeholders are concerned about the resulting trade imbalance.

**Executive Branch Position to Date:** APHIS determined the systems approach will mitigate the risk of pest introductions and that imports would not pose a threat of pest introduction. APHIS is proceeding with decision making at this time.

**Potential Alternative Approaches:**

3. **Potatoes to Mexico**

**Issue:** The U.S. potato industry has long wanted market access for U.S. fresh, table-stock potatoes to all of Mexico, but efforts toward this goal have met a series of ongoing roadblocks. In 2003, APHIS and Mexico’s Ministry of Agriculture, Livestock, Rural Development, Fish, and Food (SAGARPA) signed an operational work plan that allowed immediate access for U.S. fresh, table-stock potatoes to Mexican markets within a 26-kilometer border zone. Provisions in the work plan also anticipated that expansion of market access for U.S. table-stock potatoes to all of Mexico would be phased in over time. Exports of U.S. seed potatoes for planting were excluded from this agreement.

In the spring of 2014, APHIS published a new regulation to authorize Mexico to export fresh table-stock potatoes to the United States, and SAGARPA issued new regulations allowing the long-awaited access for U.S. table-stock potatoes to all States in Mexico. APHIS and
SAGARPA then signed new work plans to harmonize the two countries’ mutual trade in potatoes. Beginning on May 19, 2014, U.S. exporters shipped about 15.5 million pounds of product into Mexico’s expanded markets. However, after just a few weeks of expanded access, a Mexican court issued an injunction suspending SAGARPA’s new potato regulations in response to a series of lawsuits filed by the National Confederation of Potato Producers. Under the injunction, U.S. potato exporters were allowed continued access to the original 26-kilometer border area. Mexican exporters to date have not shipped any fresh potatoes to the United States.

On May 26, 2016, SAGARPA officially cancelled its 2014 regulation, and on June 6, 2016 provided APHIS with a new work plan for comment, which both APHIS and U.S. industry considered to be too restrictive. APHIS provided its comments to SAGARAPA on June 10, 2016. On July 15, 2016, Mexican President Peña Nieto issued a presidential order authorizing the market expansion for U.S. fresh table-stock potatoes to all Mexico as a temporary measure until SAGARPA could publish new regulations for the import of U.S. table-stock potatoes. However, on July 20, a Mexican court issued yet another injunction that suspended President Nieto’s executive order.

U.S. industry representatives have estimated that U.S. table-stock potato exports could increase from the approximately $40 million worth of fresh potatoes currently exported to the 26-kilometer border zone to $150 million or more if U.S. exporters had market access to all of Mexico for table-stock potatoes.

**Public Policy Reason for APHIS Involvement:** APHIS safeguards U.S. agriculture and natural resources against the entry, establishment, and spread of significant pests, while facilitating the safe and fair trade of agricultural products.

**APHIS’ Statutory/Regulatory Scope:** Under the Plant Protection Act, APHIS has authority to establish import regulations to safeguard U.S. agriculture. As the recognized National Plant Protection Organization for the United States, APHIS is authorized to represent overall U.S. agricultural interests in bilateral trade negotiations concerning the import and export of agricultural commodities. As a signatory of the International Plant Protection Convention (IPPC), APHIS plays a key leadership role in protecting the world’s plant resources from pests and diseases. APHIS’ membership in the IPPC fosters international relationships on behalf of our stakeholders to support new market access, market expansion, and market retention for U.S. exports.

**Items in Controversy:** The plaintiffs representing Mexico’s potato producers claim that imported U.S. table-stock potatoes, although labeled for consumption only, would put Mexico’s agriculture at risk from as many as 60 quarantine pests and diseases because the potatoes could be diverted for agricultural production in Mexico. One of the bilaterally agreed-upon phytosanitary mitigations in the 2014 work plan required U.S. potato shipments to be pretreated with an anti-sprouting solution that would minimize any risk of the potatoes being diverted for agricultural purposes. Under the IPPC to which both the United States and Mexico are signatories, the intended use of a commodity must be taken into account when establishing any phytosanitary restrictions on a commodity.
Industry, Consumer, and Congressional Interest: The U.S. potato industry supports the Federal Government’s efforts to press at all levels for a resolution that would allow full access to Mexico’s fresh potato market. APHIS has not received any Congressional inquiries on this issue since 2011.

Executive Branch Position to Date: Although the Office of the U.S. Trade Representative has closely monitored this situation, the resolution of this matter remains within Mexico’s court system.

Potential Alternative Approaches: [b] (5) Deliberative Process Privilege

4. Fruit Flies/Sterile Fruit Fly Facilities

Issue: U.S. agriculture is at risk from exotic fruit flies that could enter the United States across our southern border as well as through infested host plants, fruits, and vegetables that unintentionally or illegally enter the country. Southern Texas faces a continuous threat from introductions of Mexican fruit fly (Mexfly), and Florida and California experience frequent introductions of Mediterranean fruit fly (Medfly) and Oriental fruit fly (OFF). Medfly, OFF, Malaysian fruit fly, and melon fly are established in Hawaii and continually threaten the mainland. Because the larvae of these exotic species can feed on more than 400 host plants and render fruit inedible, they are among the most destructive pests of fruits and vegetables around the world. The establishment of any of these species within the continental United States would cause significant economic losses from the damage to host commodities, the costs associated with implementing control measures, and the loss of export markets.

To prevent the introduction and establishment of exotic fruit flies, APHIS employs a proven strategy involving surveillance trapping, quarantine restrictions, port of entry inspections, and mating disruption using sterile insect technique. Use of the sterile insect technique (SIT) has remained a key component of its cooperative exotic fruit fly control programs for over 30 years. SIT involves the mass-rearing of sterilized exotic fruit flies. When released, sterile male fruit flies mate with wild females, which disrupts natural breeding and the production of progeny because the female’s eggs remain unfertilized. Through continuous releases, this form of mating disruption significantly reduces wild fly populations and aids eradication.

USDA maintains cooperative programs with the governments of Mexico, Guatemala, and Belize, which employ SIT and other mitigation strategies to diminish the populations of exotic fruit flies in those countries. These cooperative efforts reduce destruction of fruit, improve local food production, and decrease the pest risk to the United States.
APHIS also operates domestic SIT facilities in California, Florida, and Texas. The California and Florida facilities currently receive sterile Medfly pupae from the facility in Guatemala, and the Texas facility receives some supplemental Mexfly pupae from Guatemala. The domestic facilities rear and release hundreds of millions of sterile Mexflies and sterile male Medflies each week for ongoing preventive release efforts and domestic outbreak eradication campaigns against these two pests. However, APHIS and State cooperative fruit-fly program managers have completed comprehensive evaluations of all of the domestic SIT facilities and determined that these facilities were all beyond their useful lifespan, have inefficiencies that lead to production losses, and—in some cases—pose health and safety concerns for workers. New domestic facilities would also allow for a significant increase in the quantities of sterile Medflies and Mexflies produced, which could enable the United States to become self-sustaining in sterile fruit-fly production and provide a reserve capacity for mitigating any future outbreaks required to protect U.S. agricultural resources. Because the landowners of the Florida facility have opted not to renew the lease that will expire in 2017, work to replace that facility has already begun.

**Public Policy Reason for APHIS Involvement:** APHIS’ efforts, in cooperation with State officials and industry stakeholders, to prevent exotic fruit flies from becoming established in the United States directly protect approximately $5 billion in citrus and tree fruit production.

Although one of the long-term goals of APHIS’ Fruit Fly Exclusion and Detection Program is to eradicate Medfly throughout Guatemala, the more realistic aim—given current resources and available technology—is to prevent Medfly’s northward movement into Mexico and the United States.

**APHIS’ Statutory/Regulatory Scope:** The Plant Protection Act authorizes APHIS to take action against plant pests that cause damage to agricultural assets, to prevent such pests from entering and establishing in the United States, and to cooperate with other countries in taking such actions.

**Items in Controversy:** Due to violence and security issues in areas surrounding the northern border of Mexico, Mexfly surveillance and SIT preventive-release activities in these regions have significantly decreased and in some cases stopped. This has significantly increased the Mexfly threat to Texas. Because all of the domestic SIT facilities in Florida, Texas, and California are in a serious state of physical decline and need to be replaced, APHIS will need additional funding to replace all of those facilities and ensure production of sufficient quantities of sterile fruit flies to protect vulnerable agricultural areas of the United States.

**Industry, Consumer, and Congressional Interest:** Susceptible producers in the South and Southwest, and in the citrus industry in particular, strongly support APHIS’ safeguarding efforts and fruit fly eradication campaigns. Industry, most notably Texas Citrus, has asked Congressman Vela (D-TX) and others to seek Congressional funding for upgrades to SIT facilities that produce and release sterile fruit flies in Florida, California, and Texas. Congressman Rooney (R-FL) has questioned APHIS’ capacity to produce sufficient quantities of sterile Mexfly.


**Executive Branch Position to Date:** APHIS’ total appropriation for its domestic and international exotic fruit fly eradication and control efforts totaled $59.6 million in fiscal year 2016. Through this funding, APHIS maintains a cooperative, nationwide trapping and surveillance program, which serves as an early warning system for pest introductions. In addition, USDA continues to prioritize cooperative programs with foreign governments. APHIS’ efforts also include mounting domestic quarantine eradication campaigns in response to exotic fruit fly introductions. During the past two years, unprecedented numbers of exotic fruit fly introductions have occurred in Florida, Texas, and California. All Medfly and OFF infestations in the mainland United States have now been eradicated, but five of the eight Mexfly quarantines established in southern Texas during the year remain in place.

The House Appropriations Committee included $30 million for APHIS in the FY 2017 Agriculture Appropriations.

**Potential Alternative Approaches:**

5. **Citrus Health Programs**

**Issue:** The presence in the United States of exotic citrus diseases, especially citrus canker and Huanglongbing (HLB, aka citrus greening)—which is spread by the Asian citrus psyllid (ACP)—hampers the ability of commercial citrus industries to produce, harvest, process, domestically move, and internationally export healthy fruit and clean plant stock. APHIS supports citrus health-related activities through its Citrus Health Response Program (CHRP) and its leadership in USDA’s HLB-Multiagency Coordination (MAC) Group.

APHIS has established Federal quarantines for citrus canker, HLB, and ACP in parallel with quarantines already imposed at the State level.

- The entire State of Florida, as well as portions of Louisiana and Texas, are quarantined for citrus canker.
- The entire States of Florida and Georgia, as well as portions of Louisiana, Texas, and California, are quarantined for HLB. All of Guam, Puerto Rico, the U.S. Virgin Islands, and the Northern Mariana Islands are also quarantined for HLB. The biology of HLB does not lend itself to early detection or eradication.
- The entire States of Florida, Georgia, Alabama, Mississippi, Louisiana, Arizona, and Texas, as well as portions of South Carolina, Nevada, and California, are quarantined for ACP. All of Guam, the Northern Mariana Islands, and American Samoa are also quarantined for ACP.
Public Policy Reason for APHIS Involvement: The United States ranks third overall in citrus production globally, and the packinghouse-door value of U.S. citrus production in 2015 was more than $3 billion. In addition, approximately 100,000 U.S. jobs are generated from the harvesting, packing, processing, transportation, and retail sale of fresh and processed citrus fruit and citrus nursery stock production.

APHIS’ Statutory/Regulatory Scope: Section 412(a) of the Plant Protection Act of June 20, 2000, as amended, 7 U.S.C. 7701, provides APHIS with broad authority to prohibit or restrict the movement in interstate commerce of any plant, plant part, article, or means of conveyance if necessary to prevent the introduction or dissemination of a plant pest, including citrus pests/diseases.

Items in Controversy: Although tree removal is the best way to stop the spread of HLB and citrus canker, there has been some resistance to removing trees, especially from residential citrus owners. Additionally, trees infected by HLB can take years to develop symptoms, further fostering opposition to tree removal. Industry is pushing for early detection technologies, but regulatory applicability of these technologies has not been established. There has also been some resistance to spray programs to control ACP populations. Each citrus-producing State—in particular Florida and California—has different priorities, diverse approaches to disease management, and wants a larger share of CHRP funding.

Industry, Consumer, and Congressional Interest: The citrus industry is a strong supporter of CHRP. Congressman Rooney (R-FL) represents a citrus-growing district and submitted questions for the record about the proposed decrease in Federal cost-share for CHRP during budget hearings. In July 2016, Congressman Denham (R-CA) inquired about funding sources to help California combat HLB. Congress provided $20 million in 2-year funding for FY 2014/15 to help establish the HLB MAC Group, and provided an additional $5.5 million in two-year funding for its continuation in FY 2016/17.

Executive Branch Position to Date: Secretary Vilsack established the HLB-MAC in December 2013 as a means to coordinate the response of Federal, State, and industry in order to reduce the impact of HLB on the U.S. citrus industry. The HLB-MAC’s mission is to provide producers with the practical tools and solutions they need in the near-term to allow them to remain economically viable until longer-term solutions are developed. The HLB-MAC’s priority projects include field-testing antimicrobials and mitigations such as thermotherapy, establishing model groves, and enhancing biological controls for ACP.

CHRP’s mission is to compile best practices to sustain the U.S. citrus industry, maintain grower's continued access to export markets, and safeguard citrus-growing States against a variety of citrus diseases and pests. CHRP provides guidelines for nursery stock product compliance and fruit inspection, treatment, and certification, and funds operational activities, such as surveillance and monitoring, packing house inspections, and release of biocontrol agents to suppress ACP.
6. **Agricultural Quarantine Inspection (AQI) User Fees**

**Issue:** In October 2015, APHIS published a final rule in the *Federal Register* to update the AQI user fee rates. The Agency had two goals: 1) ensuring that collections for each fee type covers the costs associated with that fee and did not over-charge or under-charge by fee type and 2) increasing overall revenue to cover program costs adequately and maintain a reasonable reserve. APHIS lowered two of the existing fees (international airline passengers and commercial rail cars) and raised four fees (commercial aircraft, commercial vessels, and trucks—for both individual crossings and decals). Additionally, APHIS added new fees for international cruise ship passengers and for monitoring treatments of imported commodities such as fruits and vegetables. [See table below for a comparison of old and new fees.]

**Public Policy Reason for APHIS Involvement:** Through the AQI program, APHIS and the Department of Homeland Security’s Customs and Border Protection (CBP) safeguard U.S. agricultural and natural resources from the introduction of invasive pests and diseases associated with the movement of people and goods around the world. APHIS collects user fees for AQI services conducted at ports of entry in connection with the arrival of imports, means of conveyance, and passenger baggage. These services are designed to prevent the entry of foreign pests and diseases that could harm U.S. agricultural or natural resources. APHIS had last updated AQI user fees in December 2004. Since then, there has been an 82 percent increase in the value of imported goods, a 42 percent increase in international passengers, and CBP has added hundreds of inspectors and invested in X-ray machines and other technology, as well as canine teams. Prior to the 2015 revisions, AQI user fee collections had not kept pace with the costs of the program. CBP’s personnel costs in particular had increased significantly since the last time the fees were updated due to grade increases in journey-man level inspector positions and increases in the number of inspection personnel.

**APHIS’ Statutory/Regulatory Scope:** The Food, Agriculture, Conservation, and Trade (FACT) Act of 1990 authorized USDA to implement user fees to cover AQI costs associated with international arrivals. APHIS continues to receive appropriated funds for AQI inspections of passenger baggage and cargo traveling from Hawaii and Puerto Rico to the mainland United States to prevent pest and disease introductions from these locations. Following the establishment of DHS in 2003 (based on the Homeland Security Act of 2002), the inspection function at ports of entry (with the exception of inspections of imported plants) transferred to CBP. DHS also has appropriated funds to cover inspections of pedestrians and bus passengers entering the United States, among other things. APHIS continues to collect AQI user fees and transfers a portion of the AQI collections to CBP to cover that Agency’s costs. APHIS continues to assess risks associated with imports, set import regulations and inspection policies, inspect imported plant shipments, train CBP agricultural specialists and detector dog teams, monitor fumigations and other treatments of imported commodities, and provide the scientific support
necessary for the program, among other things. This account is subject to the sequestration of mandatory funds each year.

**Items in Controversy:** The industries affected by the increased fees as well as those affected by the newly implemented fees have objected to the new rates. The Air Transit Association filed a lawsuit on May 13, 2016, objecting to the new rate for commercial aircraft, which increased from $70.75 to $225.00. The complaint alleges that APHIS’ final rule updating the AQI fees does not comply with several provisions of the FACT Act, which requires that the fees associated with each fee type cover the costs of services for that fee type and not cross-subsidize inspection activities for other classes of fee payers. It states that APHIS did not provide adequate information demonstrating the $225 fee was necessary to cover costs of inspecting aircraft and states that the commercial aircraft fee itself is not authorized by the FACT Act, among other items. With assistance from APHIS, the U.S. Department of Justice filed an answer to the complaint and filed the administrative record. Plaintiffs’ motion for summary judgment is due in March, 2017.

The bulk of the collections under the new rates began mid-year in FY 2016, and APHIS is still evaluating collection levels under the new fees. We anticipate FY 2016 collections will total approximately $675 million. While this reflects a substantial increase from the previous year, the initial projection was approximately $727 million. APHIS will continue to evaluate AQI collections and determine whether they are adequate to maintain the program. [See table below showing AQI collections and spending.]

**Industry, Consumer, and Congressional Interest:** While agricultural stakeholder groups support the AQI program, AQI fee payers—particularly the airline and commercial trucking industries—objected to the new rates. When APHIS published the proposed rule, members of Congress requested and APHIS agreed that the public comment period be extended by 60 days.

**Executive Branch Position to Date:** When developing the new rates, APHIS contracted with an independent firm to review the AQI user fee schedule to determine what adjustments were needed to ensure fees are commensurate with the cost of the AQI program. The company conducted an extensive analysis, and—based on its recommendation—APHIS implemented activity based costing models to help track costs related to the various fee types. APHIS conducted significant outreach to affected industries, including holding six stakeholder engagements throughout the process of developing a proposed rule. APHIS carefully considered the public comments on the proposed rule and the feedback received through the various stakeholder meetings, calls, and webinars, and made several adjustments in the final rule in response to information provided by stakeholders. One of the changes involves phasing in a new fee—treatment monitoring services—over 5 years and lowering the full fee from the proposed $375 rate (which included costs built in for overtime pay for employees) to $237 (however, reimbursable overtime would be charged for services provided outside of normal business hours).
7. **Farm Bill Section 10007**

**Issue:** APHIS is charged with implementing Section 10007 of the 2014 Farm Bill (Agricultural Act of 2014) to prevent the introduction or spread of plant pests and diseases that threaten U.S. agriculture and the environment. Section 10007 contains the Plant Pest and Disease Management and Disaster Prevention program with projects organized around six goal areas: enhancing plant pest/disease analysis and survey; targeting domestic inspection activities at vulnerable points in the safeguarding continuum; increasing identification capacity and enhancing and strengthening pest detection technology; safeguarding nursery production; conducting outreach and education; and enhancing mitigation and rapid response capabilities. It also contains the National Clean Plant Network (NCPN) with a focus on supporting clean plant center networking, diagnostics, therapeutics, and foundation plantings. Through these programs, APHIS provides funding to a variety of entities, including State departments of agriculture, academic partners, non-profit organizations, and other Federal agencies. APHIS accepted suggestions for FY 2017 projects for the Plant Pest and Disease Management and Disaster Prevention Program from July 11, 2016, through August 19, 2016. A panel of USDA, State, and
industry representatives are evaluating these projects on specific goal areas that represent critical needs and opportunities to strengthen, prevent, detect, and mitigate invasive pests and diseases. APHIS is accepting suggestions for the National Clean Plant Network from August 17, 2016, through October 26, 2016.

Public Policy Reason for APHIS Involvement: APHIS safeguards U.S. plant health against introductions of foreign pests and diseases through a variety of exclusion, early detection, and mitigation programs. The Farm Bill program enhances APHIS’ efforts to detect new plant pests and diseases and provides a source of funds for rapid response to small-scale outbreaks of plant pests and diseases. Through the NCPN, the program also provides sources of disease-free, high-value nursery stock to growers, enabling them to import desirable varieties of items such as grapevines, stone fruit trees, and berries (among others) from other countries without posing disease risks to existing agricultural production. The program also produces clean materials from domestic stock. APHIS continually evaluates pest and disease threats to U.S. agriculture and engages in regular communication with stakeholders and government partners, providing the Agency with knowledge of the most pressing plant health issues.

APHIS’ Statutory/Regulatory Scope: Section 10007 of the 2014 Farm Bill combined two programs previously authorized in the 2008 Farm Bill – formerly Sections 10201 for the Plant Pest and Disease Management and Disaster Prevention Program and Section 10202 for the NCPN. The 2014 Farm Bill provided permanent authorization for the annual transfer of funds from USDA’s Commodity Credit Corporation at the rate of $62.5 million in FY 2014 through FY 2017, and $75 million in FY 2018 and beyond. At least $5 million must go towards NCPN. This account is subject to the sequestration of mandatory funds each year. In FY 2017, $58.187 million will be available after sequestration is applied.

Items in Controversy: As required by the Farm Bill, APHIS seeks input from the National Plant Board, State departments of agriculture, and land grant universities to develop overall goals for the program and review project suggestions. APHIS has also consulted the Specialty Crop Farm Bill Alliance, industry organizations, other Federal Agencies, and non-governmental stakeholders to develop goals and review annual spending plans. Each year, APHIS receives more project suggestions than it can fund, and cooperators sometimes raise concerns when a specific project does not receive funding.

Industry, Consumer, and Congressional Interest: The program has broad support from APHIS stakeholders and Congress, including the Agriculture Committees and the Appropriations Committees.

Executive Branch Position to Date: Since 2009, APHIS has funded more than 2,200 projects in 50 States and 2 U.S. territories, supporting a variety of stakeholders, including Federal, State, academic, Tribal, and private entities. In FY 2016, APHIS provided Plant Pest and Disease Management and Disaster Prevention funding to 50 States plus Guam and Puerto Rico to implement 412 projects suggested by universities, States, Federal agencies, nongovernmental organizations, non-profits and Tribal organizations. For NCPN, APHIS supported 22 suggestions in 17 States that focus on providing high-quality propagative plant material for fruit
trees, grapes, hops, berries, citrus, roses and sweet potatoes that is free of targeted plant pathogens and pests.

Major projects funded by the 2014 Farm Bill include eradication of exotic fruit fly outbreaks, nationwide surveys of honey bee pests and diseases, support of canine detector teams in California and Florida, and response to the giant African snail in Florida, among many others.

APHIS has also used portions of PPDM funding to initiate emergency programs for emerging and high-priority pests impacting agricultural resources, such as the giant African snail in Florida, the European grapevine moth in California, and the coconut rhinoceros beetle in Hawaii.

Potential Alternative Approaches: [b] (5) Deliberative Process Privilege

Veterinary Services

1. **Highly Pathogenic Avian Influenza (HPAI)**

   **Issue:** The 2014-2015 outbreak of highly pathogenic avian influenza (HPAI) was the worst animal disease outbreak in U.S. history, affecting commercial premises, backyard flocks, captive birds, and wild birds in 21 States and costing USDA more than $1 billion. Nearly 50 million commercial birds (7.5 million turkeys and 42.1 million egg-layer and pullet chickens) were depopulated or died from the disease. The outbreak involved several H5 Eurasian-origin strains of the virus that caused substantial mortality. While these strains were not transmitted to people, there is always a chance that HPAI can mutate and become infectious to humans. The longer the virus circulates, the greater the chance this can happen.

   APHIS coordinated the Federal and State response to the outbreak—which included cleaning and disinfection, environmental sampling, and restocking of affected facilities—in addition to enhancing wild bird surveillance efforts. Although APHIS’ response was swift and comprehensive, one of the biggest lessons learned was that the Agency’s capacity to effectively address large animal health events has eroded over the years. Current funding for animal health activities is below levels that were available to APHIS 10 years ago. For fiscal year 2017, APHIS requested an additional $30 million to improve its readiness for responding to animal health emergencies. APHIS would use that funding to rebuild its workforce and optimize its emergency readiness and response capabilities.

   **Public Policy Reason for APHIS Involvement:** The American public and industry expect the Federal Government to lead efforts to protect U.S. agriculture and natural resources from threats posed by exotic animal and plant pests and diseases. APHIS partners with States and industry to preview costly animal diseases outbreaks and protect U.S. poultry and livestock.
Further HPAI-related losses to the U.S. poultry industry could be catastrophic and cause billions of dollars in damage to allied industries as well as to the local and national economy. Poultry and poultry product shortages and price increases could result for consumers.

**APHIS’ Statutory/Regulatory Scope:** The Animal Health Protection Act, 7 United States Code 8301 et seq., authorizes the Secretary of Agriculture to, among other things, detect, control, or eradicate any disease or pest of livestock. This authority has been delegated to APHIS.

**Items in Controversy:** During the 2014-2015 HPAI outbreak, APHIS used indemnity calculators (i.e., formulas) to determine the fair market value of birds that were destroyed as part of the disease response. Egg layer and turkey producers raised concerns about these formulas. While APHIS is working to finalize proposed changes in response to some of these concerns, the changes likely will not fully satisfy those producer organizations that have proposed alternative formulas, including formulas that compensate owners for downtime. APHIS’ position has been that paying for downtime losses essentially provides a safety net to producers that insurance, not indemnity payments, should provide.

**Industry, Consumer, and Congressional Interest:** As a result of the outbreak, the poultry and turkey industries incurred roughly $1 billion and $530 million dollars respectively in direct losses. Egg layer and turkey producers did not believe APHIS’ indemnity payments adequately covered the losses their industries incurred and as a result, asked for changes to APHIS’ indemnity calculators. Local economies and allied industries in some particularly hard-hit areas such as Minnesota and Iowa also suffered substantial losses, and the overall economy-wide losses were estimated at $3.3 billion (including losses due to international trade impacts). Additionally, egg supplies decreased and costs rose for consumers. Public health agencies and animal advocacy organizations also have a considerable stake in this issue, given the possible human health implications of HPAI and animal welfare concerns involved.

The U.S. Senate Agriculture, Nutrition, and Forestry Committee held a hearing on the impact of the HPAI outbreak on the poultry sector in July 2015. Congressional representatives, particularly those representing affected districts, have contacted USDA about logistical aspects of the response, producer indemnification and APHIS’ calculators, and vaccine development and use.

**Executive Branch Position to Date:** The Administration made over $1 billion available to address the 2015-2016 HPAI outbreak, and the FY 2017 President’s budget request included an increase of $30.338 million to improve APHIS’ readiness for responding to animal health emergencies, in part based on lessons learned during the HPAI outbreak. APHIS has taken steps to prepare for future cases, including improving wild bird surveillance to enable early detection; improving capabilities to rapidly detect HPAI in domestic poultry and depopulate affected flocks within 24 hours; and, streamlining the indemnification process so that producers can be compensated fairly and return to production quickly. APHIS also has conducted planning meetings with industry to promote improved biosecurity practices and design a biosecurity auditing system to ensure that these practices are followed.
In February 2016, APHIS published an interim rule that, among other things, provided a formula to allow indemnity payments to be split between poultry and egg owners and their contracted growers. Such a system was already in place for low pathogenicity AI. The interim rule also required owners and contract growers to provide a statement certifying that a biosecurity plan was in place at the time HPAI was detected in order to receive indemnity. Although APHIS’ epidemiological investigations concluded there was not enough evidence to pinpoint a specific pathway or pathways for the spread of the virus, comprehensive and stringent biosecurity practices are crucial to reducing the risk of HPAI infection from wild birds, equipment, and clothing.

APHIS also implemented a new indemnity calculator for egg layers following robust internal discussions about what factors should inform appropriate indemnity amounts for these birds. The new calculator took effect on October 1, 2016, and will be used for any future indemnity payments. It was not applied retroactively.

One of the challenges in determining fair market value for laying hens is the lack of an active market price. Generally, these birds are owned by one company throughout their lifecycle, and few bird prices are publicly available because laying hens are rarely sold at auction. The previous layer calculator estimated the value of the birds at the time of depopulation. When proposing a new calculator, APHIS added to that estimate a percentage of farm earnings that would have resulted from the lost egg production. APHIS also proposed putting a “floor” in place to ensure producers would never lose money on the production cost of their birds, even when economic circumstances would have created a loss.

USDA’s Office of the Chief Economist then recommended—and APHIS implemented—changes that made the calculator more reflective of a fair-market transaction. For example, the new calculator no longer has a “floor” in place, which means it is possible under some circumstances that indemnity payments may not fully cover a producer’s production costs. The new calculator also determines fair market value based on net farm income ratio (the amount of net income generated per dollar of production cost). While the new calculator addresses concerns raised by producers and is not expected to change indemnity payments dramatically, future indemnity rates could be higher or lower than the rates under the previous calculator.

Currently, USDA has not approved using vaccine as part of an HPAI response because that would likely lead many export markets to ban all U.S. poultry. But APHIS is obtaining a reliable supply of vaccine should outbreaks occur that cannot be controlled through the typical depopulation approach, a decision that would be made only in conjunction with industry and State partners. APHIS has issued requests for proposals for vaccine manufacturers to supply a variety of Eurasian-origin, H5 vaccines.

Potential Alternative Approaches: (b) (5) Deliberative Process Privilege
2. **Brucellosis and Bovine Tuberculosis (TB) Program**

**Issue:** On December 16, 2015, APHIS published a proposed rule in the Federal Register to update its brucellosis and bovine TB program regulations. Under the proposed rule, APHIS would, among other things, move from categorizing the disease statuses of entire States—or large regions within States—to establishing standards that States and Tribal Nations would meet for disease surveillance, epidemiological investigations, and affected herd management. By using program compliance rather than disease prevalence—which is already extremely low—to determine statuses, States and Tribes will no longer run the risk of status downgrades and statewide restrictions and testing requirements if sporadic cases appear. Rather, they can focus their disease control efforts on specifically designated herds or areas. APHIS officials are carefully reviewing all issues raised in the comments received and considering the need for changes to the proposed provisions.

*Funding Requests To Depopulate TB-Affected Herds in Texas and Michigan:* To address TB-affected herds, APHIS routinely uses one of two strategies: depopulating an entire herd and paying indemnity, or a test-and-remove approach, where regular testing with removal of reactor animals continues while the herd is under quarantine until it is determined with a high degree of confidence that the herd is TB-free. When determining a strategy, APHIS considers a scientific model to determine the probability of removing infection, as well as the size of the herds, potential indemnity costs compared to funds available, and State and owner preferences.

In fiscal year (FY) 2015, the Secretary transferred $17.89 million in emergency funding from the Commodity Credit Corporation for TB eradication efforts in Texas and Michigan. In FY 2016, the Secretary approved an additional transfer of $23.90 million to depopulate an additional dairy herd in Texas and address additional TB findings throughout the United States.  The Office of Management and Budget (OMB)
Public Policy Reason for APHIS Involvement: APHIS partners with States and industry to prevent and manage costly animal diseases outbreaks and protect U.S. poultry and livestock.

APHIS’ Statutory/Regulatory Scope: Under the Animal Health Protection Act, APHIS works to protect U.S. agriculture from livestock pests and diseases.

Items in Controversy: Although APHIS developed the regulations collaboratively with States, Tribes, and industry, stakeholders raised concerns during the comment period about the perceived burden on the States to define their plans to prevent and mitigate disease occurrences. Also, the Senate Appropriations Committee included a directive for APHIS to report to Congress on the amount of State and Federal funding needed to implement the rule prior to finalizing it.

Industry, Consumer, and Congressional Interest: Several legislators expressed concerns that testing requirements outlined in the proposed rule would harm deer and elk farmers. The National Assembly of State Animal Health Officials (NASAHO) would like to consult with APHIS before we publish the final rule to discuss how the Agency intends to address the comments received. Some State officials who provided separate feedback from the NASAHO comments stated opposition or requested consultation with APHIS.

Executive Branch Position to Date: APHIS believes that the proposed regulatory changes will allow the brucellosis and bovine TB programs to be most effective at protecting animal health. Regarding its emergency funding request, APHIS believes that depopulating the TB-affected herd in Texas will enable the Agency to eradicate the current outbreaks and to prevent disease spread. APHIS will conduct stakeholder outreach and discussion regarding potential future cost sharing for indemnity regulations.

Potential Alternative Approaches: [b] (5) Deliberative Process Privilege

3. **Foot-and-Mouth Disease (FMD) Vaccine**

**Issue:** There has not been an outbreak of FMD, a devastating, highly contagious viral livestock disease, in the United States since 1929. Although APHIS has comprehensive, overlapping safeguards in place to protect against FMD and is prepared to swiftly respond should an outbreak occur, vaccine would be critical to effective control or eradication should the outbreak be widespread. Current inventory in the North American FMD vaccine bank is 2.5 million doses per strain of the 10 FMD strains of greatest risk to North America. This amount is insufficient to address a medium or large-scale outbreak. APHIS estimates that we would need a minimum of
approximately 25 million vaccine doses for each of the 10 FMD strains of greatest concern to provide the optimum level of protection. This would cost approximately $130 million. APHIS’ current appropriations for FMD preparedness total $1.4 million.

The U.S. stockpile of FMD vaccine is currently housed at the Plum Island Animal Disease Center (PIADC) in New York and is managed cooperatively with Canada and Mexico. Currently, all FMD vaccine is acquired from foreign manufacturers because the live FMD virus cannot be maintained on the U.S. mainland by law. However, USDA’s Agricultural Research Service (ARS)—working at PIADC—has developed novel vaccine platforms that do not require traditional live FMD virus production techniques. These novel vaccine techniques are not yet commercially available, and it likely will be years before they can be used.

FMD is endemic in much of the world and remains a major threat to U.S. agriculture. While not a public health or food safety issue, FMD is highly infectious in all cloven-hoofed animals—including cattle, sheep, goats, and swine—and can spread rapidly and widely. Its presence in the United States, if unchecked, could cause billions of dollars in damage to animal agriculture industries, producers, and local economies through lost export markets; cause product shortages and price increases for consumers; and threaten the security of the U.S. food supply.

**Public Policy Reason for APHIS Involvement:** Only a Federal agency would have the interstate authorities and access to resources necessary to respond to a significant FMD outbreak. APHIS partners with States and industry to preview costly animal diseases outbreaks and protect U.S. poultry and livestock.

**APHIS’ Statutory/Regulatory Scope:** The Animal Health Protection Act authorizes the Secretary of Agriculture to, among other things, detect, control, or eradicate any disease or pest of livestock. This authority has been delegated to APHIS.

**Items in Controversy:** Federal-industry cost sharing is one possible solution APHIS has discussed with industry to help fill the vaccine gap. However, the cattle and swine industries, citing Homeland Security Presidential Security Directive Number 9, “Defense of United States Agriculture and Food”, believe that filling the gap is a matter of food security and is solely a Federal responsibility. Although sufficient quantities of vaccine would be valuable, APHIS’ import requirements reduce the threat of FMD dramatically, and surveillance systems would expedite detection of the disease.

**Industry, Consumer, and Congressional Interest:** The U.S. livestock sector has expressed concern that an FMD outbreak in the United States could cause severe economic ramifications for local economies and communities, as well as associated businesses (e.g., trucking and livestock markets). Some industry representatives believe vaccine use could minimize disruptions by reducing animal movement restrictions and the number of animals that would need to be depopulated as part of an emergency response effort. The House Agriculture Livestock Subcommittee held an FMD vaccine hearing in February 2016.

**Executive Branch Position to Date:** APHIS is committed to safeguarding U.S. agriculture
against an FMD incursion and is prepared to respond swiftly in the event of an outbreak, using vaccine as resources permit. APHIS has joined Australia, Canada, Mexico, and New Zealand in signing an arrangement to share their limited amounts of FMD vaccines in the event of an outbreak. APHIS will continue working with industry to identify ways to close the vaccine gap.

Potential Alternative Approaches: [b] (5) Deliberative Process Privilege


Issue: Since 2004, the U.S. Department of Homeland Security (DHS) and USDA have worked closely to fulfill the Homeland Security Presidential Directive 9 mandate for the agencies to plan to establish safe, secure, state-of-the-art agriculture biocontainment laboratories that research and develop diagnostic capabilities for foreign animal and zoonotic diseases (those that can pass between animals and humans). The NBAF—a $1.25 billion next-generation biocontainment facility under construction in Manhattan, Kansas—is the result of DHS’ and USDA’s planning efforts. The NBAF will replace existing, aging biocontainment laboratories located at the Plum Island Animal Disease Center (PIADC) in Orient Point, New York. DHS plans for the NBAF to be fully operational in 2023 with registration of select agents (i.e., bio-agents that have the potential to pose a severe threat to public, animal, or plant health, or to animal or plant products) by December 2022.

Public Policy Reason for APHIS Involvement: APHIS is charged with safeguarding the health of U.S. livestock by rapidly detecting and responding to any accidental or intentional introduction of a foreign animal disease. Foreign animal diseases, such as highly infectious foot-and-mouth disease (FMD), have the potential to inflict billions of dollars in livestock and trade losses and threaten the U.S. food supply. The NBAF will provide USDA scientists with larger and more technologically sophisticated laboratory facilities, including biosafety level (BSL)-4 biocontainment capacity, which will exceed PIADC’s BSL-3 laboratory capacity. With BSL-4 capacity, USDA scientists will be able to conduct diagnostics, and research and develop countermeasures for high-consequence zoonotic diseases of livestock such as those caused by Ebola virus, Hendra virus, and Nipah virus, which are potentially lethal to both humans and animals.

APHIS’ Statutory/Regulatory Scope: USDA was in charge of all operations at the Plum Island facility from 1954 until June 2003, when operational responsibility transferred from USDA to DHS, in accordance with the Homeland Security Act of 2002. APHIS’ Foreign Animal Disease Diagnostic Laboratory, located at Plum Island, continues to provide the capabilities, including training, for early detection and diagnosis of an accidental or intentional introduction of a foreign animal disease. APHIS’ laboratory personnel also work closely with
USDA’s Agricultural Research Service (ARS) to develop diagnostic methods and test vaccines to protect U.S. agriculture from foreign animal disease. The APHIS laboratory is the custodian of the North American FMD Vaccine Bank.

Under the Public Health, Security, and Bioterrorism Preparedness and Response Act of 2002, USDA has the authority to regulate the use, possession, and transfer of certain biological agents and toxins, including the FMD virus. The Food, Conservation, and Energy Act of 2008 directs the Secretary of Agriculture to issue a permit to the Secretary of Homeland Security to transfer live FMD virus to a single research facility that is a successor to the Plum Island facility, provided that the facility meets all of USDA’s regulatory requirements under the Federal Select Agent Program. NBAF is the successor facility.

Items of Controversy: Although there is a broad consensus among industry and policymakers that the NBAF is necessary to protect U.S. livestock from high-consequence foreign pathogens, there has been some concern about the Kansas location due to its proximity to a large cattle population and the potential for tornados.

Industry, Consumer, and Congressional Interest: The Senate Appropriations Committee report on the FY 2017 Agriculture Appropriations Bill encourages DHS and USDA to work together on a plan for the future operation of NBAF, including consideration of the appropriate agency to manage the facility. DHS Senate Appropriations includes the same language. The Senate has included $4 million for USDA ($3 million for APHIS and $1 million for ARS) for workforce development for NBAF. The House passed H.R. 1887, which would delay the required sale of PIADC while the Government Accountability Office studies possible uses for the island. The bill has been sent to the Senate for consideration. DHS released its 180-page report to Congress on the sale of Plum Island in July 2016. USDA has no concerns with the bill as long as there is no lapse between departure from PIADC and full operation of NBAF. USDA and DHS continue to plan for the transition from PIADC to NBAF. Kansas State University holds an industry meeting on an annual basis to share ideas, recommendations, needs, and collaboration possibilities to help develop the framework necessary for NBAF to protect the Nation’s animal health and food supply. Kansas committed a total of $307 million toward the construction of NBAF.

Executive Branch Position to Date: USDA officials have signed a memorandum of understanding with DHS and Kansas that affirms the mutual desire to broaden cooperative bio/agro defense activities, interactions, and collaborations. USDA is preparing budgets for the development of the USDA workforce at NBAF and for transition activities. USDA continues to participate in DHS-organized working groups to coordinate transition planning.

Potential Alternative Approaches: (b) (5) Deliberative Process Privilege
5. **Antimicrobial Resistance (AMR)**

**Issue:** AMR is a global issue affecting public and animal health. There is growing concern that bacteria that cause disease in people and animals are developing more resistance to the antibiotics used for treatment. The issue has become more urgent with the occurrence of bacterial isolates resistant to existing antimicrobial drugs, the decreasing availability of effective antimicrobial drugs and absence of new ones in the pharmaceutical pipeline, and the lack of incentives and funding for research into alternatives. In fiscal year 2014, APHIS worked with agencies across the Federal Government to develop a National Strategy for Combating Antibiotic-Resistant Bacteria. This document covers a broad array of potential government efforts to address AMR in human and animal health and was the forerunner to the National Action Plan for AMR released in 2015. In December 2014, USDA released its own AMR Action Plan. Under the plan, APHIS and other USDA agencies are using an integrated, One Health approach for surveillance and monitoring, research and development, and education and outreach.

For its part, APHIS is determining patterns, purposes, and impacts of antibiotic use in food animals and monitoring antibiotic drug susceptibilities of bacterial organisms in food-producing animals and associated products and production environments. APHIS is also identifying management practices, antibiotic alternatives, and other mitigations that may help to reduce AMR in bacteria in food-producing animals and their production environments, and to improve stewardship and judicious use of existing antimicrobials.

**Public Policy Reason for APHIS Involvement:** APHIS and other USDA agencies are uniquely positioned to contribute to the body of scientific knowledge about AMR, specifically about the role of antimicrobial use in livestock, given their in-depth knowledge of the management practices and technologies associated with animal health, welfare, productivity, and food safety.

The Food and Drug Administration (FDA) is the primary regulatory agency for antibiotic use in animals. However, USDA and FDA work together closely to identify and mitigate emerging threats to America’s food supply. APHIS is charged with safeguarding U.S. animal health. As part of its mission, the Agency operates the National Animal Health Monitoring System (NAHMS), which collects data on farm management and animal health practices, as well as on the prevalence and economic importance of livestock diseases and associated risk factors. FDA relies on the science-based information that APHIS and other USDA agencies generate about antibiotic drug use, AMR patterns, and livestock and poultry management practices to inform its policy and regulatory decisions. FDA also taps into USDA’s extensive network of collaborative relationships with producers and industry organizations as part of its outreach.

**APHIS’ Statutory/Regulatory Scope:** Under the Animal Health Protection Act, APHIS works to detect, control, or eradicate any disease or pest of livestock.

**Items in Controversy:** Some believe that the use of antimicrobial drugs in agriculture is one of the primary drivers for the emergence and spread of AMR in bacteria. Current understanding of
the factors that contribute to levels of AMR in various settings and the specific role of antimicrobial use in agriculture in the selection for AMR in bacteria is incomplete.

Industry, Consumer, and Congressional Interest: Several legislators, the American Veterinary Medical Association, industry groups, and public health interest organizations have expressed concerns about the emergence and spread of antibiotic-resistant bacteria and inquired about Federal agencies’ plans to address antibiotic use in animal agriculture.

Executive Branch Position to Date: The President’s FY 2017 budget request included an increase of $10 million to provide on-farm surveillance, measure antimicrobial drug use by livestock and poultry producers, and develop education and outreach materials to promote the judicious use of antimicrobials.

Potential Alternative Approaches: (b) (5) Deliberative Process Privilege

Wildlife Services

1. Predator Damage Management

Issue: APHIS (through its Wildlife Services program) resolves human/wildlife conflicts and protects agriculture, human health and safety, personal property, and natural resources from wildlife damage and wildlife-borne diseases in the United States. As part of this effort, APHIS protects livestock from predators, including wolves, grizzly bears and black vultures.

Public Policy Reason for APHIS Involvement: The North American Model for Wildlife Conservation has stated that wildlife should be managed in trust for the people by government agencies based on science. APHIS is charged with protecting agriculture, human health and safety, property, and natural resources from disease and damage caused by wildlife. Livestock losses attributed to predators cost producers more than $137 million annually, according to the most recent surveys by National Agriculture Statistics Service. In FY 2015, APHIS provided assistance in dealing with damage caused by predators to producers in the western United States with livestock valued at more than $2.5 billion.

APHIS’ Statutory/Regulatory Scope: The Animal Damage Control Act of 1931, as amended, gives APHIS broad authority to conduct activities “in the control of nuisance mammals and birds
and those mammal and bird species that are reservoirs of zoonotic diseases.” The statute allows APHIS to conduct cooperative programs with funding from State, local, or private entities.

**Items in Controversy:** Animal advocacy groups oppose the Agency’s use of lethal control in managing wildlife conflicts. A recently published research paper out of the University of Wisconsin is questioning the long-term efficacy of lethal predator control and receiving interest; other researchers disagree with these findings. Wolf populations and movements are closely monitored by animal advocacy organizations.

**Industry, Consumer, and Congressional Interest:** Livestock industries strongly support APHIS’ predatory control work, and livestock producers share in the costs of the activities they request. Congress is generally supportive of APHIS’ wildlife management efforts; the House included report language in the appropriation directing APHIS to prioritize and document the process that allows USDA to help States and local livestock producers manage wolves. Representatives from Minnesota have encouraged funding for APHIS’ wolf work. However, many animal advocacy groups decry any lethal control activities APHIS conducts.

**Executive Branch Position to Date:** APHIS prevents and reduces livestock predation through education, technical assistance to producers, and management programs. APHIS plays a major role in the management of wolves and grizzly bears in the United States. APHIS personnel work with State wildlife agencies, the U.S. Fish and Wildlife Service (FWS) and Tribal Nations to conduct wolf damage management programs, and provided additional services to capture and mark wolves and grizzly bears for research and population monitoring. In cooperation with State and Federal wildlife agencies, APHIS removes depredating wolves to resolve conflicts. Most of this work is cooperatively funded with appropriated money as well as funding from State or local sources.

To avoid or reduce predation, APHIS provides technical advice (education and educational materials) to producers on preventative measures, which are then implemented by producers themselves. In FY 2016, APHIS conducted 29 Predator Management Workshops to educate more than 1,000 producers on these methods, such as the use of guard dogs.

In FY 2015, APHIS responded to more than 1,000 incidents of reported wolf depredations on livestock or other resources, and removed 385 wolves (one of which was unintentionally removed). Approximately 44 percent of the requests for assistance were from the Great Lakes Region where wolves remain listed as endangered in Michigan and Wisconsin and threatened in Minnesota. Depending on the legal status of the wolf (delisted, threatened, endangered), the primary management authority (FWS or State Department of Wildlife) varies from State to State. Except where wolves are listed as endangered, the appropriate management authority provides APHIS with authorization to control wolves that prey on domestic animals or pose a risk to human safety. Where endangered, wolves can only be controlled when there is a direct risk to human safety.

APHIS also conducts research on alternative approaches. For example, the reintroduction of the gray wolf to the Northern Rockies marks a tremendous success for conservationists, but also
resulted in increased conflicts with livestock producers. Many western ranchers use livestock protection dogs to deter predation by coyotes, but some commonly used species of dogs are not effective against wolves and grizzly bears, which sometimes kill these traditional breeds. APHIS scientists initiated a series of studies to evaluate three larger breeds of dogs that Europeans have successfully used to deter livestock predation by wolves.

In the last 30 years, populations of black vultures have increased in both abundance and range, due to the highly adaptive nature of the bird. Black vultures, which prey on livestock, are protected by the Migratory Bird Treaty; removing birds, nests or eggs, requires a permit from FWS. In FY 2015, APHIS conducted direct control work in 18 States, removing 4,239 black vultures and dispersing an additional 49,755. APHIS’ direct control work for black vultures is 100 percent funded by cooperators.

**Potential Alternative Approaches:**

2. **Feral Swine**

**Issue:** Feral swine have quickly established themselves throughout the nation, increasing from 1 million animals in 17 States to about 5 million animals in 38 States in the last 20 years, making them one of the fastest growing invasive species in the United States. In FY 2014, APHIS implemented a national, cooperative cost-share program to slow – and eventually stop – the leading edges of population spread; eliminate swine populations where possible; and control swine numbers to achieve acceptable levels in other States.

**Public Policy Reason for APHIS Involvement:** The total cost of feral swine damage in the United States is $1.5 billion annually; recently collected data currently under review may estimate the total at $2 to $2.5 billion. Invasive swine damage crops, residential property, and sensitive ecosystems. They potentially can spread livestock and zoonotic diseases (classical swine fever, swine brucellosis, pseudorabies, swine influenza and porcine reproductive and respiratory syndrome, among others). APHIS is charged with protecting agriculture, human health and safety, property, and natural resources from disease and damage caused by wildlife.

**APHIS’ Statutory/Regulatory Scope:** Executive Order 13112, signed in 1999, directs Federal agencies to “detect and respond rapidly to and control populations of (invasive) species…, and monitor invasive species populations…” The Animal Damage Control Act of 1931, as amended, gives APHIS broad authority to conduct activities “in the control of nuisance mammals and birds and those mammal and bird species that are reservoirs of zoonotic diseases.” The statute allows APHIS to conduct cooperative programs with funding from State, local, or private entities.
Items in Controversy: Some private entities consider the removal of feral swine to compete with local businesses and recreational hunting. Some animal interest groups are opposed to any lethal control measures.

Industry, Consumer, and Congressional Interest: The pork industry strongly supports efforts to minimize the contact of feral swine with domestic livestock populations. In 2015, Chairman Aderholt (R - AL), of the House Agriculture Appropriations Subcommittee inquired about the success of the program to date. Additionally in 2015, Rep. Mike Conaway (R-TX), Chairman of the House Agriculture Committee visited a feral swine field operation in Texas to see the tools and techniques APHIS and its partners use.

Executive Branch Position to Date: Congress authorized a new program in 2014, and has since appropriated $20 million annually for this nationwide program. In FY 2015, APHIS had operational programs in 41 States and two territories in cooperation with State agencies, and had received permission from landowners to conduct feral swine activities on 127 million acres. In FY 2016, access to conduct activities on property increased to 152 million acres.

In FY 2015, APHIS and partners successfully eliminated feral swine from four States - Washington, Idaho, New York, and Maryland. In FY 2016, APHIS and partners successfully eliminated feral swine from an additional two States - New Jersey and Wisconsin. These States will continue to be monitored for two additional years to ensure successful elimination. Feral swine populations are still low enough that elimination is considered possible in 19 States. In the other 16 States, efforts have been focused on suppressing feral swine populations and minimizing damage to resources.

APHIS’ National Wildlife Research Center evaluated a toxicant and delivery system and is pursuing the registration of this toxicant with the Environmental Protection Agency. APHIS also researched a feral swine DNA detection process that would enable the agency to detect the presence of feral swine in an area and quickly remove them.

Every State has different laws and a different natural environment; the APHIS strategy is to provide funding and other resources to State programs and support them at a National level while allowing flexibility to manage operational activities at a local level. Task forces developed State-level management control plans that outline management goals and objectives, ranging from elimination of feral swine populations to management of individual populations.

APHIS has also initiated collaborative efforts with Mexico and Canada to monitor feral swine along the borders.

Potential Alternative Approaches: (b) (5) Deliberative Process Privilege
3. **Aquaculture Predation**

**Issue:** APHIS resolves human/wildlife conflicts and protects agriculture, human health and safety, personal property, and natural resources from wildlife damage and wildlife-borne diseases in the United States.

**Public Policy Reason for APHIS Involvement:** Aquaculture is an important industry in the United States; however, wildlife depredation, especially by fish-eating birds, is significantly impacting production. Annual fish production in the United States is valued at $1.4 billion. The aquaculture industry incurs approximately $25 million in costs associated with bird damage and damage prevention. Nearly 70 percent of catfish producers reported some losses to wildlife.

**APHIS’ Statutory/Regulatory Scope:** The Animal Damage Control Act of 1931, as amended, gives APHIS broad authority to conduct activities “in the control of nuisance mammals and birds and those mammal and bird species that are reservoirs of zoonotic diseases.” The statute allows APHIS to conduct cooperative programs with funding from State, local, or private entities. APHIS also partners with the U.S. Fish and Wildlife Service (FWS) to address conflicts arising from birds covered under the Migratory Bird Treaty Act. Upon request, APHIS works with aquaculture producers to obtain a depredation permit from the FWS to remove birds such as cormorants from production areas.

**Items in Controversy:** Some States have raised concern regarding the loss of Congressional directive funding for aquaculture depredation. Animal advocacy groups have filed lawsuits challenging FWS’s National Environmental Policy Act processes that authorize the Agency’s use of lethal methods to address cormorants. The group claimed that FWS did not provide transparency in their actions, and did not adequately address cumulative effects on cormorant populations. In May, 2016, a judge vacated two major depredation orders, one related to aquaculture protection. FWS declined to appeal the judge’s decision, and is re-evaluating a path forward.

**Industry, Consumer, and Congressional Interest:** The aquaculture industry is strongly supportive of our bird damage prevention efforts. In 2015, in response to the Secretary’s Appropriations Hearing, APHIS was asked to respond regarding the future of funding to address cormorant control activities to protect natural resources in the Lake Champlain region. Since the removal of the Congressionally directed funding (approximately $94,000 annually) in 2012, the State of Vermont has expressed the difficulty in finding funding to address cormorant control.

**Executive Branch Position to Date:** In FY 2015, APHIS provided assistance to baitfish and crawfish producers, catfish farmers, fish hatcheries, sport fish producers for pond stocking, and tropical fish producers in 13 States under a special depredation order for aquaculture. APHIS also conducted double-crested cormorant damage management in 36 States in FY 2015. And on a year-round basis, APHIS provides operational and technical assistance to aquaculture producers, specifically on roost management of double-crested cormorant, harassment of fish-eating birds on catfish facilities, and helping farmers with the FWS depredation permit process.
Upon the May 2016 court decision ordering FWS to vacate its aquaculture depredation orders, APHIS suspended all lethal cormorant removal work. APHIS is consulting with FWS to determine next steps. In the meantime, APHIS will continue to conduct night roost harassment techniques to disperse birds from roosting near aquaculture ponds. APHIS will continue to provide technical assistance (education on the use of non-lethal management techniques) to impacted cooperators.

APHIS’ National Wildlife Research Center’s field station in Starkville, Mississippi, is developing methods to reduce the impacts of fish-eating birds on aquaculture stocks. Current research is gathering information about the abundance, distribution, and foraging behavior of fish-eating birds, the economic impacts associated with their foraging activities, and the diseases they transmit at aquaculture facilities. This information will help develop new techniques for reducing damage.

Funding for aquaculture damage management has been FY 2015: $388,000; FY 2016: $759,000; FY 2017: $759,000 (estimate).

Potential Alternative Approaches:  [b] (5) Deliberative Process Privilege

GIPSA

Farmer Fair Practices Rules
Since passage of the Consolidated and Further Continuing Appropriations Act, 2012, USDA had been precluded from working on certain proposed regulatory provisions related to the Packers and Stockyards Act (Act). These proposed regulations included provisions to clarify that it is not necessary to find harm to competition in order to find that a packer, swine contractor, or live poultry dealer has engaged in an unfair, unjustly discriminatory, or deceptive practice or device or has given an undue or unreasonable preference or advantage.

The Consolidated Appropriations Act, 2016 does not include the prohibition. USDA intends to issue an interim final rule to clarify that it is not necessary to establish harm to competition in order to prove that a packer, swine contractor, or live poultry dealer has engaged in an unfair or unjustly discriminatory practice. USDA intends to propose regulations to establish the kinds of conduct or action that would be considered unfair under the Act without a showing of harm to competition. USDA also intends to propose a regulation to establish criteria for live poultry dealers who use a poultry grower ranking system to determine the amount of compensation poultry growers receive.
Other Packers and Stockyards Program Regulations
Congress recently passed legislation to clarify that online or video livestock auctions that handle the proceeds of the sale are subject to the Packers and Stockyards Act and to authorize electronic payments by packers, livestock market agencies, and livestock dealers. GIPSA will review current regulations to determine what changes are necessary to make the regulations consistent with the amendments to the Packers and Stockyards Act.

GIPSA has also identified regulations that are out of date and should either be updated or eliminated. These regulatory changes are less critical than the Farmer Fair Practices rules and the regulatory changes that are necessary to address the statutory changes.

Reevaluating the Budget Obligation Limitation on Inspection and Weighing Fees Collected Under the United States Grain Standards Act
Currently, the annual appropriations act includes a budget obligation limitation on fees collected from inspection and weighing services which allows the Grain Inspection, Packers and Stockyards Administration (GIPSA) to operate its Federal Grain Inspection Service’s official inspection and weighing program. This program provides both mandatory and voluntary services, including a variety of inspection, weighing, and related services on grains, pulses, oilseeds, and processed and graded commodities. These services extend to both domestic and international markets, with services being mandatory for exports. These mandatory services include official weighing of the majority of grain exported from the United States and of intercompany barge grain received at export port locations; official inspection of the majority of grain exported from the United States; and testing of all corn exported from the United States for aflatoxin prior to shipment, unless the contract stipulates testing is not required.

In FY 2014, GIPSA experienced a dramatic increased demand for export inspection services in direct response to an increase of more than 35 percent in grain exports. In FY 2015 grain exports were higher than the record in FY 2014 and are anticipated to continue to increase through FY 2017. Demand for inspection services will increase with a continued increase in export volumes because of the statutory requirement to inspect and weigh export grain. To meet the increased demand for services, grain exporters and handlers are opening new export facilities that require around the clock service by GIPSA, thus increasing GIPSA’s costs. Additionally, GIPSA’s cost for installing inspection laboratories at these new facilities is approximately $200,000 each. In order to support mandatory official inspection and official weighing services along with the voluntary domestic services, and continue to meet the demand of the domestic and foreign grain and related commodity markets, the limitation on official inspection and official weighing services expenses that is currently in place needs to be eliminated.

GIPSA has executed various cost containment initiatives to limit obligations while meeting increased demand for services. GIPSA has limited supply and equipment purchases and changed hiring practices to optimize cost-efficient use of intermittent, part-time, and full-time employees to minimize overtime. Beginning in calendar year 2017, GIPSA will annually adjust its export inspection fees based on a rolling 5-year average of the volume of grain exports so that it
maintains an operating reserve of between three to six months, ensuring a direct link between the user fees and the volume of grain exports.

**GAO and OIG Audits**

**AMS**

**USDA Office of Inspector General (OIG):**

<table>
<thead>
<tr>
<th>Audit Title</th>
<th>Date Issued / Initiated</th>
<th>Status</th>
<th>Link to Report</th>
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<tbody>
<tr>
<td>National Organic Program - International Trade Arrangements and Agreements</td>
<td>Initiated 3/2/2016</td>
<td>In Progress</td>
<td>N/A</td>
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**Government Accountability Office (GAO):**

<table>
<thead>
<tr>
<th>Audit Title</th>
<th>Date Issued / Initiated</th>
<th>Status</th>
<th>Link to Report</th>
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<tbody>
<tr>
<td>FOIA Requests Related to USDA’s National Research and Promotion Programs</td>
<td>Initiated 9/9/2016</td>
<td>Entrance interview with GAO took place 9/19/2016. Agency is collecting information to submit to GAO.</td>
<td>N/A</td>
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<tr>
<td>USDA’s Oversight of National Research and Promotion Programs</td>
<td>Initiated 9/9/2016</td>
<td>Entrance interview with GAO took place 9/19/2016. Agency is collecting information to submit to GAO.</td>
<td>N/A</td>
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# APHIS

## SECTION IIId: GAO and OIG Audits – and other significant reports

<table>
<thead>
<tr>
<th>Report Name</th>
<th>Link</th>
<th>Description</th>
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<tbody>
<tr>
<td>Controls Over Genetically Engineered Animal and Insect Research (50610-16-TE)</td>
<td><a href="https://www.usda.gov/oig/webdocs/50610-0016-TE.pdf">https://www.usda.gov/oig/webdocs/50610-0016-TE.pdf</a></td>
<td>OIG reviewed APHIS’ controls over genetically engineered animal and insect research, including policies used to prevent their release into the environment.</td>
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<td>USDA Response to Antibiotic Resistance (50601-04-31)</td>
<td><a href="https://www.usda.gov/oig/webdocs/50601-04-31.pdf">https://www.usda.gov/oig/webdocs/50601-04-31.pdf</a></td>
<td>OIG reviewed the Department’s and APHIS’ oversight, goals, and plans for addressing issues related to antibiotic resistance; efforts to improve new treatment methods; and planned short- and long-term actions.</td>
</tr>
<tr>
<td>Antibiotic Resistance: Agencies Have Made Limited Progress Addressing Antibiotic</td>
<td><a href="http://www.gao.gov/products/GAO-11-801">http://www.gao.gov/products/GAO-11-801</a></td>
<td>GAO reviewed the extent to which Federal agencies collected data on antibiotic use and antibiotic resistance in animals for consumption. They also reviewed how Federal agencies have</td>
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Use in Animals (GAO 11-801)  | conducted research on alternatives to current antibiotic use, and have informed producers and veterinarians about appropriate antibiotic use.
Agricultural Quarantine Inspection Fees: Major Changes Needed to Align Fee Revenues with Program Costs (GAO 13-268)  | http://www.gao.gov/products/GAO-13-268  | GAO reviewed the agricultural quarantine inspection fees which support both USDA and DHS agricultural import inspection activities.
Homeland Security: Agriculture Inspection Program Has Made Some Improvements,  | http://www.gao.gov/products/GAO-12-885  | GAO performed a follow up audit related to the transfer of certain agricultural inspection functions to DHS in 2003. GAO reviewed the extent to which Federal agencies implemented GAO’s prior
**United States Department of Agriculture**  
2016 Presidential Transition  
Marketing and Regulatory Programs (MRP)

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<tr>
<th>but Management Challenges Persist (GAO 12-885)</th>
<th>recommendations and how USDA and DHS use data on arrivals, inspections, and interceptions to manage the program.</th>
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<tr>
<td><strong>Nonnative forest insects and pathogens in the United States: Impacts and policy options</strong></td>
<td>The nonprofit Carey Institute for Global Good reviewed information on nonnative forest insects and diseases in the United States, including pathways of arrival, distribution and policy options for reducing future invasions.</td>
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<tr>
<td><strong>Future Biotechnology Products and Opportunities to Enhance Capabilities of the Biotechnology Regulatory System. (National Academy of Sciences National Research Council Studies. DELS-BLS-15-16)</strong></td>
<td>USDA, EPA, and FDA are funding the study, due before the end of FY 2016, as part of the process to modernize the regulation of biotechnology products. The report will answer the questions “What will the likely future products of biotechnology be over the next 5-10 years? What scientific capabilities, tools, and/or expertise may be needed by the regulatory agencies to ensure they make efficient and sound evaluations of the likely future products of biotechnology?”</td>
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**GIPSA**

GIPSA does not have any significant reports from the last four years issued by external groups.
WHO WE ARE: Natural Resources and Environment (NRE)

The Office of the Under Secretary of Agriculture for Natural Resources and Environment promotes the conservation and sustainable use of natural resources on the Nation's private working lands, and sustains production of clean air and water, recreational opportunities, wildlife habitat and other goods and services that the public demands of the National Forests and Grasslands. The Under Secretary is responsible for the day-to-day operations of the United States Forest Service (FS) and Natural Resources Conservation Service (NRCS), and serves as the principal advisor to the Secretary of Agriculture on policy to promote the conservation, restoration and sustainable use of the Nation's natural resources.

WHO WE ARE: OUR WORKFORCE

- FS includes over 28,000 full time employees and NRCS over 10,000.
- 10,000 – 12,000 temporary employees are hired annually by FS (May – Sept.)
- Offices and research stations distributed throughout the 50 states, the Pacific Islands and Caribbean

KEY UPCOMING DECISIONS

Regional Conservation Partnership Program: Early 2017 decisions on program focus for the fourth funding round for this partner-driven stewardship program, which will invest over $200 million in 2018.

Fire Suppression Budget and Forest Management Reform:

A number of alternative proposals have been put forward during the 114th Congress to address the chronic problem of budgeting for wildland fire and its attendant impacts to non-fire programs at the Forest Service. Most also include provisions to accelerate the pace and scale of forest restoration. Further push for legislative solutions or implementation will require the immediate attention of the next Administration.

WHO WE SERVE: OUR CONSTITUENTS

NRE agencies work with state and tribal natural resource managers and working farm, forest and ranchland owners across the country to help them achieve their stewardship goals. FS works with diverse groups who rely upon the nation’s forests and grasslands for recreation, community economic development, clean air and water and wildlife habitat.

BUDGET HIGHLIGHTS FY 2016

NRCS 2016 budget authority was nearly $4.5 billion, of which roughly 77 percent was mandatory and 23 percent discretionary. NRCS has seen relative consistency in budget authority over the past several years.

FS budget authority in FY 2016 was $6.38 billion ($5.68B – discretionary; $704M in mandatory). 56% of discretionary authority is attributed to Fire. This is up from 16% in 1995.
United States Department of Agriculture
2016 Presidential Transition
Natural Resources and Environment Mission Area (NRE)

I. Organizational Overview

Organizational Chart

USDA Natural Resources and Environment

Under Secretary

Deputy Under Secretary (Natural Resources Conservation Service)

Chief of the Natural Resources Conservation Service

Deputy Under Secretary (Forest Service)

Chief of the Forest Service*

Special Assistant

Senior Advisor

Confidential Assistant

Chief of Staff

In addition, the office of the Under Secretary includes two detailed positions from NRCS and Forest Service who serve as staff assistants to the Deputy Under Secretaries. The office also includes three executive assistants and one administrative support position.

Lastly, the office provides leadership for the Department on behalf of the Secretary in his role as Chair of the Council. The RESTORE Executive Director reports to the Council.

* Denotes non-political career SES position
Biographies for career and political staff in key leadership positions

Robert Bonnie  
Under Secretary for Natural Resources and Environment  
202-720-7173, Robert.bonnie@osec.usda.gov

Robert Bonnie is Under Secretary for Natural Resources and Environment at the US Department of Agriculture, a post he has held since August, 2013. In that role, he oversees the work of the US Forest Service (FS) and Natural Resources Conservation Service (NRCS). He also works with the Secretary, other USDA agencies, and other federal partners on climate change policy. Bonnie joined USDA in 2009 as a Senior Advisor to Secretary of Agriculture Tom Vilsack for environment and climate change. Prior to that, he was vice president for land conservation for the Environmental Defense Fund. He grew up on a farm in Kentucky and now lives in Virginia.

Ann Mills  
Deputy Under Secretary for Natural Resources and Environment (NRCS)  
202-720-7173, Ann.mills@osec.usda.gov

As Deputy Under Secretary for Natural Resources and Environment, Ann C. Mills has responsibility for the Natural Resources Conservation Service (NRCS), the federal agency with primary responsibility for working with private landowners to conserve, maintain and improve their natural resources. America's farms, ranches and forests provide 87% of the surface supply of drinking water in America. USDA programs play a significant role in protecting the nation's supply of clean abundant water.

Mills brings to this position 20 years of policy and management experience with government and nonprofit conservation advocacy. Most recently, as a senior executive at American Rivers, Mills led the implementation of programs to develop sustainable solutions for flood and drought mitigation and water quality improvement across the country including urban and rural watersheds in Northern California's Sierras and Bay Delta; the Columbia, Missouri and Mississippi river basins; the Great Lakes; and the Chesapeake Bay. Mills also served as a senior staff person for Senate Democratic Leader Tom Daschle, chief of staff to California Lt. Governor Leo McCarthy and legislative assistant to then-Congressman Richard Durbin and Congressman James McClure Clarke. She holds a Master’s Degree from the Lyndon B. Johnson School of Public Affairs at The University of Texas at Austin, and a BA in Political Science from Tufts University.
Leslie Jones
Deputy Under Secretary for Natural Resources and Environment (FS)
202-720-7173, Leslie.jones@osec.usda.gov

Leslie Jones has worked in conservation for more than two decades. As Deputy Under Secretary for Natural Resources and Environment, she has responsibility for the Forest Service, the federal agency with responsibility for 193 million acres of National Forest System lands. The Forest Service also provides financial and technical assistance through its State and Private Forestry programs to States, municipalities and a host of community partners across all landscapes. She also served as Chief of Staff to the Under Secretary and Senior Advisor. Prior to joining the Obama Administration she was General Counsel for The Wilderness Society, served in leadership positions in the New England land trust community, and worked as an attorney for the Vermont Attorney General. She holds a Juris Doctor and Masters of Environmental Law from Vermont Law School and a BA in Human Ecology from College of the Atlantic. She grew up on both coasts, in California and Maine, and now lives in Virginia.

Patrick Holmes
Chief of Staff to the Under Secretary for Natural Resources and Environment
202-720-7173, Patrick.holmes@osec.usda.gov

Patrick Holmes serves as Chief of Staff to the Under Secretary for Natural Resources and Environment at USDA. In his current role, Patrick provides coordination, communication, management and counsel for the Office of the Under Secretary and supports execution of a diverse suite of priorities facing the Department, including climate and energy, conservation finance, public-private partnerships, and forest restoration. Prior to joining the Obama Administration at USDA, Patrick has worked for the Colorado Conservation Trust, the Sonoran Institute, the Yale Center for Business and Environment and the State of the Rockies Project. He is a graduate of the Yale School of Forestry and Environmental Studies and Colorado College, a past fellow of the Kinship Conservation Institute and a Wyss Scholar.

Meryl Harrell
Senior Advisor to the Under Secretary for Natural Resources and Environment
202-720-7173, Meryl.Harrell@osec.usda.gov

Meryl Harrell serves as Senior Advisor to the Under Secretary for Natural Resources and Environment at USDA. In her current role, Meryl is responsible for policy issues related to the Forest Service, including recreational access and economic activity, land management planning, job training opportunities for youth and veterans, and other natural resource management issues. She previously served as Chief of Staff to the Under Secretary and as a Special Assistant to the Under Secretary. Prior to joining USDA in 2009, she worked for the Obama campaign in Wisconsin and on the Transition, and has worked on public lands policy at The Wilderness Society. Meryl received her J.D. from the Yale Law School and an A.B. in geosciences and environmental studies from Princeton University. She is also an alum of the Teton Science School, where her love of rocks turned into a passion for public lands. Meryl enjoys camping and hiking.
Justin Ehrenwerth
Executive Director of the Gulf Coast Ecosystem Restoration Council [Career]
justin.ehrenwerth@restorethegulf.gov

Justin R. Ehrenwerth serves as Executive Director of the Gulf Coast Ecosystem Restoration Council (Council). Created by the RESTORE Act of 2012 and comprised of the Governors of the five Gulf Coast States and Secretaries from six federal agencies, the Council is responsible for restoring and protecting the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches, coastal wetlands and economy of the Gulf Coast. Prior to joining the Council, Ehrenwerth served as Chief of Staff to the Deputy Secretary of Commerce. Previously, Ehrenwerth served as Assistant Counsel to the President in the White House Counsel’s Office where he was a member of the Oversight and Litigation group representing the White House in Congressional investigations and advising Federal agencies on oversight matters. During the first two years of the Obama administration, Ehrenwerth served in the Department of Commerce’s Office of General Counsel.

Ehrenwerth has held leadership positions on a number of national and statewide political campaigns including the Obama for America and Kerry-Edwards campaigns. He has been active in the non-profit sector having worked at the University of Pittsburgh Institute of Politics and the Northern California Grantmakers. He also served as a Marshall-Brennan Constitutional Literacy Teaching Fellow as well as a Coro Fellow in Public Affairs. Ehrenwerth currently serves on the Board of the Coro Center for Civic Leadership.

Ehrenwerth is a summa cum laude graduate of Colby College and holds an MA in Philosophy, Politics and Economics from the University of Oxford and a J.D. from the University of Pennsylvania Law School.

Overview of Agency Programs and Operations

The Office of the Under Secretary of Agriculture for Natural Resources and Environment promotes the conservation and sustainable use of natural resources on the Nation's private working lands, and sustains production of clean air and water, recreational opportunities, wildlife habitat and other goods and services that the public demands of the National Forests and Grasslands. The Under Secretary is responsible for the day-to-day operations of the United States Forest Service and Natural Resources Conservation Service and serves as the principal advisor to the Secretary of Agriculture on policy to promote the conservation, restoration and sustainable use of the Nation's natural resources, often in coordination with other USDA agencies and offices. In addition, the Office of the Under Secretary provides leadership and counsel to the Secretary in his role as Chair of the Gulf Coast Ecosystem Restoration Council. In response to the Deepwater Horizon spill, in July 2012 the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act (RESTORE Act) established the Gulf Coast Ecosystem Restoration Council (Council). The Council is responsible for helping to restore the ecosystems and economies of the Gulf Coast region by developing and overseeing implementation of a Comprehensive Plan and prioritizing projects to receive funding from
appropriate BP settlement funds. Finally, the Office provides political leadership for the Department on a host of conservation, climate change, public lands, and natural resource initiatives led by offices of the White House.

**Forest Service – Overview**

**Mission and Responsibilities:** The mission of the Forest Service is to sustain the health, diversity, and productivity of the Nation’s forests and grasslands to meet the needs of present and future generations. The Forest Service manages 193 million acres in 44 States and territories—154 national forests, 20 national grasslands, and one prairie comprising 30 percent of all federally owned lands. The agency also provides financial and technical assistance through its State and Private Forestry programs to States, municipalities and a host of community partners across all landscapes, including 426 million acres of private forest land, 69 million acres of State forest land, 19 million acres of Tribal forests, and 130 million acres of urban and community forests. The Forest Service is comprised of nine Regional Offices, where regional foresters serve as the senior executive leaders coordinating activities between national forests and grasslands (overseen by forest supervisors), monitoring activities on those lands to ensure quality operations, providing guidance for forest plans, and allocating budgets to the forests.

The Forest Service is one of the largest forestry research organizations in the world, with seven research stations, two Technology and Development Centers, 80 Experimental Forests, a Forest Products Laboratory, and a Geospatial Service and Technology Center that support scientific advances in resource management. Through its International Programs office, the agency works with more than 80 countries worldwide to support sustainable management and protection of forests, providing assistance and sharing best practices. The State and Private Forestry (S&PF) organization of the Forest Service reaches across the boundaries of National Forests to States, Tribes, communities and non-industrial private landowners. S&PF is the federal leader in providing technical and financial assistance to landowners and resource managers to help sustain the nation’s forests and protect communities from wildland fires.

Various activities on Forest Service lands contribute more than $36 billion to America’s economy each year supporting nearly 450,000 jobs. The Forest Service is the preeminent federal wildfire fighting agency, providing the lion’s share of the personnel and assets needed to protect communities and resources from the threats of increasingly catastrophic wildfire events. Of note, Forest Service receives its discretionary appropriations through Title III of the regular Interior, Environment, and Related Agencies appropriations bill. In some years, the FS has received additional discretionary monies through supplemental appropriations bills

**Program and Initiative Highlights:**

**Accelerating Forest Restoration on National Forests**
In 2012, the Forest Service issued a strategy aimed at [Increasing the Pace of Restoration and Job Creation on Our National Forests](#). The health of our forest ecosystems, watersheds, and forest dependent communities is in jeopardy amid increased threats of wildfire, drought, development,
insects and disease. Restoration offers an antidote, building resilience for forests and communities alike. The Forest Service restoration strategy emphasizes collaboration, and endeavors to move beyond the conflicts which have characterized forest policy in the past and toward a shared vision that allows environmentalists, forest industry, local communities, and other stakeholders to work collaboratively toward healthier forests and watersheds, safer communities and more vibrant local economies. The foundation of the strategy is the Forest Planning Rule, published in 2012, which sets guidelines for adaptive land management plans for our National Forest System. The Agency’s goal is to ensure an adaptive land management planning process that is inclusive, efficient, collaborative and science-based to promote healthy, resilient, diverse and productive National Forests and Grasslands.

A key component of the restoration strategy is the Collaborative Forest Landscape Restoration Program (CFLRP). In the five years since the initial CFLRP projects began, the program has improved more than 1.33 million acres for wildlife habitat; treated more than 1.45 million acres to reduce the risk of catastrophic fire; treated more than 84,500 acres of land to achieve healthier condition through timber sales; and contributed to generating an average of 4,360 jobs per year. Moreover, CFLRP projects attracted new partners and built community relationships, leveraging more than $76.1 million in matching funds. A CFLRP five year progress report is available [here](#).

Other strategies include:

- Improving the efficiency of restoration project planning under the National Environmental Policy Act (NEPA) through larger, landscape-scale approaches, partnerships with collaboratives, and the use of a host of adaptive and streamlined tools;
- Expanding markets for forest products, including biomass energy and green building materials such as cross-laminated timber that support forest restoration, create local economic opportunity, and reduce environmental impacts (see the [U.S. Tall Wood Building Prize Competition](#));
- Implementing new provisions of the 2014 Farm Bill such as the Good Neighbor Authority, which authorizes federal agencies to enter into cooperative agreements or contracts with state foresters to conduct restoration projects on federal forestland when similar and complementary restoration services are being performed on adjacent state or private lands; and
- Launching a new Joint Chiefs’ Landscape Restoration Program--- a partnership between Forest Service and the Natural Resource Conservation Service to design and implement treatments where private and public lands meet, and where restoration objectives cross ownership boundaries.

A [2015 accomplishments report](#) details these and other major efforts of the Forest Service to accelerate the pace and scale of forest restoration. The agency has also led collaborative initiatives building partnerships with other USDA agencies, corporations, utilities, industry and conservation groups to further advance restoration goals. Examples include:

- Through the Wood to Energy Initiative, Forest Service has partnered with the Rural Business Cooperative Service, Rural Utilities Service, Farm Service Agency, others at USDA and relevant industry trade-associations to support
United States Department of Agriculture  
2016 Presidential Transition  
Natural Resources and Environment Mission Area (NRE)

over 240 wood energy projects since 2009, and advance mutual goals for coordination and communications.

- Working with Coca-Cola North America, the Forest Service has forged a partnership to restore and protect damaged watersheds on national forests restoring over one billion liters of water in areas important to Coke’s bottling facilities. The partners have committed to double that outcome through 2018.

- Across the West, partnerships with water utilities and municipalities to reduce the risk of catastrophic wildfire to municipal water supplies have brought together new partners to invest in the Forest Service’s restoration objectives. For instance Denver Water entered into 5-year partnership bringing over $18 million in outside investment and the City of Flagstaff passed a voter approved bond initiative to invest $10 million to protect the city’s water system. A recent report from the World Resources Institute highlights these and related partnerships.

Budgeting and Responding to the Increase of Wildfire

Our forest and grassland resources are at risk due to uncharacteristically severe wildfires, severe outbreaks of insects and disease, drought and invasive species, all exacerbated by a changing climate. Many states have recently experienced the largest and/or most destructive fires in their history. Fire seasons are longer, 78-days longer since 1970 on average. Decades of fire suppression have led to increases of fuels in many forest types across the country. The area affected by an epidemic of mountain pine beetle in the West has reached 32 million acres on the national forests alone. California is facing a particularly critical situation as a result of five year drought and related stressors. Surveys estimate that 66 million trees died from 2010 to October 2015 in California, with millions more dying over the course of the next several seasons. Finally, the increase of homes in the wildland urban interface—the area where forests and communities meet—is making wildfire suppression more complex, more dangerous for firefighters, and more expensive.

The Forest Service has the most experienced, well trained, and effective wildland fighting force in the world, which it coordinates alongside other state and federal firefighting forces. Through the nation’s largest wildfire fighting workforce and aviation and equipment fleet, the Forest Service uses risk management approaches to facilitate and promote wildland firefighter safety while protecting lives, homes and property from wildfire threats. In an average year, the Forest Service responds to over 50,000 wildfires burning nearly 6 million acres. At the peak of the 2015 season, a record setting year in which 10 million acres burned from 68,151 wildland fires, over 150 helicopters, 30 fixed-wing air tankers and 32,000 personnel were deployed—most of these resources were contributed by the Forest Service.

Working with the U.S. Department of the Interior and the wildland fire community, the Forest Service developed a long-term National Cohesive Wildland Fire Management Strategy with three primary components: (1) restoring and maintaining resilient landscapes; (2) developing fire-adapted communities; and (3) responding to wildfire safely, effectively, and efficiently.
Comprehensive fire budget reform is necessary to meet the funding needs of all forest service programs and to ensure the agency can continue to support all three components of the National Cohesive Strategy.

The impact of the rising cost of suppression on the Forest Service’s budget is detailed in a 2014 Report on the state by state impacts of fire transfer, and a 2015 Forest Service Report: Rising Firefighting Costs Raises Alarms. Presently the Administration is engaged in dialogue with congressional authorizers, appropriators and key champions to pursue a comprehensive solution to the Agency’s fire budget challenges. As part of a potential solution, dialogue is also occurring around a series of proposed forest management reforms aimed at increasing the pace and scale of restoration.

Because wildfire knows no jurisdictional bounds, the Forest Service’s State and Private Forestry programs are an integral component of our state, local and tribal partnerships. Rural firefighting resources are often the first line of defense in meeting expanded protection needs for wildland-urban interface fires. They provide nearly 80% of initial attack on wildland fires in the United States. The Forest Service has a variety of programs to help State and rural firefighters enhance their departments with equipment, training and communications, including the Federal Excess Personal Property (FEPP) program and the Volunteer Fire Assistance Program (VFA). The Forest Service also works with communities to focus on advance planning that can protect them from the risk of wildland fire, for example, helping them become fire adapted communities through the development of Community Wildfire Protection Plans (CWPPs) and the Firewise program. CWPPs help communities address wildfire response, community preparedness, and structure protection. Through CWPPs, communities can influence how and where federal agencies prioritize the reduction of hazardous fuels. The Firewise program is a multi-agency effort to help homeowners, community leaders, planners, and developers work together to protect people, property, and natural resources from the risk of wildland fire—before a fire approaches. The Firewise program emphasizes wildfire readiness and responsible community design, including fire-resistant building materials and landscaping.

Improving Recreation Access and Economic Opportunity
Outdoor experiences are a critical way the American public connects with the Forest Service, with more than 160 million visits to National Forests and Grasslands annually. The outdoor recreation economy supports 6.1 million direct jobs, $80 billion in federal, state and local tax revenue and $646 billion in spending each year. America’s vast system of public forests and grasslands provides opportunities for over 165 million visitors each year to recreate and support local economies through tourism. These recreational uses support approximately 200,000 full and part time jobs and contribute over $13 billion to local communities each year ranging from hiking group, to off-highway vehicle users to four season ski resorts. Forest Service recreation special use permits provide organized access for service providers who take groups of people to national forests and grasslands to experience outdoor recreation, while allowing the Forest Service to manage visitor volume in specific locations and protect resources. In 2016, the agency began taking steps to improve access such as:

- Streamlining the process to receive or renew a recreation special use permit, making it simpler and faster through the use of existing agency authorities;
Increasing staff capacity and the consistency of the permit process across the country by developing new standardized training programs and exploring new staffing strategies;

- Encouraging managers to take greater advantage of allowable waivers when a special use permit is not required, for example, where a proposed use would have only nominal impact on lands, resources, and programs or operations; and

- Investing in technology to improve business tools and data that support recreation special uses, including developing an electronic permit application process.

Additionally, Forest Service has partnered with USDA Rural Development’s Community Economic Development (CED) Division and NIFA to jointly educate each other’s field-based contacts on how they can leverage each other in supporting rural communities in using recreation as an economic driver. FS’ partnership with CED has resulted in the development of a Recreational Economy Resource Guide – a common tool that agencies can use to train staff and have a unified material to market available resources to the public around the recreational economy.

**Engaging New and Underrepresented Stewards**

Our Nation’s forests and grasslands, community green spaces, and urban forests all play a critical role in fostering healthy and sustainable communities, and offer opportunities for all Americans to connect with the outdoors. Through volunteer, employment, and diverse partnership strategies, the Forest Service is engaging a new generation of stewards while safeguarding important values derived from the nation’s forests. Examples include:

- Through the 21st Century Conservation Service Corps (21CSC), the Forest Service works with over 190 partners to provide job training and employment opportunities for thousands of young Americans and veterans to protect and restore our natural and cultural resources. Since 2014, we supported more than 10,000 jobs and training opportunities each year through 21CSC. Programs like 21CSC serve to engage new populations in the benefits of public lands, and help to create the next generation of thoughtful and engaged conservationists.

- The nation’s American Indian and Alaska Native people retain histories, values, and spiritual underpinnings that are inextricably intertwined with America’s forests; especially with the national forests. Many of these cultural and physical connections predate establishment of the United States and the National Forest System. Through more than 100 meetings with tribal members and other outreach, a set of recommendations were reached to enhance consultation, protection, respectful interpretation and appropriate access to culturally significant lands and resources known as Sacred Sites. A new final rule ensures that federally recognized Indian tribes have access to forest products for traditional and cultural purposes.

- In partnership with state forestry agencies, the Forest Service helps over 7,000 communities plan, manage, and grow urban forests through the Urban and Community Forestry Program and the National Urban and Community Forestry Advisory Council’s Ten Year Action Plan. Well-maintained urban forests can help
provide a host of benefits such as mitigating climate and extreme weather impacts, enhancing public health, improving water quality by reducing storm water runoff, and enhancing community livability.

- In the U.S. South, through partners such as the U.S. Endowment for Forestry and Communities, the Federation of Southern Cooperatives, the Forest Service and NRCS are providing forestry, land tenure and technical services to help prevent the loss of African-American owned forests and helping to resolve heirs’ property problems across three states – Alabama, North Carolina and South Carolina.
- The Forest Service operates 27 Job Corps Civilian Conservation Centers in coordination with the Department of Labor, which offer educational and vocational training to about 5,000 economically disadvantaged youth (see hot issues section for additional background regarding outstanding budget and closure issues with the program).

**New tools and Research for a Changing Climate**

The Forest Service has been the leading Federal agency in developing the tools, programs and policies to advance climate adaptation planning. Recently, the agency collaborated with the U.S. Global Change Research Program to publish a report on accomplishments by federal agencies in adapting to climate change. To date, one-third of national forest units have completed, or are in the process of completing, climate change vulnerability assessments and an adaptation strategy.

Adaptation planning is founded on partnerships between Forest Service research stations and national forest resource managers in collaboration with other federal and state agencies, tribes, and local stakeholders. The USDA Climate Hubs were established in February of 2014 to deliver science-based knowledge, practical information and program support to farmers, ranchers, forest landowners, and resource managers to support climate-informed decision-making in light of the increased risks and vulnerabilities associated with a changing climate. An online and interactive Adaptation Workbook, offers a structured process to consider the potential effects of climate change on forest ecosystems and design forest management and conservation actions that can help prepare for changing conditions. The process is completely flexible to accommodate a wide variety of geographic locations, scales, forest types, and management goals.

Our forests – national forests as well as private and other public forests – provide an important ecosystem service in the form of carbon sequestration – the uptake and storage of carbon in forests and wood products. This service is becoming more valuable as the impacts of greenhouse gas emissions are becoming more fully understood and experienced. The Forest Service has always led efforts to practice, develop, and demonstrate sound and sustainable management of forest-based resources; the management of forest carbon is no exception. The Forest Service has developed regional carbon assessment reports to help forest managers and the public understand how much carbon is stored in forest ecosystems and harvested wood products.

Alongside NRCS, Forest Service is a key contributor to the Department’s Building Blocks for Climate Smart Agriculture and Forestry Initiative—an effort to leverage existing programs to
support conservation practices and technologies that reduce emissions, increase carbon storage and help build resilience, while also creating new economic opportunities in Rural America. Through efforts to enhance reforestation in the aftermath of wildfire, improve soil health, improve nutrient management, grow markets for long-lived wood products, partner with livestock producers, support urban forestry and others, USDA has created a framework for climate action for farmers, ranchers and forest landowners that is compatible with their stewardship and economic goals. Many of these technologies and practices are already in high demand by producers, industry and relevant associations.

**Natural Resources Conservation Service (NRCS) – Overview**

*Mission and Responsibilities:* NRCS improves the health of our Nation’s natural resources while sustaining and enhancing the productivity of American agriculture. Seventy-percent of the nation’s land is privately owned and tended to. NRCS’ expert staff work with partners to create voluntary, incentive-based solutions that help the Nation’s farmers, ranchers and forest landowners evaluate and deploy options to enhance their stewardship within the context of their business operations. NRCS's natural resources conservation programs help people reduce soil erosion, enhance water supplies, improve water quality, increase wildlife habitat, and reduce damages caused by floods and other natural disasters.

Voluntary conservation works, providing predictability and certainty for producers and improving environmental outcomes. Example initiatives include:

- Through [Working Lands for Wildlife](#) (WLFW), NRCS works with conservation partners and private landowners to restore populations of declining wildlife species, to provide regulatory certainty and to strengthen and sustain rural economies. Private lands are essential for providing habitat for nearly two-thirds of all species listed as threatened or endangered under the Endangered Species Act (ESA). Assistance is available to producers through Farm Bill conservation programs who want to make conservation improvements to their land, which not only benefits the species and habitat but also helps them strengthen their operations by lowering input costs and improving efficiency and yields. WLFW also gives peace of mind to participating producers. As long as they maintain the conservation practices and systems that benefit the targeted species, they can continue their farming, ranching and forest operations and remain compliant with the ESA regulatory responsibilities for up to 30 years. In part because of these voluntary efforts, the U.S. Fish and Wildlife Service has either delisted or taken off the candidate list six species since September 2014 – determining that these populations were now healthy enough that they did not warrant Federal protections under the Endangered Species Act (ESA).

- Through the [Mississippi River Basin Healthy Watersheds Initiative](#) (MRBI), NRCS has invested significantly in high-priority water quality projects and delivered on the ground benefits. For example, as a result of MRBI conservation efforts, Arkansas was able to remove two stream segments from the State’s Clean Water Act 303(d) impairment designation. In 2014, Oklahoma removed nine more streams from its 303(d) list as a result of Farm Bill tools and worked with partners,
farmers, ranchers and other landowners. Oklahoma now ranks second in the nation for EPA-recognized water quality success stories.

- Through the WaterSmart-EQIP partnership under the National Drought Resilience Partnership, NRCS and the Bureau of Reclamation have partnered to help water districts and producers on private working lands better conserve water resources, improve water and energy efficiency, and provide a strengthened federal response to ongoing and potential drought across 13 states in the West. Through the partnership, NRCS supports on-farm water delivery system improvements that complement irrigation system infrastructure improvements made by the Bureau of Reclamation.

- Since 2010, NRCS has been working through the StrikeForce for Rural Growth and Opportunity initiative to assist farmers and ranchers in communities that face persistent poverty. NRCS and other USDA agencies are focusing assistance and outreach in over 770 counties, parishes, boroughs, and census areas, and Indian reservations in 20 states to jump start collaboration and investment in these communities.

- Through the Sentinel Landscapes partnership NRCS and partners aim to accomplish three critical goals: preserve agricultural lands, assist with military readiness, and restore and protect wildlife habitat. In this unique collaboration, the U.S. Department of Agriculture, Department of Defense, and Department of the Interior work with state, local, and private partners to preserve and restore natural lands important to the nation’s defense mission. The basic premise is to preserve and restore habitat around the military base to ensure at-risk species can survive, while also improving military readiness by ensuring training activities can proceed unimpeded.

- Since 2009, targeted agricultural conservation investments of nearly $1 billion are putting the agricultural community on its way toward meeting or exceeding key goals for cleaner water and a healthier ecosystem in the Chesapeake Bay. USDA has a goal of helping to install conservation practices on 4 million acres of farmland in these priority areas by 2025. NRCS and its conservation partners have worked with farmers to install practices on 1.6 million acres in priority areas since 2010 — about 41 percent of the 2025 goal.

A key element of NRCS’ conservation approach comes through technical assistance to landowners to develop a voluntary conservation plan. Voluntary conservation plans can be developed for a farm, ranch, private non-industrial forestry operation, or shellfish or aquaculture operation. The plans:

- Inventory and assess the condition of natural resources on/around an operation;
- Contain valuable information about the land and the operation like maps, soil type, and native plants and animal species that may be present; and
- Discuss alternatives for meeting landowner objectives and natural resource needs.

NRCS plans give operators one tool that may be helpful in weighing tradeoffs and accessing financial incentives. NRCS’ major financial incentive programs are the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP) and the
Agricultural Management Assistance Program (AMA). NRCS also offers easement programs to eligible landowners to conserve working agricultural lands, wetlands, grasslands and forestlands.

Deploying Partnerships and Leveraging Resources
The Regional Conservation Partnership Program (RCPP), launched in 2015, brings a radically different approach to investing in natural resource conservation and empowers local communities to work with multiple partners, farmers and ranchers to design and invest in regional solutions that work best for them. As this video details, with participating partners investing along with USDA, our $1.2 billion investment in RCPP over the five-year Farm Bill is expected to leverage an additional $1.2 billion from partners for a total of $2.4 billion for innovative conservation work. RCPP puts partners in the driver seat, and lets them draw from NRCS suite of conservation programs to create change, examples include:

- The Tri-State Western Lake Erie Basin Phosphorous Reduction Initiative. A recent algal bloom crisis left 400,000 residents in the Toledo, Ohio area without water to drink, bathe or cook. The coalition brings together more than 40 partnering organizations from Michigan, Ohio and Indiana to reduce phosphorus runoff into Lake Erie, targeting funding to the streams and rivers that have the largest impact on water quality in the lake.

- A coalition of partners led by the Illinois Corn Growers and the University of Illinois was awarded a $5.3 million RCPP agreement for implementation of the Precision Conservation Management (PCM) effort to help farmers reduce nutrient loss from their fields by adapting precision technology, data and farm business management principles to the nutrient loss and conservation. PCM is a service program that combines farm business and financial practices with precision technology and data management to help farmers better integrate and manage conservation on their farms. It will provide analysis, technical assistance, financial assistance and data assessment to help reduce complexity and manage risks associated with the nutrient loss efforts. PCM combines $9.86 million in private matching contributions.

- In Colorado, the state’s Energy Office was awarded 1.1 million in RCPP funds to support energy efficiency improvements, matched by 1.3 million from the Colorado Energy Office (CEO). Funds will help finance energy and water saving projects identified through CEO's Colorado Dairy and Irrigation Efficiency Program. Over the two-year grant period, the efficiency improvements are expected to achieve over 5,250 MWh of electricity savings and 524,000 gallons of water savings annually, and will provide additional environmental benefits to Colorado's agricultural producers.

Measuring Results, Stewarding Public Resources and Streamlining Conservation Delivery
Measuring the results of conservation and the hard work of farmers is essential to demonstrating meaningful impact. The Conservation Effects Assessment Project (CEAP) is an NRCS-led multi-agency effort to quantify the environmental effects of conservation practices and develop the science base for managing the agricultural landscape. CEAP embodies a model of shared leadership, leveraging funding and expertise of more than 60 Federal and State agencies,
universities, and non-profit organizations to guide USDA conservation policy and program development and help farmers and ranchers make more informed decisions for their land. NRCS’ Science and Technology

As NRCS improves the way it measures the impacts of programs, the agency is also pursuing new ways to better reach producers, enable high-quality, science based planning, and streamline business processes for the agency and producers alike. Conservation Client Gateway is a secure online web application that gives landowners and land managers, operating as individuals, the ability to track their payments, report completed practices, request conservation assistance, and electronically sign documents anytime, anywhere. Conservation Client Gateway provides users the flexibility to determine when they want to engage with NRCS online and when they prefer in-person conservation planning assistance. Client gateway is part of a broader effort to put more boots on the ground, improve service to producers and create new efficiencies.

As more funds are delivered for conservation, robust accounting and documentation procedures must be in place to manage public funds responsibly. Over the past several years, NRCS has made significant improvements such as enhancing the agency’s internal controls over financial resources, reducing potential information technology security risks, and strengthening the reporting of its financial obligations. Specifically, NRCS implemented system enhancements to preclude improper payments resulting in NRCS meeting its improper payment rate target for the first time in FY2016. Additionally, improvements to the annual internal control review process, and robust testing and validation has led to early identification and remediation of potential weaknesses.

Prior to 2016, NRCS did not have the capacity to perform multiple concurrent vulnerability assessments (source code and running application scans) with existing hardware. Not only was the goal to implement a modern scanning platform that services the growing NRCS IT portfolio, but to provide vulnerability assessment services across the USDA. In order to achieve these objectives the Information Technology (IT) Security Division designed and constructed a private cloud of state of the art vulnerability assessment tools from IBM, HP and other commercial vendors. The IT Security Division collaborated with National Information Technology Center (NITC) and Agriculture Security Operations Center (ASOC) to operationalize the Enterprise Vulnerability Assessment (EVA) virtual scanning platform. EVA version 1.0 provides the NRCS with the capability to perform up to 352 scans at once.

External Auditors identified findings of non-compliance with Federal Information Security Management Act (FISMA) audit log requirements on the Web-based Total Cost Accounting System (WebTCAS) and Protracts/FundManager applications. To resolve these findings the IT Security Division designed an agency-wide application logging and management solution which captures auditable events that exceed FISMA requirements. The IT Security Division formed a working group comprised of NRCS Application Project Teams, NRCS Production Support Operations (PSO) and NITC to implement the Application Audit Logging Solution (AALS) on WebTCAS and Protracts/FundManager. With the implementation of AALS the audit findings against WebTCAS and Protracts/FundManager were closed.
Independent auditors found that NRCS has made continued improvement in financial reporting processes and controls and financial management for information technology systems, ensuring that the infrastructure is robust and data safeguarded.

Fostering Conservation Innovation
Through NRCS’ Conservation Innovation Grant (CIG) program, USDA is investing in projects that promote creativity and problem-solving in conservation. Since 2009, 368 CIGs have been awarded to support conservation approaches and technologies that develop new technologies and investments in natural resource conservation and help farmers and ranchers make their operations more resilient. Through CIG, NRCS has pioneered initiatives in emerging environmental markets for greenhouse gas and water quality credits among others. The agency supports the coalition on Agricultural Greenhouse Gases (C-AGG), the National Network for Water Quality Trading—facilitated by the Willamette Partnership, and the Conservation Finance Practitioners Roundtable led by the Conservation Finance Network (a program of the Conservation Fund)—three networks that bring together experts and grant recipients to advance lessons learned and scale new innovations in conservation. Example efforts include:

- In North Dakota’s Prairie Pothole region, a CIG helped develop the methodology needed to quantify, and create a market for, carbon stored in grasslands. Thanks to USDA’s support, in partnership with Ducks Unlimited, The Climate Trust and the Bonneville Environmental foundation, in 2014 Chevrolet purchased almost 40,000 tons of greenhouse gasses from ranchers to partially offset the company’s carbon emissions.

- In Oregon, the Freshwater Trust worked with Willamette Partnership and a number of other organizations, agencies and regulators to develop the standards, calculation methodologies, verification procedures, and state policies necessary to allow for the trading of credits for water temperature in Oregon. Through the project, the city of Medford, OR worked with farmers, ranchers and other private landowners to plant shade trees to cool the Rogue River in order to meet its regulatory compliance requirements for cooling wastewater and protecting salmon habitat.

- In the city of Peoria, Illinois, Fresh Coast Capital is piloting an innovative approach to financing green infrastructure through impact investing in agroforestry and vegetable farming. The project will serve as a model for expansion with privately funded impact investment capital throughout Peoria and into 40 or more cities facing both land vacancy and stormwater compliance challenges.

- In partnership with major food companies, agricultural investors, and conservation-minded farmers, the Xerces Society is developing a first-of-its-kind certification program that incentivizes the large-scale adoption of pollinator conservation through a marketing-driven platform. This program, known as Bee Better Farming, will leverage scalable investments from the private sector to develop clearly defined pollinator conservation metrics that will be rewarded with a formally recognized certification.
The Nature Conservancy is developing impact investment blueprints for Gulf of Mexico restoration that outline how public funding can be used to attract private investment funds to conservation, greatly expanding the impact of various Deepwater Horizon settlement funds. The blueprints will be combined with a pipeline of specific deal opportunities to provide place-based examples of how private investment can complement settlement funds and support voluntary working lands conservation and restoration.

**Gulf Ecosystem Restoration Council (RESTORE) – Overview**

Spurred by the Deepwater Horizon oil spill, the RESTORE Act was signed into law by President Obama on July 6, 2012. The Act calls for a regional approach to restoring the long-term health of the valuable natural ecosystems and economy of the Gulf Coast region. The RESTORE Act dedicates 80 percent of civil and administrative penalties paid under the Clean Water Act, after the date of enactment, by responsible parties in connection with the Deepwater Horizon oil spill to the Gulf Coast Restoration Trust Fund (Trust Fund) for ecosystem restoration, economic recovery, and tourism promotion in the Gulf Coast region. This effort is in addition to the restoration of natural resources injured by the spill that is being accomplished through a separate Natural Resource Damage Assessment (NRDA) under the Oil Pollution Act. A third and related Gulf restoration effort is being administered by the National Fish and Wildlife Foundation (NFWF) using funds from the settlement of criminal charges against BP and Transocean Deepwater, Inc.

In addition to creating the Trust Fund, the RESTORE Act established the Council. The Council is currently chaired by the Secretary of the U.S. Department of Agriculture (USDA) and includes the Governors of the States of Alabama, Florida, Louisiana, Mississippi and Texas, and the Secretaries of the U.S. Departments of Army, Commerce, Homeland Security and the Interior, and the Administrator of the U.S. Environmental Protection Agency. The Council has oversight of the expenditure of 60 percent of the funds made available from the Trust Fund. The Chair is selected by the states and appointed by the President. Commerce was the Chair from 2012-2015. USDA became Chair this year. There is no defined term for the Chair.

Following publication of an Initial Plan completed in 2013, Council members collaborated to develop an initial funded priorities list of projects using a process that emphasized public input, transparency, and coordination with other restoration programs. Each proposal underwent a rigorous science review by three external experts from both inside and outside the Gulf region to assess whether the project utilized best available science.

The Council’s Initial Comprehensive Plan outlined a process to guide the development, evaluation and selection of Council-Selected Restoration Component activities to ensure consistency with the Priority Criteria set forth in the RESTORE Act as well as the Council’s goals and objectives. Through a new comprehensive plan, expected to be finalized in December of 2016, the Council has reaffirmed and retained key elements of this process while supplementing it
United States Department of Agriculture  
2016 Presidential Transition  
Natural Resources and Environment Mission Area (NRE)

with guidance based on lessons learned over its first three years of operation. The draft Comprehensive Plan Update is intended to improve Council decisions by:

- Reinforcing the Council’s goals and objectives;
- Setting forth an initial Ten-Year Funding Strategy
- Establishing the Council’s vision for Gulf restoration;
- Increasing collaboration among Council members and partner restoration programs;
- Providing for advancement of large-scale projects and programs;
- Refining the process for ensuring that the Council’s decisions are informed by the best available science; and
- Improving the efficiency, effectiveness and transparency of Council actions.

The Council has a staff of approximately 20 professionals, overseen by Executive Director Justin Ehrenwerth who reports to the Council as a whole. USDA provides administrative support for the council staff, who are career civil servants.

There are two important issues for the Restore Council which an incoming Administration will need to address. First, in October, OMB and CEQ issued a federal memorandum on permitting and environmental review of large scale Gulf restoration projects. It will be important to implement the policies outlined in the memo by encouraging greater coordination and collaboration amongst federal agencies to speed restoration. Second, the new Comprehensive Plan calls for a series of public meetings to begin developing restoration projects for the next round of funding. Those meetings will begin in 2017 and will require input from the Council Chair.
United States Department of Agriculture
2016 Presidential Transition
Natural Resources and Environment Mission Area (NRE)

Budget and Staffing Summary

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<td>Forest Service</td>
<td>200,000</td>
</tr>
<tr>
<td>NRCS</td>
<td>86,874</td>
</tr>
<tr>
<td>Supplemental Sub-total</td>
<td>$286,874</td>
</tr>
<tr>
<td>User Fees:</td>
<td></td>
</tr>
<tr>
<td>Forest Service</td>
<td>-</td>
</tr>
<tr>
<td>NRCS</td>
<td>-</td>
</tr>
<tr>
<td>User Fees Sub-total</td>
<td>-</td>
</tr>
<tr>
<td>Reimbursement:</td>
<td></td>
</tr>
<tr>
<td>Forest Service</td>
<td>32,888</td>
</tr>
<tr>
<td>NRCS</td>
<td>-</td>
</tr>
<tr>
<td>Reimbursements Sub-total</td>
<td>$32,888</td>
</tr>
<tr>
<td>Total, Mission Area</td>
<td>$10,629,157</td>
</tr>
</tbody>
</table>

Summary by Agency:

- Forest Service Total: 6,846,306
- NRCS Total: 3,782,851

Staff Years:

- Forest Service: 34395
- NRCS: 11186
- Total Staff Years: 45581
## United States Department of Agriculture

### 2016 Presidential Transition

#### Natural Resources and Environment Mission Area (NRE)

### II. Top Issues/Hot Topics

#### Timeline

See below

#### Mission Area Issues

| Wildfire Suppression Budget Fix and Forest Management Provisions | More than 150 bipartisan Congressional members have voiced strong support to remedy the Forest Service’s growing budget dilemma resulting from the skyrocketing costs for fire suppression, which now consume more than 56 percent of the agency’s budget. This trend, resulting from hotter, more severe wildfires and longer fire seasons, erodes the agency’s ability to meet its mission in other critical programs like forest restoration, recreation and services to the public. If this trend continues, it is projected that fire suppression will consume more than 70 percent of the agency’s budget by 2020. The agency has already experienced a 40 percent drop in workforce while needs for increased restoration to foster forest ecological resilience are rising rapidly. Several pieces of draft legislation have been introduced. Pending the outcome of this Congress, work will be needed to implement reform or seek additional congressional action. | January-June 2017 |
| Farm Bill Revision | The 2014 Farm Bill expires in September 2018, but Congress will hold hearings and begin the work of rewriting the next Farm Bill early in 2017. Significant attention will be paid to implementation of the 2014 Farm Bill Forest Service authorities and whether to amend or expand existing (or create new) authorities to assist the Forest Service in accomplishing their missions. The 2014 Farm Bill significantly expanded the tools that will support the ability of the Forest Service to accomplish restoration work on the ground. Among the tools include permanent authorization for stewardship contracting and the Good Neighbor Authority. In addition, the 2014 Farm Bill provided the Forest Service with an increased ability to address insect and disease infestations. For NRCS, anticipated topics of interest in the new Farm Bill may include but are not limited to the Regional Conservation Partnership Program (RCPP), Conservation Stewardship Program (CSP) reinvention, Chesapeake Bay restoration efforts, and conservation compliance activities. This is likely to be a difficult reauthorization | Ongoing |

19
process, with tight funding levels and multiple priorities across the various Farm Bill titles. In the reauthorization of the farm bill in 2014, the committees were challenged to reduce overall spending by $23 billion while making responsible farm bill investments. The conservation title alone was reduced by $6 billion, resulting in funding cuts for every program.

<table>
<thead>
<tr>
<th>Regional Conservation Partnership Program FY18 Announcement of Program Funds</th>
</tr>
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<tbody>
<tr>
<td>NRCS will need to make arrangements to develop and release the FY 2018 announcement of program funds for the Regional Conservation Partnership Program (RCPP) early in the new year. This will be the last RCPP funding opportunity from the 2014 Farm Bill with awards occurring later in the calendar year.</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Mineral Withdrawals</th>
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<tbody>
<tr>
<td>The Forest Service continues to advance mineral withdrawal applications and processes in several locations throughout the National Forest System. A mineral withdrawal refers to prohibited actions for a specified parcel of land for a defined period of time, usually 3, 5, or 20 years. Withdrawal action prohibits all mining activities under the 1872 Law, except actions that have been authorized under an approved Plan of Operations on mining claims with prior valid existing rights. The Forest Service works in conjunction with the Department of the Interior and Bureau of Land Management to process withdrawals as the authority for mineral withdrawals rest with the Secretary of Interior. There have been several pieces of legislation in the 114th Congress relating to mineral withdrawal on National Forest System lands.</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Northwest Forest Plan</th>
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</thead>
<tbody>
<tr>
<td>The Northwest Forest Plan (NWFP) was an amendment to multiple forest plans on Forest Service and BLM managed public lands in western Washington, Oregon and northern California. The NWFP is widely perceived to be a regional plan requiring change with a high level of consistency. These forest plans are over 20 years old, and per the National Forest Management Act, are in need of plan revision. The issue is how to revise individual National Forest plans in this broader landscape context, especially since the BLM is currently revising its plans for its O&amp;C lands in the region. The NWFP has a substantial record of broad scale monitoring and science. The latest monitoring results (20 year NWFP monitoring report) have revealed issues related to managing wildfire, reduced populations of the endangered northern spotted owls, and timber harvest levels below projections of the NWFP. A science synthesis intended to provide a scientific framework for making changes to plans in the Northwest is in its final</td>
</tr>
</tbody>
</table>
United States Department of Agriculture  
2016 Presidential Transition  
Natural Resources and Environment Mission Area (NRE)

<table>
<thead>
<tr>
<th>Stage</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>stages, and is expected to be released in November 2016. This work will be formally peer reviewed by the Ecological Society of America and is considered to be a highly influential science assessment by the White House Office of Management and Budget. There is active consideration to develop a bioregional assessment to determine what actions to take in the future.</td>
<td></td>
</tr>
<tr>
<td>EPA and Biomass Energy</td>
<td>EPA has not resolved longstanding regulatory and permitting issues associated with CO2 emissions from biogenic sources. Short-rotation agricultural feedstocks and forest biomass feedstocks offer potential opportunities to displace fossil fuel consumption and support energy independence and economic development goals. In the case of forests, markets for wood products can also be important to provide incentives for maintaining working forests from conversion to other uses and for supporting forest restoration costs across all forest landownerships. Uncertainty in EPA’s treatment of biogenic carbon under the stationary sources permitting program and the Clean Power Plan, has created disincentives for investment in bioenergy solutions. This issue is polarizing and of great interest to a number of industry and environmental stakeholders. USDA research, economists and forest inventory and analysis programs can be helpful to assess the impacts of bioenergy policy decisions. EPA continues work through the Science Advisory Board to take input on this topic. EPA is also working to finalize a biogenic accounting framework that would assist states in making permitting decisions regarding different bioenergy projects or programs.</td>
</tr>
<tr>
<td>Rosemont Mine (Arizona)</td>
<td>Rosemont Copper Mine is a proposed open pit copper mine with mixed ownership, including 3,670 acres of NFS lands on the Coronado National Forest. The proposed mine is currently undergoing a permitting review process under the direction of the Forest Service and the US Army Corps of Engineers. T&amp;E species, air quality, surface water quality, and groundwater impacts are all issues. Supplemental Information Reports were completed in response to official objections. The Coronado National Forest reviewed the US Fish and Wildlife Service’s final Biological Opinion based on the Forest’s submittal of a Supplemental Biological Assessment. The FS Record of Decision for the project is awaiting signature but is on hold until the Army Corps of Engineers signs the ROD for issuance of the 404 Clean Water Act permit. FS cannot authorize a locatable operation until it is compliant with Clean Water Act.</td>
</tr>
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Ongoing

To Be Determined pending Corps of Engineers permit.
### United States Department of Agriculture
#### 2016 Presidential Transition
##### Natural Resources and Environment Mission Area (NRE)

<table>
<thead>
<tr>
<th>Job Corps Program Budget and Closures</th>
<th>The Forest Service operates 27 Job Corps Civilian Conservation Centers, which offer educational and vocational training to about 5,000 economically disadvantaged youth. Forest Service centers have operated since 1964 through an interagency agreement with Department of Labor (DOL), which manages the overall Job Corps program and other centers. Working with DOL, we are in the process of closing the Ouachita Job Corps Center in Arkansas, and have been implementing performance improvement measures across the Forest Service system. Over the past 5 years, DOL has consistently reduced the budget it provides to the Forest Service to run Job Corps Civilian Conservation Centers, including reducing FS center allocations at greater percentages than the system overall. Every year for the past few years, USDA has had to negotiate with DOL to reduce the degree of their cuts to prevent workforce impacts like RIFs. At the same time, Forest Service has been working to address two closures, implement performance improvements across the system, be responsive to new DOL system-wide safety measures, and manage a federal workforce. The program also delivers service to the National Forest System-- for example, FS fire management officers are now at every center training students in fire response, and more than 1,000 Job Corps students deployed to support fire prevention and response efforts across the country in 2015. This year, DOL’s initial budget allocation was for a budget of $151.8M – a reduction of more than $3.5M from the previous PY budget of $155.5M. USDA appealed and requested an increase of $4.7M above DOL’s initial allocation for a budget of $156.5M, including to address DOL concerns such as the need to fill 150 critical staff vacancies, including for safety and security, counseling, trades and residential living. DOL has in the past charged that USDA centers are more expensive to run. Last summer, DOL audited the FS Job Corps budget and found that, in fact, on a per capita basis, USDA centers are at the lower end of the scale in terms of per student cost. Forest Service Centers often carry higher human capital expenditures including different salary and benefits packages for our workforce as opposed to some of the contracted centers managed by</th>
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</thead>
<tbody>
<tr>
<td>Ongoing</td>
<td></td>
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22
United States Department of Agriculture  
2016 Presidential Transition  
Natural Resources and Environment Mission Area (NRE)

<table>
<thead>
<tr>
<th>Resolution Copper Minerals Development (Arizona)</th>
<th>Within the Southeast Arizona Land Exchange and Conservation Act of 2013, there is a proposed copper mine. The National Forest and private lands identified for exchange will be appraised. After the lands are exchanged, 4,430 acres will still be NFS lands. Significant issues include a proposed bill for the designation of Oak Flat (on the National Forest land that is to exchanged) as a Traditional Cultural Property, and potential impacts to Native American Sacred Sites, Threatened and Endangered species, air quality, surface water quality, and groundwater.. If requested by Resolution, special use permits for drilling and mine development will keep moving forward for issuance per the Act. Public scoping is in progress for the Resolution Mine Plan/Land Exchange EIS. In addition, a Final EA for baseline data collection for a tailings facility was released Jan. 15, 2016. The objection process was completed on May 16, 2016, and the forest is addressing the Southwest Regional Forester direction.</th>
<th>Fiscal Year 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Blocks for Climate Smart Agriculture and Forestry</td>
<td>Both NRCS and Forest Service are playing leadership roles in a strategy to advance conservation practices and technologies that reduce greenhouse gas emissions and increase carbon storage in trees and soils as part of the U.S. Commitment to reduce emissions by 26-28% over 2005 levels by 2025. Through a series of voluntary and incentive-based programs, USDA and its partners plan to reduce greenhouse gas emissions and increase carbon sequestration by 120 million metric tons of carbon dioxide equivalent by 2025. The strategy is called the Building Blocks for Climate Smart Agriculture and Forestry. Through efforts to enhance reforestation in the aftermath of wildfire, improve soil health, improve nutrient management, grow markets for long-lived wood products, partner with livestock producers and others, USDA has created a framework for climate action for farmers, ranchers and forest landowners that is compatible with their stewardship and economic goals. Many of these technologies and practices are already in high demand by producers, industry and relevant associations. Efforts to increase and measure practice adoption in partnership with USDA’s Climate Change Program Office will be required to sustain a voluntary approach to climate solutions for agriculture and forestry and to meet our international commitments.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>National Drought Resilience Partnership (NDRP)</td>
<td>Significant drought is impacting three regions of the US: California and other western states have been in drought for going on 5 years; and more recently, Northeastern states from Maine to New Jersey; and Southeastern states including parts of Georgia, Tennessee, Alabama and Mississippi. Long-term forecasts suggest more frequent and intense droughts. Led by NRE, multiple USDA agencies have mobilized to support long-term drought strategies on public and working lands. USDA has also emerged as a leader among federal agencies, serving as the permanent co-chair and the administrative home for the National Drought Resilience Partnership, a 13-federal agency partnership established by the President in March of 2016 through a Presidential Memorandum, tasked working collaboratively across the federal government to support state and local strategies long term drought resilience strategies. We are responsible for managing the NDRP. The Under Secretary serves as Co-Chair of the NDRP Principals Committee and the Deputy Under Secretary for Conservation co-chairs the NDRP Steering Committee. NRE’s Confidential Assistant serves as the Executive Secretariat, managing day-to-day activities. The NDRP Steering Committee is required to report progress to the Principals Committee and the White House Council on Climate Preparedness and Resilience in March of 2017. The most recent NDRP progress report can be found on the USDA website.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Deepwater Horizon Settlement Funds – RESTORE and NRDA</td>
<td>USDA is the Chair of the Gulf Coast Ecosystem Restoration Council (RESTORE), The Office of the Under Secretary staffs the Secretary in his role as chair. USDA is also a member of the Natural Resource Damages Assessment (NRDA) Trustee Council, which is responsible for planning and carrying out restoration projects to address the injury that occurred as a result of the Deepwater Horizon oil spill disaster that began on April 20, 2010. The Deputy Under Secretary for Conservation has been serving as the Secretary’s designee on the NRDA Trustee Council, which is providing general oversight of seven Trustee Implementation Groups that are developing restoration projects and plans to accomplish the significant work needed for the Gulf. Development of these projects is guided by the programmatic restoration plan finalized in 2016 as part of the legal settlement with BP for up to $8.8 billion, a subset of the historic settlement of $20 billion that also provided funds to the RESTORE Council. The development of these plans is ongoing and initial rounds of restoration payments will begin to be disbursed beginning in the Spring of 2017. The USDA - NRCS,</td>
<td>Spring 2017</td>
</tr>
</tbody>
</table>
### United States Department of Agriculture

#### 2016 Presidential Transition

Natural Resources and Environment Mission Area (NRE)

| Forest Service Recreation Modernization Effort | Gulf Coast Ecosystem Restoration Team (GCERT) based in Madison, Mississippi, is staffing USDA’s engagement on NRDA and RESTORE, with oversight from the Under Secretary’s office. | Ongoing |

Forest Service recreation special use permits provide organized access for service providers who take groups of people to national forests and grasslands to experience outdoor recreation, while allowing the Forest Service to manage visitor volume in specific locations and protect resources. In September 2016, the agency began taking steps to improve access such as:

- Streamlining the process to receive or renew a recreation special use permit, making it simpler and faster through the use of existing agency authorities;
- Increasing staff capacity and the consistency of the permit process across the country by developing new standardized training programs and exploring new staffing strategies;
- Encouraging managers to take greater advantage of allowable waivers when a special use permit is not required, for example, where a proposed use would have only nominal impact on lands, resources, and programs or operations; and
- Investing in technology to improve business tools and data that support recreation special uses, including developing an electronic permit application process.

Implementation of these and other improvements to support recreation access will be an ongoing need.

### GAO and OIG Audits

| Office of Inspector General’s 2017 Audit of Forest Service Efforts to Improve Quality of Work Environment | In spring 2017, the Forest Service expects the Office of Inspector General to conduct an audit of the agency’s efforts to improve the work environment. Since 2012, the Forest Service has progressed significantly to improve the quality of its work environment for all employees. Agency leaders have placed specific focus on the Pacific Southwest Region, the largest unit in the Forest Service which employs a workforce of 6000, which also hosts the largest firefighting workforce. The agency paid serious attention to complaints from women firefighters who have alleged discrimination and harassment in the agency. Six women filed a putative class complaint; it hasn’t been certified, however. In four years the agency has undertaken a number of aggressive actions to address allegations— | Spring 2017 |
including investigating every allegation and taking appropriate disciplinary actions. The agency has also made significant investments to improve the workplace. Specifically, the agency revamped the Employees Relations organization and increased the number of Employee Relations professionals who assist agency leaders in investigating, assessing and addressing employee misconduct; the Forest Service contracted a 3rd party to conduct a climate assessment of the work environment in the Pacific Southwest Region to address employee concerns for harassment and discrimination. A comprehensive action strategy resulted from that assessment; the agency has also instituted civil rights, harassment and antidiscrimination training for agency leaders, supervisors and employee relations professionals; the agency invested in a telephone hotline for employees to report allegations of harassment and discrimination. The Forest Service redesigned the Civil Rights Organization for more effective and consistent program delivery. In addition, the agency invested in new data systems to monitor and address workplace trends in the agency’s field units. In August 2016, The Forest Service finalized and began implementing a new Anti-harassment Policy, which raises a standard conduct and makes clear a zero tolerance of any form of harassment, including bullying; it imposes a standard for all employees to immediately report any form of harassment and institutes protocols to protect victims and hold accountable those responsible for harassment. It is one of the strictest policies in USDA.

### Highly Erodible Land and Wetland Conservation Compliance

Eligibility for most USDA financial assistance programs is contingent on a program participant’s compliance with the highly erodible land (HELC) and wetland (WC) conservation compliance provisions, as required under the Food Security Act of 1985. In the 2014 Farm Act, Congress re-linked crop insurance subsidies to conservation compliance, which triggered these requirements for an additional segment of agriculture. The new requirements were implemented smoothly, without much push back. However, some conservation groups are positioning to re-start the discussion for further strengthening compliance requirements. Farm groups already have voiced concerns, which could tee this up for the Farm Bill reauthorization in 2017.

A recent audit report from USDA’s Office of Inspector General (Audit Report 50601-0005-31) has also raised congressional interest in compliance implementation. The report looked at various aspects of compliance implementation including the dataset used to select tracts

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<thead>
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<th>Highly Erodible Land and Wetland Conservation Compliance</th>
<th>Ongoing</th>
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<td>Ongoing</td>
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<tr>
<td>for review and the guidance for the field activities associated with conducting compliance status reviews. NRCS will have implemented all recommendations by December 31, 2016 and has briefed the House and Senate Agriculture Committees on progress.</td>
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</table>
WHAT WE DO: OUR MISSION

The Research, Education, and Economics (REE) mission is responsible for advancing scientific knowledge related to food and agriculture through research, extension, and education. Four agencies (and the Office of the Chief Scientist) comprise the REE Mission area: Agricultural Research Service (ARS), Economic Research Service (ERS), National Agricultural Statistics Service (NASS), National Institute of Food and Agriculture (NIFA). Also, the Under Secretary is USDA’s Chief Scientist with USDA-wide responsibilities for scientific integrity and coordination of research and education. The National Agricultural Research, Extension, Education, and Economics (NAREEE) Advisory Board provides advice to the Secretary and Congress on relevance and adequacy of REE programs.

WHO WE ARE: OUR WORKFORCE

REE Agency Employment (approximations):
- ARS: 7,700 Employees
- ERS: 360 Employees
- NASS: 950 Employees
- NIFA: 390 Employees
- OCS: 7 Employees
- REE: 10 Employees

WHO WE SERVE: OUR CONSTITUENTS

REE provides scientific research, economic research and analysis, and statistical information to inform USDA program and policy decisions, science-based solutions to farmers and agriculture industry, and educational programs for the next generation workforce.

KEY UPCOMING DECISIONS

- National Action Plan for Combating Antibiotic Resistant Bacteria (CARB): Whether to request funding from the REE agencies and across other Mission Areas of USDA for CARB activities as a priority initiative.
- The Billion-Ton Bioeconomy Initiative: In February 2017 USDA and DOE are expected to sign an MOU supporting Bioenergy R&D and Joint Vision. Following the MOU signing, the launch of the Interagency Action Plan on the Bioeconomy is expected.
- U.S. Farm Income Forecasts: The first ERS release for 2017 will happen in February. Forecasts are used by USDA and its stakeholders to inform perspectives on the financial health of the U.S. agricultural economy.

BUDGET HIGHLIGHTS FY 2016

- REE Undersecretary Office $893,000 in Office of the Secretary’s budget
- Mission area agencies total appropriation in FY 2016 is over $3.3 billion.
- Office of the Chief Scientist and the NAREEE Advisory Board funded through REE agencies
- REE appropriation in inflation adjusted dollars is less than in 2010

FY 2016 Budget Authority

ARS: 46%
ERS: 47%
NASS: 5%
NIFA: 3%
United States Department of Agriculture
2016 Presidential Transition
Research, Education, and Economics Mission Area (REE)

I. Organizational Overview

Organizational Chart

Research, Education, and Economics Mission Area

Under Secretary/Chief Scientist, USDA
Deputy Under Secretary

Office of the Chief Scientist
Director

Chief of Staff
Senior Advisor
Confidential Assistant

REE Communications
Director
Public Affairs Specialist

Agricultural Research Service
Administrator

October 28, 2016

National Institute for Food and Agriculture
Director

Economic Research Service
Administrator

National Agricultural Statistics Service
Administrator
The Office of the Under Secretary of Research, Education, and Economics currently has 10 staff members, including the Under Secretary, Dr. Cathie Woteki. The Deputy Under Secretary, Dr. Ann Bartuska, is a career USDA employee. The positions of Chief of Staff Senior Advisor, and Confidential Assistant are currently filled by political appointees. The Communications Director and Public Affairs Specialist positions are filled by career USDA employees. The two executive assistants and the program assistant are also career USDA employees.

Biographies for career and political staff in key leadership positions

Dr. Catherine (Cathie) Woteki
Under Secretary for Research, Education, and Economics and Chief Scientist (Political)
202-720-5923, catherine.woteki@osec.usda.gov

Dr. Catherine Woteki is Under Secretary for United States Department of Agriculture's (USDA) Research, Education, and Economics (REE) mission area, as well as the Department's Chief Scientist. Her responsibilities include oversight of the four agencies that comprise REE, the Agricultural Research Service (ARS), National Institute for Food and Agriculture (NIFA), Economic Research Service (ERS), National Agricultural Statistics Service (NASS), and the Office of the Chief Scientist. The National Agriculture Library and National Arboretum, are within ARS and thus, also fall under this mission area.

Before joining USDA, Dr. Woteki served as Global Director of Scientific Affairs for Mars, Incorporated, where she managed the company's scientific policy and research on matters of health, nutrition, and food safety.

From 2002 to 2005, she was Dean of Agriculture and Professor of Human Nutrition at Iowa State University, where she was also the head of the Agriculture Experiment Station. Dr. Woteki served as the first Under Secretary for Food Safety at USDA from 1997 to 2001, where she oversaw U.S. Government food safety policy development and USDA's continuity of operations planning. Dr. Woteki also served as the Deputy Under Secretary for REE at USDA in 1996.

Prior to going to USDA, Dr. Woteki served in the White House Office of Science and Technology Policy as Deputy Associate Director for Science from 1994 to 1996. During that time she co-authored the Clinton Administration’s policy statement, “Science in the National Interest.” Dr. Woteki has also held positions in the National Center for Health Statistics of the U.S. Department of Health and Human Services (1983 to 1990), the Human Nutrition Information Service at USDA (1981 to 1983), and as Director of the Food and Nutrition Board of the Institute of Medicine at the National Academy of Sciences (1990 to 1993). During her tenure as Director of the Food and Nutrition Board she had direct responsibility for twenty-seven studies and co-authored a nutrition book entitled Eat for Life which became a Book of the Month Club selection.

Dr. Woteki’s research interests include nutrition, food safety policy, risk assessment, and health survey design and analysis. She is the author of over sixty refereed scientific articles and twelve books and technical reports.
In 1999, Dr. Woteki was elected to the Institute of Medicine of the National Academy of Sciences, where she has chaired the Food and Nutrition Board (2003 to 2005). She received her M.S. and Ph.D. in Human Nutrition from Virginia Polytechnic Institute and State University (1974). Dr. Woteki received her B.S. in Biology and Chemistry from Mary Washington College (1969).

Dr. Ann Bartuska
Deputy Under Secretary for Research, Education, and Economics
202-720-5923, ann.bartuska@osec.usda.gov

Dr. Ann M. Bartuska is Deputy Under Secretary for USDA's Research, Education, and Economics (REE) mission area. She came to REE in September, 2010 from the USDA Forest Service, where she was Deputy Chief for Research & Development, a position she had held since January 2004. She served as Acting USDA Deputy Undersecretary for Natural Resources and Environment from January - October of 2009, and was the Executive Director of the Invasive Species Initiative of the Nature Conservancy from 2001-2004. Prior to this, she was the Director of the Forest and Rangelands staff in the Forest Service in Washington, DC.

Dr. Bartuska is an ecosystem ecologist with degrees from Wilkes College (B.S.), Ohio University (M.S.) and West Virginia University (Ph.D.). She represents USDA on the Committee on Environment, Natural Resources and Sustainability of the White House National Science and Technology Council. Bartuska is currently on the Multi-disciplinary Expert Panel (MEP) of the Intergovernmental Panel on Biodiversity and Ecosystem Services (IPBES), chartered by UNEP, and is active in the Ecological Society of America, serving as Vice-President for Public Affairs from 1996-1999 and as president from 2002-2003. She has served as co-chair of the Science and Technology for Sustainability Roundtable of the National Academies, on the Board of the Council of Science Society Presidents, and is a member of AAAS (American Association for the Advancement of Science) and SACNAS (Society for the Advancement of Chicanos and Native Americans in Science).

Dr. Chavonda Jacobs-Young
Administrator, Agricultural Research Service
202-720-3656, c.jacobsyoung@ars.usda.gov

Dr. Chavonda Jacobs-Young has served as Administrator of the U.S. Department of Agriculture's chief scientific in-house research agency since February 2014. Previously, Dr. Jacobs-Young had served as ARS Associate Administrator for National Programs, where she led the Office of National Programs, which manages the research objectives of the Agency, and the Office of International Research Programs, which is responsible for ARS’ liaison with its international partners.

Prior to moving into her roles at ARS, Dr. Jacobs-Young served as the Director of the Office of the Chief Scientist at USDA, where she was responsible for facilitating the coordination of scientific leadership across the Department to ensure that research supported by, and scientific advice provided to, the Department and external stakeholders were held to the highest standards of intellectual rigor and scientific integrity. She served as the Acting Director for USDA’s National
Institute of Food and Agriculture, and has served as a senior policy analyst for agriculture in the White House Office of Science and Technology Policy.

Dr. Jacobs-Young is a native of Georgia. She holds M.S. and Ph.D. degrees in Wood and Paper Science and a B.S. degree in Pulp and Paper Science and Technology from North Carolina State University. She also is a graduate of American University's Executive Leadership in Public Policy Implementation Program.

Dr. Mary Bohman
Administrator, Economic Research Service
202-694-5000, mbohman@ers.usda.gov

Dr. Bohman joined ERS in 1997 and previously served as Director of the Agency's Resource and Rural Economics Division, Deputy Director for Research in the Market and Trade Economics Division (MTED), and Chief of MTED's Europe, Africa, and Middle East Branch. Other public-sector positions held include details to the White House Office of Science and Technology Policy and to USDA's Under Secretary for Farm and Foreign Agricultural Services. From 1990 to 1997 she was on the Agricultural Sciences faculty at the University of British Columbia.

Mary is a member of the Agricultural & Applied Economics Association, the Association of Environmental and Resource Economists, and the International Association of Agricultural Economists. She serves as Co-Chair of the Global Steering Committee for the Global Strategy for Agricultural and Rural Statistics under the United Nations Statistical Commission.

Dr. Bohman received her Ph.D. from the Department of Agricultural Economics, University of California, Davis and her B.S. from the School of Foreign Service, Georgetown University.

Hubert Hamer
Administrator, National Agriculture Statistics Service
202-720-3896, hubert.hamer@nass.usda.gov

Before becoming administrator, Mr. Hamer served as director of the Statistics Division, which produces and releases more than 400 national statistical reports each year covering the agency’s crops, livestock, economic, demographic, environmental, and census programs. He also served as executive director of the NASS Agricultural Statistics Board (ASB) and executive director of the Advisory Committee on Agriculture Statistics. From May 2000 until April 2010, Hamer was NASS Associate Deputy Administrator for Field Operations, overseeing 24 state field offices as well as the Training and Career Development Office.

Hamer completed the program for Senior Managers in Government at Harvard University’s John F. Kennedy School of Government in 2004 and completed the Office of Personnel Management (OPM) Executive Potential Program in 1994. As part of the OPM program, he served as a fellow with the Senate Budget Committee and worked on the staff of the Secretary of Agriculture.
Hamer was born on a small livestock and row crop farm in Benton County, Mississippi, and later continued his development in Grand Junction, Tennessee. He is a graduate of Tennessee State University.

**Dr. Sonny Ramaswamy**

**Director, National Institute of Food and Agriculture (Political-term)**

202-720-4423, sonny@nifa.usda.gov

Dr. Sonny Ramaswamy was appointed by President Barack Obama in 2012 to serve as Director of the National Institute of Food and Agriculture. The Director of NIFA serves a six-year term based on legislation and is also subject to reappointment for an additional six-year term.

Prior to starting at NIFA, Dr. Ramaswamy held a number of academic positions, including: Dean of Oregon State University’s College of Agricultural Sciences; Director of Purdue’s Agricultural Research Programs; university distinguished professor and head of Kansas State’s Entomology Department; and professor of entomology at Mississippi State.

Dr. Ramaswamy received his B.S. degree in agriculture and M.S. degree in entomology from the University of Agricultural Sciences, Bangalore, India. His doctorate is in entomology from Rutgers University. He is also a graduate of Harvard University’s Management Development Program.

**Kim Green**

**Director of the Office of the Chief Scientist**

202-720-3444, kim.green@osec.usda.gov

Ms. Kim Green was selected to be the Director of the Office of the Chief Scientist in 2014, after eight years of service to USDA within the Food Safety and Inspection Service (FSIS). She held several positions with FSIS, including Acting Deputy Assistant Administrator, Director of the Food Defense and Assessment Staff, and Director of the Data Analysis and Integration Staff. She served as Acting District Manager for the Denver District of the Office of Field Operations, responsible for public health and food safety for the Agency's largest operational region, stretching from Nebraska to Guam. Ms. Green was on detail with the Natural Resources Conservation Service in 2014. Before joining USDA, Ms. Green was Vice President for Research, Science, and Technical Affairs for the International Bottled Water Association.

She holds a Bachelor of Science Degree in Chemistry and a Master of Science in Geochemistry, both from The Colorado School of Mines. She was appointed to the U.S. Army Science Board and served from 1991-1997. Ms. Green is the author or co-author of more than 30 peer-reviewed scientific publications.
Overview of REE Programs and Operations

Mission Statement:
The Research, Education, and Economics (REE) mission area of the U. S. Department of Agriculture has Federal leadership responsibility for advancing scientific knowledge related to food and agriculture through research, extension, and education.

Priority Goals:
Building on REE’s 2010 “A Roadmap for USDA Science,” the REE Action Plan, first developed in 2012 and revised in 2014, establishes goals and priorities for USDA science and education. It includes strategies and actions to help coordinate efforts to achieve these goals:

- Goal 1: Local and Global Food Supply and Security
- Goal 2: Responding to Climate and Energy Needs
- Goal 3: Sustainable Use of Natural Resources
- Goal 4: Nutrition and Childhood Obesity
- Goal 5: Food Safety
- Goal 6: Education and Science Literacy
- Goal 7: Rural-Urban Interdependence and Prosperity

Several goals have sub-goals to provide programmatic emphasis. For each goal or sub-goal, strategies are identified that provide a vision for how the goals can be supported. Through alignment with the various components in the REE plan, USDA agencies demonstrate that their programs support the stated goals, which in turn support the broader Departmental goals, set forth by the Secretary of Agriculture.

The Research, Education, and Economics (REE) mission area works to address the challenges that exist today and those that will confront the country in the future. Through the combined efforts of all REE scientists, researchers, and partners, USDA has created a robust infrastructure to perform world-class science and to deliver classroom and community education and transfer technologies from the labs to the private sector for commercialization.

Major Programs in REE:
The Agricultural Research Service (ARS) is the largest intramural research agency of USDA. ARS has a workforce comprised of life and physical scientists, engineers, and veterinarians who represent a wide range of disciplines and work at more than 90 locations across the country and at 5 overseas laboratories. The ARS research agenda is broad, with about 750 research projects organized under 4 major program areas: Nutrition, Food Safety, and Quality; Animal Production and Protection; Natural Resources and Sustainable Agricultural Systems; and Crop Production and Protection.
The Economic Research Service (ERS) is USDA’s primary source of economic information and analysis, and economic and social science research. The mission of ERS is to inform and enhance public and private decision making on economic and policy issues related to agriculture, food, the environment, and rural development.

The National Agricultural Statistics Service (NASS) is USDA’s statistical agency. NASS conducts hundreds of surveys every year and prepares reports covering virtually every aspect of U.S. agriculture. The statistical data provided by NASS is essential to the public and private sectors for making effective policy, production, and marketing decisions on a wide range of agricultural commodities. NASS also conducts statistical science research on survey design, sampling, and other methodological issue areas. NASS works closely with the States in determining their agricultural profiles.

The National Institute of Food and Agriculture (NIFA) is the primary extramural research, education, and extension funding agency of USDA. Its mission is to invest in and advance agricultural research, education, and extension to solve societal challenges. Some of funding opportunities are specific to the Land-Grant University System, and others open to participation by other academic institutions, government agencies, non-governmental organizations, and even private sector entities.

About 94 percent of NIFA funds are used for program grants that are distributed to science professionals around the country to fund innovative solutions to local and global challenges. Grant recipients include colleges and universities across the nation, including the 112 1862, 1890 and 1994 Tribal Land-Grant Institutions; Hispanic-serving institutions; non-land grant colleges; and other academic organizations. Approximately 51 percent of funding is distributed to programs at land-grant universities and other colleges based on eight legislated formulas, generally referred to as “capacity” funding. Partnerships with federal agencies and other entities leverage NIFA’s investments. Approximately four percent of the NIFA programs support higher education and youth development-related efforts, including 4-H programs through the Cooperative Extension System.

Other USDA Organizations: While other USDA organizations do not directly fall within REE mission area jurisdiction (ex: Forest Service (FS) Research and Development (R&D)), their contribution is vital to USDA’s science agenda. Forest Service R&D provides the basic and applied science that underpins the agency’s efforts to promote resilient forests and sustainable communities that can adapt to forest threats such as climate change, fire, and insect and disease infestations. The knowledge and information gained from this research benefits the American public by improving the health and productivity of the Nation’s forests, and the quality of life of communities by providing protection from fire, improving water and air quality, and supporting other ecosystem services in both urban and rural communities.
United States Department of Agriculture
2016 Presidential Transition
Research, Education, and Economics Mission Area (REE)

Program Planning and Evaluation:
The Department’s Office of the Chief Scientist (OCS) was established pursuant to the 2008 Farm Bill. OCS assists USDA’s Chief Scientist in providing strategic coordination of the science that informs the Department’s decisions, policies, and regulations that affect all aspects of U.S. food and agriculture and related landscapes and communities. OCS advises the Chief Scientist, as well as agency leadership and senior staff across the Department, on science policy and science issues. The Office further participates with the Chief Scientist and agency leadership and senior staff in developing and communicating critical policy and program management decisions. Externally, the OCS provides liaison between the Department and other federal entities, as well as members of academia, and industry groups, in identifying and addressing issues of high scientific priority. The OCS ensures the preparation and dissemination of a broad range of information resource documents critical to policy and decision-making processes. OCS Senior Advisors conduct analytical or policy studies and projects that promote the strategic interests of the U.S. Government.

The Office provides Departmental leadership and coordination for the formulation, administration, interpretation and evaluation of the Department’s science and research integrity policies and initiatives. It ensures that research supported by and scientific advice provided to the Department and its stakeholders is held to the highest standards of intellectual rigor and scientific integrity.

The National Agricultural Research, Extension, Education, and Economics Advisory Board (NAREEEAB) provides advice to the Secretary of Agriculture, Congress and land-grant colleges and universities on top priorities and policies for food and agricultural research, education, extension and economics. The Board is made up of 25 members, each of which represents a specific category of U.S. agricultural stakeholders, as mandated by Congress. The Board is charged to provide recommendations to the Under Secretary of the Research, Education, and Economics mission area on the draft strategic plan and to conduct an annual review of the relevance of the REE programs and activities to the established priorities and the adequacy of funds for those programs. The NAREEE Advisory Board also provides advice and recommendations to the Secretary, Congress, and the land-grant colleges and universities on the National Genetic Resources Program; and on the Citrus Disease Research and Extension Program and the Specialty Crop Research Initiative through mandated annual consultations with the National Institute of Food and Agriculture. The NAREEE Advisory Board recently appointed 7 new members. 15 members of various subcommittees of NAREEE are currently being reviewed for appointment. NAREEE has an additional 9 members whose terms will expire in September 2017 and a solicitation to accept nominations for these members will be posted in early spring 2017. NAREEE is exempt from the chartering requirements of the Federal Advisory Committee Act (7 USC 2123(f)).

The National Agricultural Statistics Service (NASS) Advisory Committee on Agricultural Statistics (ACAS) advises the Secretary of Agriculture on the scope, timing, content, etc., of the periodic censuses and surveys of agriculture, other related surveys, and the types of information to obtain from respondents concerning agriculture. ACAS currently has 9 members with terms expiring in January 2017 and, nominations to replace these members are currently being accepted for review. The ACAS charter is current and will not be up for renewal until August 15, 2018.
## Budget and Staffing Summary

**REE Mission Area**

**Budget Authority FY 2009- FY 2016**

(Dollars in Thousands)

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### Summary by Agency:

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### Staff Years:

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The Research, Education, and Economics appropriation in 2016, in inflation adjusted dollars is less than in 2010.

**Office of the Chief Scientist**
The 2008 Farm Bill authorizes funding for OCS’ operation through the transfer of funds from agencies within REE.

**National Agricultural Research, Extension, Education, and Economics (NAREEE) Advisory Board**
The National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended, sets a cap of $500,000 annually (including staff salaries) for the operation of the NAREEE Advisory Board. The REE mission area agencies share in the cost of the Board based on an established percentage: Economic Research Service – 10%; National Agricultural Statistics Service – 10%; Agricultural Research Service – 40%; National Institute of Food and Agriculture – 40%.

II. **Top Issues/Hot Topics**

**Timeline**
The REE Action Plan Report on progress will be compiled over the first few months of 2017. The REE Report to Congress will be compiled simultaneously. There are several board meetings that will take place in the beginning of 2017 including the CARB Advisory Council in January. The BRDi Board meets quarterly, with the first meeting likely to take place in late March. In April, a meeting of the Foundation for Food and Agriculture Board meeting including *ex officio* members will occur. The NAREEE Board will also meet in April. The CARB Advisory Council will convene again in May.
Mission Area Issues

- **Presidential Advisory Council on Combating Antibiotic-Resistant Bacteria (PACCARB):** The PACCARB was established in September 2015 by the HHS Secretary in consultation with the Secretaries of Agriculture and Defense. The charter describes PACCARB’s role to provide advice, information, and recommendations regarding programs and policies intended to support and evaluate the implementation of the Combating Antibiotic Resistant Bacteria (CARB) Executive Order 13676, including the National Strategy and the National Action Plan for Combating Antibiotic-Resistant Bacteria. OCS works with HHS, DoD and the PACCARB co-chairs supporting interagency meetings, coordinating USDA participation and inputs to PACCARB, and serving as Alternate Ex-Officio.

- **Billion-Ton Bioeconomy Initiative:** Seven agencies constitute the U.S. Government’s Biomass Research and Development Board which developed the billion ton bioeconomy initiative. USDA along with other agencies engaged in clean energy research and development are working to find innovative ways to accelerate results. In February 2017 USDA and DOE are expected to sign an MOU supporting Bioenergy R&D and Joint Vision. Following the MOU signing, the launch of the Interagency Action Plan on the Bioeconomy is expected.

- The Economic Research Service’s U.S. **Farm Income Forecasts** are updated three times per year, including the first release for 2017 that will take place during the first half of February. The ERS farm income and finance program measures, forecasts, and explains indicators of economic performance for the U.S. farm sector and farm businesses by resource region and commodity specialization. The program's data and analysis are used by USDA and its stakeholders to better understand factors related to the financial health of the U.S. agricultural economy. The analysis is useful in identifying subsectors and business types that are performing particularly well, or poorly, relative to past trends and to other types of farms. Financial performance measures include the farm sector's receipts and expenses; gross and net value added; and both net cash farm income and net farm income. Measures also include changes in the sector's assets, debt, and overall wealth, as well as financial ratios that depict solvency, liquidity, and efficiency. Taken together, the measures summarize the financial condition of the farm sector.

- The **USDA Climate Hubs** were established in 2014 to develop and deliver science-based, region-specific information and technologies to agricultural and natural resource managers; to enable climate-informed decision-making; and direct land managers to USDA agency programs and regional partners to build resilience to climate variability. Five Hubs are hosted by ARS and five are hosted by the FS. The Hubs focus on partnership development, stakeholder engagement, regional assessments, information synthesis, tool development, adaptation demonstrations, education, research outreach and translation.
Scientific Integrity: In December 2015, the Chief Scientist, in consultation with the USDA Science Council, accepted recommendations made by the Departmental Scientific Integrity Officer (DSIO) to revise DR 1074-001. In accordance with the delegations of authority specified in Title 7 CFR 2.21a(11)(iv), the Under Secretary for REE, as the USDA Chief Scientist, has primary responsibility for “[developing] mechanisms to address scientific integrity within the Department.” Accordingly, the Chief Scientist has overall responsibility for the USDA Scientific Integrity Policy, which was established by the issuance of Departmental Regulation (DR) 1074-001 (“Scientific Integrity”) on May 10, 2013. In December 2015, the Chief Scientist, in consultation with the USDA Science Council, accepted recommendations made by the Departmental Scientific Integrity Officer (DSIO) to revise DR 1074-001. A revised version of the DR and an accompanying procedural manual were subsequently drafted by the DSIO in collaboration with USDA agency and staff office representatives (i.e., the Agency Scientific Integrity Officers), and entered into the USDA Directives clearance system in June 2016. As of October 6, 2016, final clearances for issuance of the revised DR and manual were pending.

The National Agricultural Research, Extension, Education, and Economics (NAREEE) Advisory Board: The NAREEE Board’s Citrus Disease Subcommittee will meet February 2-3, 2016, to conduct the annual mandated consultation with the National Institute of Food and Agriculture on the agenda and annual priorities and budget for the Citrus Disease Research and Extension (CDRE) Program. The Citrus Disease Subcommittee will draft and issue a letter of recommendations to USDA in the 2nd quarter of 2017. These recommendations will potentially influence the Request for Pre-Proposal Applications for the CDRE program.

The Foundation for Food and Agriculture Research (FFAR) was authorized by Congress as part of the 2014 Farm Bill and operates as a non-profit corporation leveraging public and private resources to increase the scientific and technological research, innovation, and partnerships critical to boosting America's agricultural economy. Congress initially provided $200 million for FFAR which must be matched by non-federal funds as FFAR identifies and approves projects. The REE Under Secretary, with the support of the Office of the Chief Scientist, is delegated by the Secretary to lead the USDA review of proposed FFAR activities to ensure that the Foundation’s work complements USDA activities. USDA and FFAR are in the process of finalizing a Memorandum of Understanding between USDA and the Foundation. The MOU will formalize the working relationship between USDA and FFAR, as FFAR becomes a partner in supporting the research initiatives of USDA. The Board adopted an aggressive plan to spend down the $200M by the end of 2018. The majority of the funds will be allocated to challenge areas the Board identified and a proportion of funds will be held for other priorities that may arise. We are asked to submit ideas for specific projects we would like FFAR to undertake within both categories (challenges and other opportunities). All of which is dependent on finding non-Federal partners with matching funds. Concerns remain about oversight of financial matters within FFAR.
- **National Bio and Agro-Defense Facility (NBAF):** Since 2004, DHS and USDA have worked closely to fulfill the Homeland Security Presidential Directive 9 mandate for the agencies to plan to establish safe, secure, state-of-the-art agriculture biocontainment laboratories that research and develop diagnostic capabilities for foreign animal and zoonotic diseases (those that can pass between animals and humans). The NBAF—a $1.25 billion next-generation biocontainment facility under construction in Manhattan, Kansas—is the result of DHS’ and USDA’s planning efforts (including APHIS and ARS). The NBAF will replace existing, aging biocontainment laboratories located at the Plum Island Animal Disease Center (PIADC) in Orient Point, New York. DHS has received all of the NBAF construction funds and plans for the NBAF to be fully operational in 2023. USDA is working closely with DHS on the transition planning for the move from PIADC to NBAF. In its version of the 2017 appropriations bill, the Senate Agriculture Appropriations Subcommittee included language encouraging DHS and USDA to work together on a plan for the future operation of NBAF, including consideration of the appropriate agency to manage the facility. As a result, USDA and DHS face several complex technical and financial questions, including: long term administration costs, technical expertise in managing a facility with private sector tenants, and any additional management requirements for BSL-4 level facilities. It is estimated that it will require significant sums to operate the facility. Any transition to USDA would require a corresponding increase in resources for USDA.

- **The National Animal Health Laboratory Network (NAHLN):** is the Nation’s system for surveilling for animal disease. R&D is needed to support the 5 pillars related to high consequence animal disease threats: Prepare, Prevent, Detect, Respond, and Recover (PPDRR). R&D is inadequately funded and most pillars are far from completion. The National Institute of Food and Agriculture (NIFA) has no reliable stream of sufficient funding to engage the extramural scientific community leaving the animal health-resource challenged Agricultural Research Service to do most of the work through intramural research. A competitive program prioritizing R&D imperatives within and between all 5 PPDRR pillars would be a great boost to agriculture security. NIFA’s Food and Agriculture Defense Initiative (FADI) needs approximately $30-40 M for improving infrastructure. The NAHLN provides a framework for a network of labs to coordinate emerging disease detection. Samples often go to university labs rather than federal labs and there are differences across universities in capabilities, equipment, and resources. A negative test in one university may not be as reliable if another university has better capabilities to analyze samples. Laboratories with different capabilities using different technologies must be able to communicate. Without harmonized processes and coordination, early detection is challenging. Presently, much work is being accomplished through good will. For example, APHIS provides fee for service for surveillance but labs are doing more than they are being funded for: the situation will not continue indefinitely. The Federal Government is dependent on the civilian sector to provide reagents. If there is an event for which there is only one or a few supplier(s) of reagents and they become overwhelmed or are unable to produce, testing will not be possible. NIFA funding to laboratories through the NAHLN has been cut approximately 40% and is insufficient for
infrastructure maintenance and response. In 2006, NAHLN was able to respond to three foreign animal diseases. By 2014, that number has only risen to four because of decreased funding.

- The **Global Open Data for Agriculture and Nutrition** (GODAN) is a partnership of over 370 partners from national governments and nongovernmental, international, and private sector organizations seeking to make data on agriculture and nutrition open, available, useable, and accessible for unrestricted use worldwide. The Office of the Chief Scientist coordinates the U.S. Government participation in the GODAN initiative. It is anticipated that both the chairs of the 2017 G7 and the G20, Italy and Germany respectively, will take up the open data for agriculture and nutrition topic as a priority for their terms.

- **China Garden**: The Chinese government recently agreed to fund the construction of the National Chinese Garden Project (China Garden) at the National Arboretum. Official groundbreaking was scheduled to take place in late October 2016. The Chinese government has agreed that they will hire and pay directly all contractors. Previously, the National China Garden Foundation (NCGF) was identified to be the hiring authority and as such, there were concerns on the availability of funds to pay for construction. The recently completed MOU with the Chinese government makes clear the new intent of the Chinese to hire, manage and pay for all contractors related to the construction of the China Garden. The MOU also includes provisions to protect the interests of the U.S. National Arboretum since authority to direct the operations of the contractors will no longer reside with NCGF. Additional provisions include hours of access to, and prohibiting any contractor housing on Arboretum grounds. Finally, the Chinese indicated their intent to complete construction in 3 years. The next steps are for NCGF to raise the endowment for maintenance and to monitor all aspects of construction through an Owners’ Representative hired specifically for that role.

**Under Secretary’s Board Commitments**

The Under Secretary serves on the following boards:

- Biomass Research and Development Board (BRDB)
- National Science and Technology Council (NSTC) Committee on Homeland and National Security (CHNS)
- NSTC Committee on Science (CoS)
- NSTC Committee on Technology (CoT)
- NSTC Task Force on Ebola-Response Science and Technology
- NAREEE Advisory Board
- Foundation for Food and Agriculture
- Global Research Alliance
- China MOST Joint Working Group
- India Joint Working Group
Deputy Under Secretary’s Board Commitments
The Deputy Under Secretary serves on the following boards:

- NSTC Committee on Environment, Natural Resources, and Sustainability (CENRS)
- NSTC Committee on Science, Technology, Engineering, and Math (CoSTEM)
- Chair, NSTC subcommittee on Global Change Research
- 4H Board of Trustees
- NAS Science and Technology For Sustainability Roundtable
- Vice-Chair Civil Applications Committee (CAC)
- Co-chair NSTC Interagency Working Group on Scientific Collections

GAO and OIG Audits

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17
WHAT WE DO: OUR MISSION

USDA Rural Development provides both direct financial assistance and public-private financial partnership opportunities with more than 40 programs focused on rural economic growth, to assist rural communities in creating the prosperity they need to become self-sustaining, re-populating, and economically thriving. USDA Rural Development provides grants, loan guarantees, and affordable direct credit, when private loans are unavailable or impractical, creating opportunities in housing, business, and infrastructure and serving as a catalyst to improve conditions in rural America by offering technical assistance and increasing the flow of capital through leveraged partnerships.

WHO WE ARE: OUR WORKFORCE

Rural Development employs over 4,700 people across the country with offices located in every state, the Customer Service Center (CSC), the Chief Information Office, and the National Finance Accounting and Operations Center (NFAOC) in St. Louis, MO, and Headquarters in Washington, DC.

WHO WE SERVE: OUR CONSTITUENTS

Rural Development provides direct service to individuals, businesses, and other public and private entities, that reside in rural areas through a network of more than 400 offices nationwide allowing RD to connect to and provide services to constituents at a local level, serving communities where they live.

KEY UPCOMING DECISIONS

- Implementation of Comprehensive Loan Program technology system enhancements
  - Rural Housing Service
- Upcoming funds management decisions for oversubscribed programs including Section 502 Direct Loans, MPR Section 515, and Community Facilities Direct Loans.
  - Rural Business Cooperative Service
- Rural Energy for America program rule adjustments to include New Market Tax Credits and update definition of small business.
- Business and Industry loan guarantee program fee change in Fiscal Year 2018.
  - Rural Utilities Service
- Strategic plan for FCC Broadband rule compliance.
- Resolution of issues with Puerto Rico Aqueduct and Sewer Authority (PRASA) water loan portfolio

BUDGET HIGHLIGHTS FY 2016

FY 2016 RD budget authority of $3.25 billion ($2.95 billion in discretionary and $118 million in mandatory funds) supporting a program level of $39.5 billion and $489 million respectively, for a total of $40 billion in available resources for both accounts.

As of FY 2016-Q3 the RD portfolio totals 1.3 million loans valued at over $216 billion.

Discretionary budget growth in the last 2-4 years has been generally flat at the agency level with some variation at the program level:

FY 2013 $2.4 billion/$38 billion
FY 2014 $2.6 billion/$38 billion
FY 2015 $2.6 billion/$38 billion
WHAT WE DO: OUR MISSION

USDA’s Rural Business-Cooperative Service (RBS) administers programs to support business development and job training opportunities for rural residents, supporting business growth and development, facilitating sustainable renewable energy development, and developing regional food systems. RBS also leads cooperative development and capacity building in high-poverty rural communities through regional planning and place-based initiatives. Our programs help provide the capital, technical support, educational opportunities and entrepreneurial skills that can help rural residents start and grow businesses or access jobs in agricultural markets and in the bio-based economy.

WHO WE ARE: OUR WORKFORCE

Rural Business-Cooperative Service employs 99 staff at Headquarters in Washington D.C.

WHO WE SERVE: OUR CONSTITUENTS

Rural Business-Cooperative Service provides direct service to individuals, municipalities, rural businesses, agricultural producers and other public and private entities that reside in rural areas delivering most programs through RD’s large nationwide field network and guaranteed products through partner financial institutions nationwide.

KEY UPCOMING DECISIONS

- Rural Energy for America program rule adjustments to include New Market Tax Credits and update definition of small business.
- Business and Industry loan guarantee program fee change in Fiscal Year 2018.

BUDGET HIGHLIGHTS FY 2016

In FY 2016 RBS budget authority was $90.45 million in discretionary program funding, $133.3 million in mandatory program funding and $4.46 million for Salaries and Expenses, supporting a program level of $1.35 billion.

As of FY 2015-Q4 the RBS loan portfolio totaled $6.73 billion of which $635 million is held directly and $6 billion represents outstanding loan guarantees.

RBS budget growth in the last 2-4 years has had a moderate downward trend with a spike in 2014 due primarily to an increase in mandatory program funding authorized in the 2014 Farm Bill:

FY 2013 $274 million/$1.09 billion
FY 2014 $385 million/$1.37 billion
FY 2015 $234 million/$1.20 billion
WHAT WE DO: OUR MISSION

USDA’s Rural Housing Service (RHS) offers a variety of programs to build or improve housing and essential community facilities in rural areas. RHS provides loans, grants and loan guarantees for single- and multifamily housing, housing for farm laborers, and community facilities such as: child care centers, fire and police stations, hospitals, libraries, nursing homes, schools, first responder vehicles and equipment, and more. RHS also provides technical assistance loans and grants in partnership with non-profit organizations, Indian tribes, state and federal government agencies, and local communities.

WHO WE ARE: OUR WORKFORCE

Rural Housing Service employs 108 staff at Headquarters in Washington D.C. and 478 staff at the Customer Service Center (CSC) in St. Louis MO. Many other headquarters staff that serve all of RD’s headquarters and all field staff are funded through the RHS Salaries and Expenses (S&E), which contributes to RHS’ artificially high S&E to program fund ratio compared to other agencies in RD.

WHO WE SERVE: OUR CONSTITUENTS

Rural Housing Service provides direct service to individuals, municipalities, and other public and private entities residing in rural areas. The Agency delivers most programs through RD’s large nationwide field network and its guaranteed products through partner financial institutions nationwide. Some larger projects are approved in the National Office, and direct mortgage loan servicing is handled at the CSC one year after origination.

KEY UPCOMING DECISIONS

- Upcoming funds management decisions for oversubscribed programs including Section 502 Direct Loans, MPR Section 515, and Community Facilities Direct Loans.
- Single Family Direct loan origination system (UniFi) replacement: The replacement system is scheduled to deploy October 2017. The key decision to be made is on the best approach to replace UniFi.

BUDGET HIGHLIGHTS FY 2016

In FY 2016 RHS budget authority was $1.62 billion in discretionary program funding and $417.8 million for Salaries and Expenses, supporting a program level of $27.5 billion.

As of FY 2015-04 the RHS loan portfolio totaled $145.8 billion of which $331 billion is held directly and $114 billion represents outstanding loan guarantees.

RHS budget growth in the last 2-4 years has had a slight upward trend with the growth in program funds outpacing S&E funds by more than double and a generally flat program level:

FY 2013 $1.41 billion/$27.3 billion  
FY 2014 $1.69 billion/$27.3 billion  
FY 2015 $1.73 billion/$27.4 billion

FY 2016 Budget Authority

- Discretionary Programs 21%
- Salaries and Expenses 79%

The S&E budget for RHS includes support for the other RD agencies.
WHAT WE DO: OUR MISSION

USDA’s Rural Utilities Service (RUS) administers programs designed to provide new or improved infrastructure to rural communities by increasing access to broadband and 21st century telecommunications services; funding sustainable renewable energy development and conservation; financing reliable and affordable electric systems; working to integrate electric smart grid technologies; and developing reliable and affordable rural water and wastewater systems.

WHO WE ARE: OUR WORKFORCE

Rural Utilities Service employs a combined 271 staff at Headquarters in Washington D.C., and field offices throughout the US.

WHO WE SERVE: OUR CONSTITUENTS

RUS’ three program areas offer a range of products tailored to meet the diverse financing needs of rural America. As a result, our eligible borrowers and grantees vary depending on the program. They include rural electric cooperatives, rural telecommunications cooperatives, and rural water districts; utility producers, suppliers and distributors; not-for-profit utilities and for-profit investor-owned utilities; state and local governments and tribal communities; and more.

KEY UPCOMING DECISIONS

- Strategic plan for FCC Broadband rule compliance.
- Full implementation of Rural Energy Savings Program (RESP)
- Resolution of issues with Puerto Rico Aqueduct and Sewer Authority (PRASA) water loan portfolio

BUDGET HIGHLIGHTS FY 2016

In FY 2016 RUS budget authority was $567 million in discretionary program funding and $34 million for Salaries and Expenses, supporting a program level of $8.21 billion.

As of FY 2015-Q4 the RUS loan portfolio totaled $60.36 billion of which $60.03 billion is held directly and $327 million represents outstanding loan guarantees.

RUS budget growth in the last 2-4 years has had a slight upward trend with a spike in 2014 due primarily to an increase in mandatory program funding authorized in the 2014 Farm Bill:

FY 2013 $554 million/$7.2 billion
FY 2014 $686 million/$7.51 billion
FY 2015 $556 million/$7.46 billion
I. Organizational Overview

Mission

Rural Development’s (RD) mission is to increase economic opportunity and improve the quality of life for all rural Americans. That mission touches every facet of Rural America throughout the country, and through our three agencies and State and local offices of Rural Development we provide financial and technical assistance to rural residents, businesses, and private and public entities. RD uses more than 40 loan and grant programs to create opportunities in housing, business, and infrastructure and serves as a catalyst to improve conditions in rural America by offering technical assistance and increasing the flow of capital through leveraged partnerships that help make prosperity and better living a reality in Rural America.

Rural Development’s programs are grouped within its three agencies: (1) the Rural Business-Cooperative Service (RBS), which implements regional planning and place-based approaches with technical assistance and financing tools to develop and expand cooperatives, business, and industry, including small businesses, and renewable energy and value added agriculture projects; (2) the Rural Utilities Service (RUS), which provides assistance for water and waste disposal, rural electric and telecommunications, including broadband access; and (3) the Rural Housing Service (RHS), which provides assistance for home ownership, multi-family housing, and essential community facilities such as health and public safety infrastructure.

The type of assistance offered includes direct and guaranteed loans, grants, cooperative agreements, technical assistance, and other payments. Some programs provide assistance to intermediaries that make loans or provide technical assistance to the ultimate beneficiaries. Several programs require or encourage recipients to contribute their own resources or obtain third-party financing to support the total cost of projects, thereby leveraging Government support with private sector financing.

RD delivers these programs through a network of more than 400 area offices and 47 State offices, a customer service center and finance office in St. Louis, Missouri, and a headquarters in Washington, DC. RD’s Operations and Management Division, located in Washington, DC and St. Louis, MO, manages all administrative areas for RD, including human resources, civil rights, legislative and public affairs, Information Technology (IT), and procurement.
Strategic Plan

The following objectives guide the investment strategy of Rural Development, supporting the USDA goal to: Assist Rural Communities to Create Prosperity so They Are Self-sustaining, Repopulating, and Economically Thriving (Strategic Goal 1):

**Objective:** Enhance Rural Prosperity, Including Leveraging Capital Markets to Increase Government’s Investment in Rural America

Number of Jobs created or Saved through investments in business entrepreneurship, cooperatives, and industry.  
(2009 baseline: 68,000)  
(2018: 53,000)

Percentage of targeted RD investments in high-poverty areas that leverage private-sector funding.  
(2013 baseline: 4.5%)  
(2018: 10.0%)

Percentage of rural residents who are provided access to new or improved services resulting from RD investments.  
(2013 baseline: 46.7%)  
(2018: 51.4%)

**Objective:** Increase Agricultural Opportunities by ensuring a robust safety net, creating new markets, and supporting a competitive agricultural system

Percentage of beginning; racial and ethnic minority; and women farmers financed by USDA.  
(2012 baseline: 36%)  
(2018: 41%)

Number of local and regional food systems supported annually through USDA investment.  
(2013 baseline: 170)  
(2018: 423)

**Objective:** Contribute to the Expansion of the Bioeconomy by Supporting Development, Production, and Consumption of Renewable Energy and Biobased Products

Millions of kilowatt hours (mWh) generated in rural America from alternative energy sources.  
(2009 baseline: 2,304 mWh)  
(2018: 1,070 mWh)

Number of jobs created and/or retained through USDA investments supporting production of renewable energy and Biobased products, and renewable energy measures.  
(2012 baseline: 1,300 jobs)  
(2018: 1,500 jobs)

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1 Reduction in target due to current services budget restrictions
2 Reduction in target due to current services budget restrictions
Overview of Agency Programs and Operations


*Rural Housing Service (RHS)* administers Housing and Community Facilities Programs. RHS provides funding for single family housing, apartments for low-income persons or the elderly, housing for farm laborers, childcare centers, fire and police stations, hospitals, libraries, nursing homes, schools, and much more. In partnership with non-profits, Indian tribes, state and federal government agencies, and local communities, RHS creates packages of technical assistance and loan and grant funds to assist rural communities, and individuals with access to these programs.

*Click on a link below for more detailed RHS Housing and Community Facilities Loan and Grant information and contacts or visit [http://www.rd.usda.gov/programs-services/all-programs](http://www.rd.usda.gov/programs-services/all-programs):*

- **Single Family Housing Direct Home Loans**
  Single Family Housing provides direct, means tested loans for the purpose of purchasing a home in an eligible area, with an interest rate based on the borrower’s income and fluctuates with the current Treasury rate and may be subsidized down to one percent interest. Direct loans are limited to families with incomes less than 80 percent of area median income.

- **Single Family Housing Home Loan Guarantees**
  Single Family Housing provides guarantees on home loans in eligible areas though a network of approved lenders that are means tested limited to families with incomes less than 115 percent of area median income.

- **Mutual Self-Help Housing Technical Assistance Grants**
  Provides grants to qualified organizations to help them carry out local self-help housing construction projects. Grant recipients supervise groups of very-low- and low-income individuals and families as they construct their own homes in rural areas. The group members provide most of the construction labor on each other’s homes, with technical assistance from the organization overseeing the project.

- **Rural Housing Site Loans**
  Rural Housing site loans provide two types of loans to purchase and develop housing sites for low- and moderate-income families:
  - Section 523 loans are used to acquire and develop sites only for housing to be constructed by the “Self-Help” method.
  - Section 524 loans are made to acquire and develop sites for low- or moderate-income families, with no restriction as to the method of construction.
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

- **Farm Labor Direct Loans & Grants**
  Provides affordable financing to develop housing for year-round and migrant or seasonal domestic farm laborers.

- **Housing Preservation & Revitalization Demonstration Loans & Grants**
  Restructures loans for existing Rural Rental Housing and Off-Farm Labor Housing projects to help improve and preserve the availability of safe affordable rental housing for low income residents.

- **Housing Preservation Grants**
  Provides grants to sponsoring organizations for the repair or rehabilitation of housing occupied by low and very low-income individuals.

- **Multi-Family Housing Direct Loans**
  Assists qualified applicants that cannot obtain commercial credit on terms that will allow them to charge rents that are affordable to low-income tenants.

- **Multi-Family Housing Loan Guarantees**
  Works with qualified private-sector lenders to provide financing to qualified borrowers to increase the supply of affordable rental housing for low and moderate-income individuals and families in eligible rural areas and towns.

- **Multi-Family Housing Rental Assistance**
  Provides payments to owners of USDA-financed Rural Rental Housing or Farm Labor Housing projects on behalf of low-income tenants unable to pay their full rent.

- **Community Facilities Direct Loans & Grants**
  Provides affordable funding to develop essential community facilities in rural areas. An essential community facility is defined as a facility that provides an essential service to the local community for the orderly development of the community in a primarily rural area, and does not include private, commercial or business undertakings.

- **Community Facilities Loan Guarantees**
  Provides loan guarantees to eligible private lenders to help build essential community facilities in rural areas.

- **Community Facilities Technical Assistance and Training Grant**
  Provides grants to public bodies and private nonprofit corporations, to provide associations Technical Assistance and/or training to identify and plan for community facility needs that exist in their area.

- **Economic Impact Initiative Grants**
  Provides funding to assist in the development of essential community facilities in rural communities with extreme unemployment and severe economic depression.
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

- **Rural Community Development Initiative Grants**
  Provides funding to help non-profit housing and community development organizations support housing, community facilities, and community and economic development projects in rural areas.

- **Tribal College Initiative Grants**
  Provides funding to [1994 Land Grant Institutions](#) (Tribal Colleges) to make capital improvements to their educational facilities and to purchase equipment.
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

*Rural Business-Cooperative Service (RBS)* administers job training, energy, and business development programs, including cooperative and business development, community economic development, regional planning and financing, rural and Tribal place-based approaches and other self-help initiatives. RBS also offers programs to provide the educational opportunities, training, technical support, and tools for rural residents to start small businesses and to access jobs in agricultural markets, the green economy, and other emerging markets, as well as acquire training in vocational and entrepreneurship skills they can use in the marketplace and business sector.

RBS also leads the coordination and implementation of community economic development-related activities in high poverty rural communities such as regional planning, place-based initiatives, local and regional food systems, and cooperative development. These activities enable high poverty rural areas to increase local capacity, increase their readiness for accessing RD’s financing tools, and capitalize greater access to partners and other federal resources to improve conditions and opportunities for historically unserved and underserved groups.

*Click on a link below for more detailed RBS Business and Cooperative Loan and Grant information and contacts or visit [http://www.rd.usda.gov/programs-services/all-programs](http://www.rd.usda.gov/programs-services/all-programs):*

- **Business and Industry Loan Guarantees (B&I)**
  Provides protection against loan losses so that lenders are willing to extend credit to establish, expand, or modernize rural businesses through loan guarantees for rural businesses, allowing private lenders to extend more credit to eligible entities.

- **Intermediary Relending Program (IRP)**
  Provides 1% interest direct loans to local intermediaries that relend to businesses for community development projects in rural communities at a higher interest rate and use their interest earnings to pay for their administrative expenses and develop capital reserves.

- **Rural Business Investment Program (RBIP)**
  This program provides loan guarantees to establish equity funds to support business development in rural areas. This funding provides additional access to venture capital type funding. These for-profit investment fund entities use equity raised in capitalizing their funds to make equity investments in small enterprises located in rural areas.

- **Rural Business Development Grants (RBDG)**
  RBDG is a competitive grant designed to fund training, technical assistance, construction, land development, equipment, and capitalization of revolving loan funds leading to the development or expansion of small and emerging private businesses in rural areas that have fewer than 50 employees and less than $1 million in gross revenues. Programmatic activities are separated into enterprise or opportunity type grant activities.
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

- **Rural Economic Development Loan and Grant (REDLG)**
  This program provides zero interest loans to local utilities which, in turn, pass through to local businesses for projects that will create and retain employment in rural areas. The utility is responsible for repayment to the agency. Grant funds are provided to local utility organizations which use the funding to establish revolving loan funds. Loans are made from the revolving loan fund to projects that will create or retain rural jobs. When the revolving loan fund is terminated, the grant is repaid to the Agency.

- **Rural Microentrepreneur Assistance Program (RMAP)**
  This program provides one percent direct loans and grants to microenterprise development organizations (MDOs). The loans will be used to establish reserves for relending to microentrepreneurs, and the grants are made to the MDOs which may relend a portion to provide training, operational support, business planning, and market development assistance to microloan borrowers and microentrepreneurs.

- **Value Added Producer Grants (VAPG)**
  The VAPG program provides grants to help agricultural producers enter into value-added activities related to the processing and/or marketing of bio-based, value-added products with an emphasis on generating new products, creating and expanding marketing opportunities, and increasing producer income.

- **Advanced Biofuel Payment Program**
  Supports expanding production of advanced biofuels by paying advanced biofuel producers for finished advanced biofuel products.

- **Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program**
  Provides loan guarantees to assist in the development, construction, and retrofitting of new and emerging technologies for the development of Advanced Biofuels, Renewable Chemicals, and Biobased Product Manufacturing.

- **Repowering Assistance Program**
  Provides funding for up to 50% of the total eligible project costs for bio refineries to install renewable biomass systems for heating and power at their facilities; or, to produce new energy from renewable biomass.

- **Rural Energy for America Program Energy Audits & Renewable Energy Development Grants**
  Provides grants to assist rural small businesses and agricultural producers by conducting and promoting energy audits, and providing renewable energy development assistance.
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

- **Community Economic Development**
  Leads USDA’s cooperative development research, training, and technical assistance; provides capacity building, training, and technical assistance to high poverty rural communities; manages rural and Tribal place-based and local and regional food systems initiatives; and implements cross-cutting 2014 Farm Bill requirements such as Strategic Economic and Community Development, Healthy Food Financing Initiative, and Performance Impact Evaluation.

- **Cooperative Grants**
  Provides competitive grants to eligible individuals and organizations, producers, and other businesses to support cooperatives and cooperative development.

- **Rural Energy for America Program Renewable Energy Systems & Energy Efficiency Improvement Loans & Grants**
  Provides guaranteed loan financing and grant funding to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements.

- **Cooperative Programs**
  Provides information on financial assistance opportunities to assist rural businesses, including cooperatives, and agricultural producers in conjunction with other Rural Development program areas as well as educational reports and programs that promote the understanding of cooperative principles and practices, research and statistics.
Rural Utilities Service (RUS) provides funding opportunities in the form of grants, loans, and loan guarantees, for the development and commercialization of Electric, Telecommunications, and Water and Waste utility services.

Click on a link below for more detailed RUS Loan and Grant information and contacts or visit http://www.rd.usda.gov/programs-services/all-programs:

- **Community Connect Grants**
  Provides grants to help fund broadband deployment into rural communities where it is not yet economically viable for private sector providers to deliver service.

- **Broadband Loan Program**
  Furnishes loans and loan guarantees to provide funds for the costs of construction, improvement, or acquisition of facilities and equipment needed to provide service at the broadband lending speed in eligible rural areas.

- **Distance Learning and Telemedicine Loan and Grant Program**
  Provides grant funds to help rural communities use the unique capabilities of telecommunications to connect to each other and to the world, overcoming the effects of remoteness and low population density. For example, this program can link teachers and medical service providers in one area to students and patients in another.

- **Electric Loan and Loan Guarantee Program**
  Provides insured loans and loan guarantees to nonprofit and cooperative associations, public bodies, and other utilities. Insured loans primarily finance the construction of electric distribution facilities in rural areas. The guaranteed loan program has been expanded and is now available to finance generation, transmission, and distribution facilities. The loans and loan guarantees finance the construction of electric distribution, transmission, and generation facilities, including system improvements and replacement required to furnish and improve electric service in rural areas, as well as demand side management, energy conservation programs, and on-grid and off-grid renewable energy systems.

- **Telecommunications Loan Program**
  Provides financing for the construction, maintenance, improvement and expansion of telephone service and broadband in rural areas.

- **Circuit Rider Program**
  Provides technical assistance to rural water systems having day-to-day operation, financial or management issues.

- **Emergency Community Water Assistance Grants**
  Provides grant funds to help eligible communities prepare for, or recover from, an emergency that threatens the availability of safe, reliable drinking water for households and businesses.
• **Grants for Rural and Native Alaskan Villages**
  Provides grant funds to help remote Alaskan Villages provide safe, reliable drinking water and waste disposal systems for households and businesses.

• **Household Water Well System Grants**
  Provides grant funds to help qualified non-profits and Tribes create a revolving loan fund to extend access to clean, reliable water to households in eligible rural areas.

• **Individual Water & Wastewater Grants**
  Provides grant funds to households residing in an area recognized as a Colonia before October 1, 1989, to connect service lines to a residence, pay utility hook-up fees, install plumbing and related fixtures, i.e. bathroom sink, bathtub or shower, commode, kitchen sink, water heater, outside spigot, or bathroom.

• **SEARCH - Special Evaluation Assistance for Rural Communities and Households**
  Provides funding to help very small, financially distressed rural communities with predevelopment feasibility studies, design assistance, and technical assistance on proposed water and waste disposal projects.

• **Solid Waste Management Grants**
  Provides funding for organizations that provide technical assistance or training to improve the planning and management of solid waste sites.

• **Water & Waste Disposal Grants to Alleviate Health Risks on Tribal Lands and Colonias**
  Provides funding to facilitate access to safe reliable drinking water and waste disposal facilities and services to low-income communities that face significant health risks.

• **Water & Waste Disposal Loans & Grants**
  Provides funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage to households and businesses in eligible rural areas.

• **Water & Waste Disposal Loan Guarantees**
  Provides up to a 90% guarantee on loans from private lenders that provide affordable financing to qualified borrowers to improve access to clean, reliable water and waste disposal systems for households and businesses in rural areas.

• **Water & Waste Disposal Predevelopment Planning Grants**
  Provides funding to assist low-income communities with the initial planning and development of an application for USDA Rural Development Water and Waste Disposal direct loan, grant, and loan guarantee programs.
• **Water & Waste Disposal Revolving Loan Funds**
  Provides grant funding to help qualified non-profits create a revolving loan fund that can provide financing for the extension and improvement of water and waste disposal systems in rural areas.

• **Water & Waste Disposal Technical Assistance & Training Grants**
  Provides funding to qualified, private non-profits that provide technical assistance and training to (a) identify and evaluate solutions to water and waste problems; (b) assist applicants in preparing applications for water and waste disposal loans and grants; and (c) assist associations in improving operation and maintenance of existing water and waste facilities in eligible rural areas.

• **Rural Energy Savings Program (RESP)**
  RESP was established to help rural families and small businesses achieve cost savings by providing loans to qualified consumers to implement durable cost-effective energy efficiency measures. RESP authorizes the RUS Administrator to make loans to utilities, and similar entities, that agree to use the loan funds to relend those funds to their consumers for the purpose of implementing energy efficiency measures.
Office of Operations and Management (O&M) performs numerous administrative services for the three agencies (RHS, RBS, and RUS), the Department, Congress, and other agencies. This shared services model makes RD unique within USDA and helps RD function more like one cohesive agency. In some cases portions of these services have been outsourced by agreement to the Department such as Schedule C and SES HR support to the Office of Human Resources Management, and certain aspects of IT support to the USDA CIO. In those instances O&M staff may either provide direct support or act as liaison to contracted service providers. In other cases O&M directorates complement Departmental functions, providing support to RD at the agency level in areas like civil rights, procurement, and Legislative and Public Affairs. Find contact information here for services provided in the following areas:

- Alternative Dispute Resolution
- Chief Information Officer
- Civil Rights
- Cultural Transformation
- Emergency Preparedness
- Human Resources
- Legislative and Public Affairs (LAPAS)
- Native American Coordination
- Outreach & Community Engagement
- Procurement and Administrative Services

Office of the Chief Financial Officer (CFO) is responsible for the full cycle of financial operations from formulation to execution, associated with Rural Development direct and guaranteed loan, grant, and administrative activities through the Budget Division, and oversees the mission area’s financial and program performance through the Financial Management, and the Policy and Analysis Divisions.

National Financial and Accounting Operations Center (NFAOC) is organized under the RD Office of the Chief Financial Officer and provides expert financial management, accounting, and portfolio management for Direct and Guaranteed Credit Reform Loans and Grants for both Farm Service Agency (FSA) and RD. The NFAOC is divided into two main operational units: Portfolio Management, which oversees all loan and grant servicing functions of both RD and FSA; and Financial Management, which oversees all financial operations and reporting functions related to the Chief Financial Officer Act, as well as the reporting requirements imposed by the Office of Management and Budget (OMB) and U.S. Department of Treasury.

Customer Service Center (CSC), formerly known as the Centralized Servicing Center, is organized under the Rural Housing Service and provides a complete servicing solution for all Single Family Housing Direct loans as well as processing services for Single Family Housing Guaranteed loan loss claims, Multi-Family Housing loan payments, and management of the foreclosure process and Real Estate Owned (REO) property. Assistance is available for both external customers and RD employees.
**United States Department of Agriculture**  
2016 Presidential Transition  
Rural Development (RD)

**Key mission delivery performance measures**

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<thead>
<tr>
<th>Rural Housing Service</th>
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<th>Actual</th>
<th>Target</th>
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| **Percentage of customers who are provided access to new and/or improved essential community facilities** | Health Facilities: 2012: 7.3%, 2013: 5.4%, 2014: 6.8%, 2015: 12.0%, 2016: 4.5%  
Safety Facilities: 2012: 3.7%, 2013: 3.4%, 2014: 3.7%, 2015: 7.2%, 2016: 2.7%  

<table>
<thead>
<tr>
<th>Rural Business Cooperative Service</th>
<th>Actual</th>
<th>Target</th>
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<tbody>
<tr>
<td><strong>Number of jobs created or saved through USDA financing of businesses</strong></td>
<td>2012: 52,468, 2013: 44,419, 2014: 41,202, 2015: 52,697, 2016: 40,877</td>
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<tr>
<th>Rural Business Cooperative Service</th>
<th>Actual</th>
<th>Target</th>
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<tbody>
<tr>
<td><strong>Increase the percentage of Value Added Producer Grants awarded to New and Beginning Farmers and Ranchers</strong></td>
<td>Combined: 2012: 21%, 2013: 16.2%, 2014: 18%</td>
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<tr>
<th>Rural Utilities Service</th>
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<tr>
<td><strong>Number of borrowers/subscribers receiving new and/or improved electric facilities (millions)</strong></td>
<td>2012: 8.3, 2013: 8.7, 2014: 4.6, 2015: 5.5, 2016: 5.1</td>
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<tr>
<td><strong>Number of borrowers/subscribers receiving new or improved telecommunication services (thousands)</strong></td>
<td>2012: 64, 2013: 119, 2014: 84, 2015: 95, 2016: 120</td>
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<tr>
<th>Rural Utilities Service</th>
<th>Actual</th>
<th>Target</th>
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</thead>
<tbody>
<tr>
<td><strong>Population receiving new or improved service from agency funded water facility (millions)</strong></td>
<td>2012: 2.5, 2013: 1.8, 2014: 2.2, 2015: 2.4, 2016: 2.2</td>
<td></td>
</tr>
</tbody>
</table>
Organizational History

The official lineage of Rural Development goes back to 1935, when President Franklin D. Roosevelt signed Executive Orders 7027 and 7037 as part of his “New Deal.” These orders established the Resettlement Administration and Rural Electrification Administration (REA) (respectively), in order to relocate destitute families stricken by the Depression, restore soil-eroded areas, and provide modest emergency loans to farmers for land and equipment and electricity to rural areas.

Over time, Congress has expanded REA’s role to oversee a rural telephone program (in 1949), authorized the Rural Telephone Bank and use of revolving loan funds to finance the agency’s telecommunications programs (in the 1970’s), and most recently tasked the agency with delivery of Internet-based telecommunication programs, including distance learning and broadband.

Meanwhile, the Resettlement Administration was transferred to the U.S. Department of Agriculture in 1937 and renamed the Farm Security Administration, expanding its role beyond short-term resettlement loans to farm land ownership supervised credit programs. In 1946, Resettlement programs were eliminated and the organization was again renamed as Farmers Home Administration (FmHA). In 1949, rural housing programs were added. In 1954, clean drinking water programs were added. In 1961, the housing programs were expanded to include all rural residential communities with populations less than 2,500. In 1965, grants became available through the agency to finance water and sewer projects. Population limits continued to rise through the years for eligibility of RD programs and in 1968, a revision to the Housing Act of 1949 established the Interest-Credit program.

In October, 1994, President Clinton signed the Department of Agriculture Reorganization Act of 1994. That law split the programs administered by the FmHA among several new agencies. Farm loan programs moved to the Farm Service Agency, which had formerly been known as the Agricultural Stabilization and Conservation Service. FmHA’s housing and community facilities programs were moved to the Rural Housing Service. FmHA’s water and sewer loans were moved to the Rural Utilities Service, which also took on the rural electric and telephone programs that had formerly been administered by the Rural Electrification Administration. FmHA’s business and industry programs were moved to the Rural Business and Cooperative Service, which also incorporated the cooperative education, statistics, and technical assistance programs which had formerly been administered by the Agricultural Cooperative Service. The Rural Housing Service, Rural Utilities Service and the Rural Business and Cooperative Service were all organized under a “mission area,” which soon became known as Rural Development, the financier for rural America -- built on the legacy of these Depression-era agencies begun over 79 years ago.
Organizational Chart

The Office of the Under Secretary

The Office of the Under Secretary for the Rural Development Mission Area, located in the Whitten Building in Washington, DC, consists of the Under Secretary, Deputy Under Secretary for Policy and Planning, Deputy Under Secretary for Operations and Management, and the Chief of Staff, Senior Advisor, and Confidential Assistant to the Under Secretary, supported by career staff consisting of one advisor, Special Project Manager, and NFAC Liaison, one Administrative Office Manager, and three Administrative Specialists, along with one contracted Policy Advisor and the Office of the Chief Risk Officer.

Agency leadership report directly to the Under Secretary, while the Chief Financial Officer, Deputy Administrator for Operations and Management, and all State Directors report to the Deputy Under Secretary for Operations and Management, with exceptions for the Offices of Civil Rights and Legislative and Public Affairs who also report directly to the Under Secretary on select issues.
United States Department of Agriculture  
2016 Presidential Transition  
Rural Development (RD)  

Biographies of career staff in key leadership positions  

Operations and Management  

Edna Primrose  
Deputy Administrator  
202-692-0207, Edna.Primrose@wdc.usda.gov  

Edna Primrose was named Deputy Administrator for Operations and Management in December 2012. As Deputy Administrator, Ms. Primrose is responsible for providing executive leadership in planning, developing, and administering all administrative management program policies and operational support for RD.  

Ms. Primrose previously served as the National Director for the Office of Job Corps at the Department of Labor. In 1984, Ms. Primrose began her professional career with the International Union of Operating Engineers (IUOE). In 2002, she served as the Job Corps Chief Performance Officer. Ms. Primrose earned a Bachelor’s degree from Towson University.  

Francisco Salguero  
Chief Information Officer  
202-692-0212, Francisco.Salguero@wdc.usda.gov  

Francisco Salguero is currently the Chief Information Officer for RD and has successfully led the administration of RD's IT portfolio management and service delivery activities for over 40 RD loan, grant, and loan guarantee programs. He also participates in agency budget formulation and oversees an IT investment management process for selecting, controlling, and evaluating IT investments.  

Mr. Salguero started his career in the private sector and began his federal service in 2005 at USDA Food Safety Inspection Service. Prior to joining RD, Mr. Salguero served as the Associate CIO for the Client Technology Service formerly the International Technology Service, the USDA Office of the Chief Information Office organization that provides end-user technology support to RD, USDA agencies, and other federal agencies.  

Anita Adkins  
Director, Human Resources  
202-260-8689, Anita.R.Adkins@wdc.usda.gov  

Anita R. Adkins serves as RD's Human Resources Director. Ms. Adkins started her career with RD in August 2013 and is responsible for leading and directing all HR services and programs. She previously served as the Senior Advisor to USDA's Chief Human Capital Officer and Director and Deputy Director, Departmental Management, Office of Human Resources Management (OHRM). She also worked with the USDA Forest Service, Department of the Army, Defense Logistics Agency, and the Veterans Administration, serving in various senior manager and HR roles at the George Washington and Jefferson National Forest in Roanoke, VA and later at Headquarters in Washington, D.C.
Angilla Denton  
Director, **Civil Rights**  
202-692-4109, [Angilla.Denton@wdc.usda.gov](mailto:Angilla.Denton@wdc.usda.gov)

Angilla Denton serves Rural Development as the Civil Rights Director and has responsibility and oversight of Rural Development’s nationwide Civil Rights programs and Equal Employment Opportunity programs.

Ms. Denton has over 20 years of management experience in both the public and private sector. Since her arrival at Rural Development in 2002, Ms. Denton has served as a Loan Specialist, Area Director, and Administrative Program Director. She has also led multiple committees and special initiatives, including training under StrikeForce, EEO Committee advisor, Nevada RD Affordable Housing Chair, Cultural Transformation activities, and Special Emphasis Programs.

John Pavek  
Director, **Emergency Preparedness**  
202-720-2078, [John.Pavek@wdc.usda.gov](mailto:John.Pavek@wdc.usda.gov)

In January 2007, John Pavek was selected as the Director, Emergency Preparedness Program for RD. He is also RD's Informational Security Officer and principal liaison to the U.S. Department of Agriculture's Office of Homeland Security and Emergency Coordination. Further, Mr. Pavek serves as USDA's Recovery Action Officer and Coordinator, a USDA member of the United States Government Radiological Advisory Team for Environment, Food, and Health.

Mr. Pavek's previous USDA appointment was with Rural Utilities Service in the Electrical Staff Division. Prior to joining RD in 1998, Mr. Pavek worked in the electric utility industry. Prior to working in the electric utility industry, he sailed as First and Chief Engineer and served as an Officer in the United States Navy Reserve from 1985 until 1994.

Sharon Randolph  
Director, **Procurement and Administrative Services**  
202-720-0736, [Sharon.Randolph@wdc.usda.gov](mailto:Sharon.Randolph@wdc.usda.gov)

Sharon Randolph joined Rural Development as the Assistant Administrator for Procurement and Administrative Services (PAS) in December 2000, which is comprised of three divisions: Procurement Management Division (Washington, DC); Property and Supply Management Division (St. Louis, MO); and the Support Services Division (Washington, DC). Ms. Randolph provides leadership and oversight for procurement and contracting activities, and several critical support services programs in support of Rural Development nationwide.

Prior to December 2000, she served as the Customer Service Division Director, in RD's Office of the Chief Information Officer. She also served three years with the Bureau of Labor Statistics, at the Department of Labor, and as a computer programmer, where she was responsible for developing various components of the 1990 U.S. Census data collection statistical model.
Gail Lacey  
**Director, Cultural Transformation**  
202-692-0118, [Gail.Lacey@wdc.usda.gov](mailto:Gail.Lacey@wdc.usda.gov)

Gail Lacey is responsible for implementing Senior Leadership's vision and goals for cultural transformation within the Mission Area, while providing guidance to the agencies and states regarding implementation of Cultural Transformation Action Plans.

Ms. Lacey's entire federal career has been with the U.S. Department of Agriculture, Rural Development, including the former Farmers Home Administration (FmHA). Her career started as a temporary emergency loan program employee with FmHA in Idaho. She served in several positions while in Idaho and accepted a position in the National Office in 1990.

Prior to serving as the Rural Development Cultural Transformation Program Manager, Ms. Lacey served as the Assistant to the Deputy Administrator for Operations and Management from 2001 to 2011.

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**Office of the Chief Financial Officer**

Roger Glendenning  
**Chief Financial Officer**  
202-692-0145, [Roger.Glendenning@wdc.usda.gov](mailto:Roger.Glendenning@wdc.usda.gov)

Roger Glendenning is the Chief Financial Officer for Rural Development. Mr. Glendenning started his career in housing and farm related programs in 1987 with the Farmers Home Administration in Delaware and Maryland before moving to the Washington, DC headquarters office in 1996. He has worked at Headquarters in the capacity of Director of the Single Family Housing Guaranteed Loan Division (2001-2006), Chief Budget Officer (2007-2009), Budget Division Director (2010-2012) and Chief Financial Officer (2013 – present).

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Tony Bainbridge  
**Director, National Financial and Accounting Operations Center**  
314-457-4150, [Tony.Bainbridge@stl.usda.gov](mailto:Tony.Bainbridge@stl.usda.gov)

Tony Bainbridge is the Director of the National Financial and Accounting Operations Center (NFAOC) for Rural Development. Mr. Bainbridge started his career in the Finance Office covering all Rural Development programs in 1989 with the Farmers Home Administration in St. Louis, MO. He has worked in various capacities in the newly named NFAOC, covering Program Loan Cost Expenses (1990-1995), Electronic Funds Transfers (1996-1999), and Direct Loan and Grant Branch providing loan servicing for all Rural Development loan and grant programs (2000-2010), Deputy Chief Financial Officer (2010 – 2014), and Director NFAOC (2014 - present).
Leslie Barrack
Director, Budget Division
202-401-2718, Leslie.Barrack@wdc.usda.gov

Leslie Barrack is the Budget Director for RD. Ms. Barrack started her career in the Rural Development Budget office in 1992 as a Budget Technician and then Budget Analyst through 2003, including a one-year detail to the House Appropriations Subcommittee on Agriculture. She worked in the Veterans Affairs Department Budget office as a Budget Analyst (2003), the House Appropriations Subcommittee on Agriculture as Professional Staff (2004-2010), the USDA Office of Budget and Program Analysis as a Program Analyst (2011-2014), including a six-month detail to the Office of Management and Budget, and back to Rural Development as the Budget Director (2014-present).

John Dunsmuir
Director, Financial Management Division
202-692-0082, John.Dunsmuir@wdc.usda.gov

John Dunsmuir is the Director of RD’s Financial Management Division (FMD). In this position he oversees all of the Management/Internal Controls for RD nationwide, including Office of Inspector General (OIG) Audits, Investigations, and Hotlines, Government Accountability Office (GAO) Audits, Management Control Reviews (MCR), and State Internal Reviews (SIR).

Mr. Dunsmuir served as the Deputy Director of FMD for over 10 years and began his career with RD as an Accountant with the Rural Utilities Service (RUS). Mr. Dunsmuir’s other federal career includes positions as an Accountant/Auditor with the Federal Energy Regulatory Commission, and the Department of Health and Human Services’ Office of Inspector General. His career in private industry includes serving as the Controller for a wholesale and retail paint and glass company, a nuclear fuel accountant for a major public utility, and a department manager for a trucking company with over 1,000 tractors and trailers on the road.

Mr. Dunsmuir received his Bachelor of Science degree from King’s College, Wilkes-Barre, PA and practiced as a Certified Public Accountant for several years.
Joyce Allen
Deputy Administrator, Single Family Housing
202-205-4996, Joyce.Allen@wdc.usda.gov

Joyce Allen is the Deputy Administrator of the Rural Housing Service Single Family Housing Programs. Ms. Allen joined USDA in 1991, as an Assistant County Supervisor for the Farmer’s Home Administration in a county office in Berlin, New Jersey. She accepted an assignment in 1994 to Washington DC, where she developed policy and regulation for the Section 538 Guaranteed Rural Rental Housing Program. Ms. Allen has also worked at the U.S. Department of Housing and Urban Development (HUD), where she served as the Director of Multifamily Housing Development and oversaw the FHA multifamily mortgage insurance programs.

Bryan Hooper
Deputy Administrator, Multi-Family Housing
202-720-9739, Bryan.Hooper@wdc.usda.gov

Bryan Hooper is the Deputy Administrator for Multi-Family Housing in the Rural Housing Service of the U.S. Department of Agriculture. He manages USDA’s nationwide portfolio of approximately 15,000 multi-family properties, representing more than 470,000 units of affordable rental housing and a federal government investment of $11 billion. Mr. Hooper also manages over $1.1 billion in rental assistance and housing voucher payments to more than 280,000 low- and very-low income tenants.

Bryan holds Bachelor’s and Master’s Degrees from The American University in Washington D.C., and a J.D. from the George Washington University.

Rich Davis
Deputy Administrator, Community Facilities
202-720-1500, Rich.Davis@wdc.usda.gov

Rich Davis has been serving as the Deputy Administrator for Community Facilities Programs in Rural Development since August 2010. RD Community Programs provide direct and guaranteed loans and grants to help rural communities develop or improve their essential community facilities for public use in rural areas. Previously, Mr. Davis served as the Acting Deputy Administrator for Single Family Housing from August 2009 to August 2010. Prior to that assignment, he served as Director of the Program Support Staff for 13 years, in which he was responsible for overseeing all architectural, environmental and other technical support to Rural Development’s business, housing and community facilities programs.
Christine Mechtly
Deputy Administrator, Customer Service Center
314-457-5970, Christine.Mechtly@stl.usda.gov

Christine Mechtly started her career with the Farmers Home Administration as an accountant in 1991. Ms. Mechtly served as Assistant Chief, Direct Loan and Grant Branch (2002-2010), Director, Policy and Internal Review Division (2010-2012), and Director, Financial Analysis and Control Division (2012-2014) in the Office of the Deputy Chief Financial Officer. She also served as the Deputy Director of Portfolio Management for the National Financial and Accounting Operations Center (NFAOC) (2014-2015). Ms. Mechtly was selected as the Deputy Administrator of the Customer Service Center in October 2015.

Edward Duval
Director, Program Support Services Branch
202-690-1370, Ed.Duval@wdc.usda.gov

Edward Duval currently serves as the Director of Rural Development’s Program Support Staff (PSS), a division within the Rural Housing Service. He currently leads numerous Risk Management initiatives such as oversight of appraisals, environmental and architectural reviews. These activities serve to mitigate the risk to the over $200Bil Rural Development portfolio. Lean Six Sigma, project management, SharePoint and dashboard development are also expertise possessed by the PSS.

Mr. Duval has over 30 years of business experience in both the private and public sectors. The first 15 years of his career were spent as a small business owner developing and marketing medical accounting systems for the Nursing Home Industry. Since 1994 he has worked almost exclusively with Rural Development programs as a contractor and USDA employee, of which he came on board in March, 2004. He is very familiar with all aspects of RD programs including systems, data, and the personnel making up Rural Development.
Rural Business-Cooperative Service

Claudette Fernandez
Deputy Administrator, Business Programs, Acting
202-245-1175, Claudette.Fernandez@wdc.usda.gov

Claudette Fernandez currently serves as Acting Deputy Administrator for RBS’ Business Programs. Previously, Ms. Fernandez has served as Acting Chief of Staff for the RBS Administrator and Director for RBS’ Business Programs Specialty Programs Division and Cooperative Programs Grants Division.

Prior to joining USDA in 2012, she served as a Senior Program Manager for FEMA’s multi-hazard mitigation and preparedness programs, South Georgia Regional Development Center, Prince George's County Department of Housing & Community Development as a community planner and supported African and Middle-Eastern humanitarian affairs at the United Nations Secretariat.

Originally from the Philippines, Claudette has a Bachelor of Arts Degree in Political Science and a Master of Public Administration from Valdosta State University, a Master of Engineering Science from George Washington University and a Graduate Certificate in International Business Management from Georgetown University.

Chad Parker
Deputy Administrator, Cooperative Programs
202-720-7287, Chad.Parker@wdc.usda.gov

Chad Parker leads teams that administer the Cooperative Grant Programs, the Community Economic Development initiative, and the cooperative education, research, statistics, and outreach activities. Mr. Parker has previously served as Deputy Administrator, Business Programs (2014); Deputy Administrator, Cooperative Programs (2012-2013); Acting Deputy Administrator, Single Family Housing (2010 and 2011); Acting Deputy Administrator, Community Programs (2009); and in various other positions in USDA Rural Development and the Rural Electrification Administration since 1991. He has also previously worked as a pig farmer, bag boy, bell hop, assistant mechanic, welder, gravel pit water truck driver, and printer shop apprentice. Mr. Parker holds a M.B.A. and B.S. from Virginia Tech’s Pamplin School of Business.

Mark Brodziski
Deputy Administrator, Energy Programs
202-205-0903, Mark.Brodziski@wdc.usda.gov

Mark Brodziski is the Acting Deputy Administrator of RBS Energy Programs, which supports energy efficiency improvement projects and renewable energy systems for rural small businesses and farmers and ranchers, and the Biorefinery, Renewable Chemical and Biobased Product Manufacturing Assistance Program.

Mr. Brodziski has worked with USDA since 1983 including serving as the Director of the Specialty Lenders Division, Wisconsin Rural Development, Business and Community Programs Director.
United States Department of Agriculture  
2016 Presidential Transition  
Rural Development (RD)  

Rural Utilities Service  

Christopher McLean  
Assistant Administrator, Electric Programs  
202-720-6285, Christopher.McLean@wdc.usda.gov  

Christopher A. McLean is the Assistant Administrator, Electric Programs at the Rural Utilities Service. This is Mr. McLean’s third time at RUS. In 2014, Mr. McLean was an Acting Director in USDA’s Office of the Assistant Secretary for Civil Rights (OASCR) and, in 2013, was a civil rights fellow in OASCR’s Policy Office.  

Previously, Mr. McLean was a senior advisor to the RUS Administrator; co-owned e-Copernicus (a consulting firm); and was the Executive Director of the Consumer Electronics Retailers Coalition. He also served as RUS Deputy Administrator, Administrator and worked as a Senate staffer.  

Jacki Ponti-Lazaruk  
Assistant Administrator, Water Programs  
202-720-1172, Jacki.Ponti@wdc.usda.gov  

Jacqueline M. Ponti-Lazaruk has served as Assistant Administrator for USDA Rural Development’s Water and Environmental Programs (WEP) since January 2008. During her tenure in WEP, nearly $15 billion has been invested in new and improved water and waste infrastructure benefitting more than 20 million rural residents. She has also been called upon to lead agency-wide efforts, such as the implementation of more than $20 billion in Recovery Act funding received by RD, and has served as the RUS Chief of Staff and as Acting Administrator. Ms. Ponti-Lazaruk served as the RD Assistant Administrator for Telecommunications Program from 2006 to 2008.  

Keith Adams  
Assistant Administrator, Telecom Programs  
202-720-9556, Keith.Adams@wdc.usda.gov  


James Murray  
Assistant Administrator, Program Accounting and Regulatory Analysis, Acting  
202-720-0799, James.Murray@wdc.usda.gov  

James J. Murray started his career with the Rural Utilities Service (then called the Rural Electrification Administration) in 1978 as a staff accountant and has subsequently served as an accounting Branch Chief, and Deputy Assistant Administrator of Program Accounting and Regulatory Analysis (PARA) and is currently Acting Assistant Administrator for PARA.
Mr. Murray is a certified public accountant in the state of Virginia and a member of the Accounting and Finance Subcommittee of the National Association of Regulatory Utility Commissioners and a member of the Society of Depreciation Professionals.
Biographies of political staff in key leadership positions

Lisa Afua Serwah Mensah
Under Secretary
202-720-4581, Lisa.Mensah@osec.usda.gov

Lisa Afua Serwah Mensah was nominated by President Obama for the position of Under Secretary of USDA Rural Development and was confirmed by the U.S. Senate in November of 2014. An expert in using financial tools to improve the economic security of the working poor, Ms. Mensah has experience in the private financial sector and has worked extensively on small and micro business development, housing, financial and savings policy.

Prior to joining USDA, she was the founding Executive Director of the Initiative on Financial Security at the Aspen Institute. In that role she led a national bi-partisan effort with leaders of financial institutions, non-profit executives and experts to promote solutions to the complex problems of helping more Americans save money, buy homes, and finance retirement. Ms. Mensah began her career in commercial banking at Citibank before joining the Ford Foundation where she was responsible for the country’s largest philanthropic grant and loan portfolio of investments in rural America.

Ms. Mensah holds an M.A. from the Paul H. Nitze School of Advanced International Studies of The Johns Hopkins University and a B.A. from Harvard University. Born and raised in Oregon, she is the daughter of an immigrant from Ghana and of a former Iowa farm girl. She resides in Maryland with her husband and two children.

Lillian Salerno
Deputy Under Secretary for Policy
202-720-4581, Lillian.Salerno@osec.usda.gov

Lillian Salerno was appointed by President Obama as Deputy Under Secretary (DUSEC) on August 7, 2015. As DUSEC for the Rural Development Mission Area, she oversees the development of strategies and policy initiatives. A former entrepreneur, business owner, and small town lawyer, she understands the unique challenges facing our food systems, the Bioeconomy, and capital investments that are critical in supporting and strengthening America’s rural communities. Before her appointment she also served as Administrator of Rural Business-Cooperative Service.

Ms. Salerno has an extensive work history in the private sector, both in the U.S. and abroad. Prior to her service in the federal government, Ms. Salerno successfully founded an advanced manufacturing company and served as the Executive Director for the Safe Healthcare International Institute.
Vernita Dore
Deputy Under Secretary for Operations & Management
202-720-4581, VernitaF.Dore@osec.usda.gov

Vernita Dore serves as Deputy Under Secretary of the USDA Rural Development Mission Area. As Deputy Under Secretary, Ms. Dore's responsibilities include overseeing Operations and Management, the Office of the Chief Financial Officer, Office of Civil Rights, and forty-seven State Directors across the nation. Additionally, Ms. Dore served as Senior Advisor to the Under Secretary for Rural Development, and has held management positions throughout the agency, building a wealth of experience during her thirty years of with Rural Development. Ms. Dore was appointed by President Barack Obama as USDA’s Rural Development State Director of South Carolina in August 2009.

Ms. Dore has dedicated her professional career to improving the quality of life in rural communities. She has been especially impactful in educating and empowering our children; she has elevated the quality of life for rural youth and their families by securing financial resources to re-build and renovate schools, children’s hospitals and new libraries equipped with state-of-the-art technology. She has also been a consistent leader in Rural Development's efforts to create jobs and economic opportunities for rural citizens across our nation.

A native of Beaufort, South Carolina, Ms. Dore earned a Bachelor of Arts degree in Journalism from the University of South Carolina. She has received additional professional development from Harvard's John F. Kennedy School of Government, the University of South Carolina's Darla Moore School of Business, the Federal Executive Institute, and USDA Graduate School. Ms. Dore is a fellow of the Diversity Leadership Institute at Furman University.

Andrew Givens
Chief of Staff
202-720-4581, Andrew.Givens@osec.usda.gov

Andrew Givens serves as the Chief of Staff to the USDA Rural Development Under Secretary. Previously, he served as Vice President, Government Affairs at the Public Broadcasting Service. Prior to PBS, he was a Special Counsel at Covington and Burling. On the Senate Appropriations Committee, Mr. Givens spent six years as General Counsel and also served as Minority Staff Director for the VA/HUD Subcommittee. Prior to the Senate, he practiced law at Dow, Lohnes and Albertson. Mr. Givens has a J.D. from University of Virginia Law School, M.P.A. from Princeton University and a B.A. from Harvard College.
Tony Hernandez
Administrator, Rural Housing Service
202-692-0268, Tony.Hernandez@wdc.usda.gov

Tony Hernandez was sworn in as the Rural Housing Service Administrator on December 16, 2013. Prior to being appointed, Mr. Hernandez served as Director of the Division of Local Government within the Colorado Department of Local Affairs, Director of the Colorado Business Center with the Fannie Mae Corporation, and HUD Region 8 Administrator with the Clinton Administration.

Mr. Hernandez was a business planner and senior marketing representative for the IBM Corporation for 13 years and a Colorado State Representative for nine years. Mr. Hernandez has a Master’s Degree in Management and Public Policy from Carnegie-Mellon; Master’s Degree in Community Organizing and Social Planning from University of Denver; and Bachelor of Social Work from Colorado State University.

David Lipsetz
Associate Administrator, Rural Housing Service
202-692-2732, David.Lipsetz@wdc.usda.gov

David Lipsetz is the Associate Administrator for USDA’s Rural Housing Service, having started at USDA in 2014 as the RHS Chief of Staff. He is a recognized authority on affordable housing policy who draws on experience as a federal official and local program administrator to help communities develop in a more equitable and sustainable manner.

Mr. Lipsetz came to USDA from HUD, where he served as a Deputy Assistant Secretary and Senior Advisor for Public and Indian Housing. Prior to HUD, David worked for housing agencies in New York City and Oakland, CA. He also spent several years on Capitol Hill, most notably as a Legislative Assistant to Congressman John Dingell. As an Ohio native, Mr. Lipsetz earned graduate degrees in City & Regional Planning and Sociology from Ohio State and a Bachelor’s degree from Michigan State.

Sam Rikkers
Administrator, Rural Business-Cooperative Service
202-690-4730, Samuel.Rikkers@wdc.usda.gov

Sam Rikkers was appointed Rural Business-Cooperative Service Deputy Administrator in December 2014. He joined USDA after serving as Director of the Energy and Environment Team with the White House’s Presidential Personnel Office.

Prior to this position, Mr. Rikkers served as Regional Field Director in Wisconsin on President Obama’s re-election campaign. From 2007 to 2012, he was an attorney with a commercial litigation firm in New York City specializing in antitrust and First Amendment law. Before practicing law, Mr. Rikkers spent years working as a community and political organizer nationally and internationally. He earned a J.D. from the University of Wisconsin, a Master of International Affairs from Columbia University and a B.A. in Political Science and Philosophy from Macalester College in St. Paul, Minnesota. He also served as a volunteer with the U.S. Peace Corps in rural Zambia. Mr. Rikkers is from a small town in Southern Wisconsin.
Brandon McBride
Administrator, Rural Utilities Service
202-720-9541, Brandon.McBride@wdc.usda.gov

In March of 2015, Brandon McBride was appointed by President Obama to serve as the 19th Administrator of USDA’s Rural Utilities Service. Mr. McBride’s appointment follows his role as a senior staff member for the United States Senate Committee on Agriculture, Nutrition and Forestry. Mr. McBride, a lifelong public servant, has dedicated his career to fighting for rural America.

Before working for the Senate Committee on Agriculture, Nutrition and Forestry under the leadership of Chairwoman Debbie Stabenow, Mr. McBride served for several years as a senior legislative assistant for United States Senator Blanche L. Lincoln. As a member of Senator Lincoln’s staff, he handled appropriations and economic development issues. Mr. McBride earned his undergraduate degrees as well as his Master’s degree in Public Administration from Arkansas State University.

Joshua Cohen
Deputy Administrator, Rural Utilities Service
202-720-6285, Joshua.Cohen@wdc.usda.gov

Joshua Cohen was appointed Deputy Administrator of USDA’s Rural Utilities Service in October 2015. Before coming to USDA, he served for 14 years in state and local government, including as Chief Administrative Officer of the Maryland Department of General Services and as the Mayor of Annapolis, Maryland. Before working in Rural Development he was in the criminal justice field, working as a Parole and Probation Agent, as a trainer for police and correctional officers, and as a grant director for a crime victims’ resource center.

Mr. Cohen earned a degree in Economics from the University of Maryland, and is pursuing a Master’s in Public Administration from the University of Baltimore. He lives in Annapolis with his wife Lesley, an oncology research nurse, and their two daughters.

David Sandretti
Director, Legislative and Public Affairs
202-720-1019, David.Sandretti@oc.usda.gov

David Sandretti is a seasoned communications professional who, prior to USDA, worked on Capitol Hill, in the non-profit advocacy arena, and the private sector. He served as communications director for the Senate Environment and Public Works Committee under Senator Jim Jeffords for two years and as communications director and chief spokesperson for Senator Barbara Boxer for 10 years. He also served as press secretary for Senator Russ Feingold for two years. He worked for the firm of Fingerhut Powers and Smith as a senior associate serving a variety of political and labor clients. Mr. Sandretti grew up on his family’s dairy farm in southeastern Wisconsin.
Rural Development has historically operated with approximately 6,200 employees. Currently the agency is operating with an on-board staff of less than 5,000. At the same time staff levels decreased, Appropriations Act's increased the amount of available program level for negative subsidy rate programs with no additional administrative funding. Further, Rural Development is provided with significant amounts of mandatory funding through the Farm Bill and must absorb the cost of implementing these authorities through existing resources. These actions further hamper the agency's ability to provide service to the rural residents and effectively manage the portfolio of programs provided by Congress. Additionally, recent Appropriations Acts have transferred costs of approximately $20 million for GSA rent from the Department to the agency further restraining the S&E account from supporting the existing mission.

3 The amount for mandatory programs reflect the amounts in the Farm Bill less CHIMP and Sequester.
4 Comprehensive Loan Program spending prior to 2014 was not specifically called out in appropriations language, however spending did occur as a percentage of recovery act funds available, as explained later in this document through annual and supplemental Appropriations Act's from FY 2009 to FY 2013. The 2014 Appropriations Act was the first time Congress designated the amount of funding that was to be expended on CLP development within a fiscal year.
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<td>$1,088,571</td>
<td>$1,029,446</td>
<td>$1,276,182</td>
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<td>$1,029,446</td>
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The reduction in the cost of money from the Treasury has reduced or eliminated the operational cost of the 502 direct and 502 guaranteed (respectively) during the Obama Administration. Lower interest rates coupled with increased fees have eliminated the need for budget authority to support a robust $24 billion loan program for single family guaranteed housing. Further, increases in Rental Assistance Payments have significantly increased the need for budget authority requirement, as a result operational hurdles exist, due to lack of staff and underwriting larger projects while still ensuring the integrity of the portfolio is maintained.
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RBS receives significant amounts of mandatory funding with no additional administrative support. The reduction in discretionary budget authority represents lower levels of grant funding across small business and cooperative development programs.
## Rural Utilities Service (RUS)
### Budget Authority FY 2009-2016
#### (Dollars in Thousands)

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Total: $4,423,418 $693,378 $634,330 $587,348 $554,315 $686,044 $556,207 $602,048

The most significant trend to highlight in RUS is the change in subsidy cost associated with the Water and Waste Disposal Service. The cost of money to the Treasury was reduced annually during the Obama Administration, this had a direct impact on some key loan programs within Rural Development. This one change significantly reduced the operational cost of several programs. The water and waste disposal loan program operated at a negative subsidy rate in FY 2014 and 2015. The electric and telecommunications program operate at negative subsidy rates as well. This table is displayed in budget authority terms.
## Loan Program Level Growth FY 2009-2016

(Dollars in Thousands)

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### Discretionary:

- **Business and Industry Guaranteed Loans**: $993,011
- **Intermediary Refunding Program**: 33,536
- **REAP Guaranteed Renewable Energy Loans**: 28,380
- **Rural Microenterprise Assistance Loans**: 0
- **Supplemental (Recovery Act):**
  - **Guaranteed Business and Industry Loans**: 2,898,851

### Mandatory:

- **Rural Economic Development Program Loans**: 35,786
- **Rural Microenterprise Assistance Loans**: 8,816
- **Discretionary Assistance Program Guaranteed Loans**: 224,955
- **REAP Guaranteed Renewable Energy Loans**: 274,625

## Loan Programs

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### Supplemental (Recovery Act):

- **SFH Direct Loans**: 987,113
- **SFH Guaranteed Loan**: 10,249,806
- **Direct Community Facilities Loans**: 1,136,119

### RUS Sub-Total

- **Actual**: $4,979,959
- **Enacted**: $2,050,933

### Discretionary:

- **RUS Sub-Total**: $23,782,286
- **Direct Water and Waste Disposal Loans**: 2,723,516
- **Direct Broadband Telecomm Loans - Treas Rate**: 12,435,879

### Total Obligations

- **2009**: $48,698,167
- **2010**: $25,248,468
- **2011**: $35,887,414
- **2012**: $36,219,306
- **2013**: $35,648,590
- **2014**: $36,247,967
- **2015**: $36,118,020
- **2016**: $37,098,366

---

**Loan Program Level Growth FY 2009-2016**

**United States Department of Agriculture**

**2016 Presidential Transition**

**Rural Development (RD)**
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<th>Loan Program Level FY 2015-2016</th>
<th>2015 Actual Program Level</th>
<th>2016 Enacted Program Level</th>
<th>(Dollars in Thousands)</th>
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### Rural Development

**Actual Loan Portfolio Data FY 2009-2015**

(Dollars in Thousands)

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</tbody>
</table>
Enterprise Workforce Data
As of September 30, 2016, Rural Development has a workforce of 4,818 employees, of which the following are:

- **Full-time:** 4,777 employees
  - **Schedule A:** Of the 4,777 employees, 9 are Schedule A
  - **Pathways:** Of the 4,777 employees, 153 are Pathways
- **Part-time:** 41 employees
  - **Schedule A:** Of the 41 employees, 0 are Schedule A
  - **Pathways:** Of the 41 employees, 12 are Pathways
- 1486 employees are unionized
- Of RD’s total workforce, 27% are eligible to retire within the next year
Approximately 68 occupations are represented across RD. Of those, the five most populated occupations include:

- 1165- Loan Specialist (1,970 employees)
- 1101- General Business and Industry (Loan Tech) (1,353 employees)
- 0301- Miscellaneous Administration and Program (321 employees)
- 0343- Management and Program Analysis (124 employees)
- 2210- IT Management (108 employees)

There are 2,597 (54 percent) permanent employees in mission critical occupations (MCO) reported, to USDA, for RD. For purposes of workforce reporting, a mission critical occupation is defined by the Office of Personnel Management (OPM), as “Occupations agencies consider core to carrying out their missions. Such occupations usually reflect the primary mission of the organization without which mission-critical work cannot be completed.” RD’s MCO’s are:

- 1165- Loan Specialist (1,970 employees)
- 0301- Miscellaneous Administration and Program (321 employees)
- 0343- Management and Program Analysis (124 employees)
- 2210- Information Technology Management (108 employees)
- 0201- Human Resources Management (74 employees)
### RHS Workforce by Program Area

- Single Family Housing Programs: 28 (5%)
- Multi-Family Housing Programs: 32 (5%)
- Community Facilities Programs: 19 (3%)
- Customer Service Center: 478 (82%)
- Program Support Staff: 17 (3%)
- Office of the Administrator: 12 (2%)

Total: 586 (100%)
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

RBS Workforce by Program Area

- Business Programs: 16%
- Cooperative Programs: 10%
- Energy Programs: 18%
- Specialty Programs Division: 17%
- Office of the Administrator: 16%

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Number of Staff</th>
<th>Percentage of Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Programs</td>
<td>16</td>
<td>16%</td>
</tr>
<tr>
<td>Cooperative Programs</td>
<td>38</td>
<td>38%</td>
</tr>
<tr>
<td>Energy Programs</td>
<td>18</td>
<td>18%</td>
</tr>
<tr>
<td>Specialty Programs Division</td>
<td>10</td>
<td>10%</td>
</tr>
<tr>
<td>Office of the Administrator</td>
<td>17</td>
<td>17%</td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>100%</td>
</tr>
</tbody>
</table>
RUS Workforce by Program Area

- Office of the Administrator: 34% (91 years)
- Electric Programs: 15% (85 years)
- Telecom Programs: 16% (44 years)
- Water and Environmental Program: 31% (41 years)
- Program Accounting and Regulatory Analysis: 16% (10 years)

Total: 271 years (100%)

United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)
RD’s headquarters offices are located in Washington, D.C., which houses 10.5% of its workforce, and St. Louis, MO, which houses an additional 17.1% of RD’s workforce.

RD has 47 State Offices, and more than 400 local offices nationwide to work directly with constituents. The majority of RD’s employees (3,342 as of September 30, 2016) are located in state or local offices.
II. Policies and Regulations

Statutory Authorities

A number of statutes have authorities over rural development programs. In addition to periodic Omnibus Farm Bills, new RD legislation generally amends three major authorizing statutes:

1. Consolidated Farm and Rural Development Act;
2. Food, Agriculture, Conservation, and Trade Act of 1990;
3. Housing Act of 1949; and

Cooperative Marketing Act of 1926 (7 U.S.C. 451 et seq.)

The Cooperative Marketing Act established the Division of Cooperative Marketing within the United States Department of Agriculture to assist agricultural cooperatives in gathering and sharing data and the Cooperative Research and Service Division which conducted agricultural cooperative research and service activities.

Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.)

The act established the Rural Electrification Administration during the Great Depression to create jobs and electrify rural areas by providing subsidized loans and grants to rural electric cooperatives. The 1994 USDA reorganization eliminated REA and incorporated its functions under the Rural Utilities Service. This act authorizes RUS electric, telephone, and broadband programs.


Title V of this act gave authorization to the Farmers Home Administration to grant mortgages for the purchase or repair of rural single-family houses. Title V authorized financial assistance in rural areas to farmers, owners, developers, and elderly persons for the purchase of rural property and construction of adequate facilities, insurance on various loans, and financial assistance for rental housing for farm workers. The USDA Rural Housing Service today, as with the Farmers Home Administration in the past, ensures and guarantees a variety of housing loans for home purchases, repair, and rental housing development.


The legislation was originally enacted as the Consolidated Farmers Home Administration Act of 1961. In 1972, Title V was changed to the Consolidated Farm and Rural Development Act, and is often referred to as the ConAct. The ConAct, as amended, currently serves as the authorizing statute for most USDA Rural Development lending and grant programs.


This legislation affirmed USDA as the lead agency for rural development and named USDA as the lead federal coordinator for rural policy. The act also added minor reporting responsibilities to the 1972 Rural Development Act.
Food Agriculture, Conservation and Trade Act of 1990 (P.L. 101-624)

The Federal Agricultural Improvement and Reform Act of 1996 amended the Food Agriculture, Conservation and Trade Act of 1990 to authorize the USDA to establish what is now the Rural Utilities Service Distance Learning and Telemedicine Grant Program. This program provides grants to communities to support the construction of projects that will establish broadband to provide distance learning and telemedicine opportunities in rural communities.

Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (P.L. 103-354)

Title II authorized reorganization of the Department of Agriculture. It authorized the Secretary to establish the position of Under Secretary of Agriculture for Rural Economic and Community Development to succeed the Under Secretary of Agriculture for Small Community and Rural Development. The act further organized Rural Development into the Rural Housing Service (community facilities, technical assistance, and outreach), Rural Business-Cooperative Service (cooperatives, business and industry loans), and the Rural Utilities Service (electric, telecommunications, water). The legislation also abolished the Rural Electrification Administration established under the Rural Electrification Act of 1936 establishing the Rural Utilities Service as its successor.

The Agriculture Risk Protection Act of 2000 (P.L. 106–224)

This Act established the RBS Value Added Producer Grant program.

The Food, Conservation and Energy Act of 2008 (P.L. 110-246)

Title VI of this act reauthorized various RD programs and authorized loans and guarantees to support locally or regionally produced agricultural food products. The act also established the Rural Microentrepreneur Assistance Program and Delta Regional health care grant program. Title IX continued RBS Energy Programs from the 2002 Farm Bill for Biorefinery assistance, repowering assistance, the bioenergy program for advanced biofuels, and the Rural Energy for America program.

The Agricultural Act of 2014 (P.L. 113-79)

The Rural Development title of the 2014 Farm Bill reauthorized most existing RD programs through FY 2018. The bill amended the water and waste water direct and guaranteed loan programs to encourage financing by private or cooperative lenders to the maximum extent possible. The law also provided a 3%-5% carve-out of the Community Facilities appropriation for technical assistance, and encouraged the use of loan guarantees where possible. This law included a new provision directing the Secretary of Agriculture to begin collecting data on the economic effects of the projects that USDA Rural Development funds to assess their long-and short-term viability, and directed the Secretary to develop simplified applications for funding.

The 2014 Farm Bill eliminated several business programs, but consolidated many of their objectives into a broader program of Business Development grants. The law also provided $150 million in mandatory spending for pending rural development loans and grants and $63 million in mandatory spending for the Value-Added Product Grants program.

The law retained the 2008 Farm Bill provision permitting communities that might otherwise be ineligible for USDA funding to petition USDA to designate their communities as “rural in
character,” thereby making them eligible for program support. The law also amended the definition of rural area in the 1949 Housing Act so that areas deemed rural between 2000 and 2010 would retain that designation until USDA receives data from the 2020 decennial census. The provision also raised the population threshold for eligibility from 25,000 to 35,000.

Further, the law reauthorized funding for programs under the Rural Electrification Act of 1936, including the Access to Broadband Telecommunications Services in Rural Areas Program and the Distance Learning and Telemedicine Program under the Food Agriculture, Conservation and Trade Act of 1990. For Access to Broadband Telecommunication Services in Rural Areas, the law also established new procedures to compare applications and to set funding priorities. Additionally, a new Gigabit Network Pilot Program for high-speed broadband service was authorized at $10 million for each fiscal year FY 2014-FY 2018. The law also authorized a new Rural Energy Savings Program to fund loans to qualified consumers to implement energy efficiency measures.

**Important Policies and Regulations**

Rural Development releases an average of approximately 10 new regulations per year. Of those, approximately 20% are deemed significant and/or economically significant by the Office of Information and Regulatory Affairs.²

The following are the significant RD regulations that were finalized within the last year:

- **Community Facility Loans** - Interim Rule published July 6, 2016, and made effective the same date, amending regulations on Community Facility Direct Loans to enable RHS to make loans to eligible lenders who would then in turn re-loan those funds to applicants for projects that are eligible under the Community Facilities Direct Loan program.

- **Business and Industry Guaranteed Loan Program - Guaranteed Loanmaking and Servicing Regulations** – Final rule published June 3, 2016, and made effective August 2, 2016, strengthening criteria for non-regulated lender participation, provisions for New Markets Tax Credits and Cooperative Stock Purchase Program, and modified loan scoring criteria.

- **Rural Broadband Access Loans and Loan Guarantees** – Final Rule confirmation published June 9, 2016 and made effective the same date, addressing the topics of broadband service and lending speed definitions, eligibility criteria, rate affordability, affiliated companies, usage restrictions, and wireless broadband service. Specifically, Section 6104 of the Agricultural Act of 2014 (the 2014 Farm Bill) adjusted certain service area eligibility criteria, established new priority considerations and introduced new reporting sections which required more detailed information gathering and publishing for both the Agency and awardees.

² Number of new regulations released per year (on average): (these include both significant and not significant regulations based on the total number of proposed RD regulations identified in the fall regulatory agenda from years 2012 through 2016 – 5 year avg. 53 proposed RD regulations appeared.) Based on 53 proposed rules appearing in the 5 year regulatory agenda, 13 were deemed significant/economically significant or 18.87% of the total.
Overview of the policy/regulation review process

Rural Development promulgates regulations in Title 7 of the Code of Federal Regulations, Parts 1600 through 1999, 3500 through 3599, and 4200 through 4299. In accordance with Executive Order 12866 and Departmental Regulation 1512-1, subject matter experts in each program area prepare rulemakings and work in conjunction with staff from the Office of General Counsel (OGC) and either Regulations and Paperwork Management Branch (RPMB) for non-RUS programs, or Program Development and Regulations Analysis (PDRA) for RUS programs. RPMB and PDRA are responsible for ensuring that Departmental and Federal requirements are followed for clearance and issuance of regulations, including implementation of the Paperwork Reduction Act of 1995.

RD policy and regulatory actions generally originate from the Program Branch Chief, Division Director, or Agency Assistant Administrator level and are then reviewed and cleared within the Agency through the same channels. The action is then provided to all affected RD Headquarters offices. For RHS and RBS, this includes Civil Rights, Program Support Services, the Faith-Based Coordinator, and Native American Coordinator, for review and comment prior to analysis by PDRA/RPMB. OGC then reviews and provides legal guidance, opinions, and edits as appropriate before PDRA/RPMB final clearance. Once cleared by PDRA/RPMB and subsequently signed by the Administrator, the action leaves the Agency for review and approval to publish provided by the USDA Office of Budget and Program Analysis (OBPA). Once approved, the action receives its final approvals from the Under Secretary before it is returned to PDRA/RPMB for publication. Regulatory actions deemed Significant by Office of Management and Budget (OMB) Under Executive Order 12866, need further clearance by the USDA Secretary and OMB.
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

GAO and OIG Audits

Open OIG Audits

Rural Business Programs Intermediary Relending Program (IRP) – JUN 25, 2010
In this report OIG examined the agency’s controls over IRP to determine if they adequately ensure that program funds go to whom and for what they are intended. One recommendation related to recovery of funds made to borrowers for ineligible purposes remains open. Partial restitution has been received on the sole account in question and RD is seeking closure of the audit based on this disposition.

OIG initiated this audit to assess the effectiveness of Rural Development’s internal B&I guaranteed controls over loan prioritization, financial reviews, and eligibility, and whether the agency’s outreach program was effective in ensuring that Recovery Act funds were obligated. Two recommendations related to final rule publication and training remain open. Initial training and publication of the enhanced B&I rule is complete and RD is seeking closure of the audit based on this disposition.

Rural Rental Housing Program Project Costs and Inspection Procedures – SEP 27, 2012
The purpose of this audit was to evaluate the agency’s internal controls designed to ensure that owners accurately report the financial operations, and maintain the physical condition, of properties participating in the RRH Program. Six recommendations related to the ability of agency controls to detect any misuse of RRH Program funds by borrowers and their management agents remain open. Closure of this audit is expected later this calendar year and depends on the publication of several revised rules and a new handbook.

ARRA Broadband Initiatives Program (BIP) – MAR 29, 2013
This audit was commissioned to assess RUS’ internal controls over the approval of BIP loan and grant applications, including, adequacy to ensure projects were eligible and whether RUS took actions to mitigate the risks of overbuilding in service areas. One recommendation related to production of service area maps in the Broadband Program Mapping Tool remains open.

ARRA - B&I Guaranteed Loans - Phase III – MAR 29, 2013
Audit objectives were to assess the servicing of Recovery Act-funded B&I guaranteed loans, if Recovery Act funds were used properly, and whether the program was effective in terms of its performance measures. One recommendation, assigning lenders responsibility for balance sheet equity certification at closing remains open. A revised procedural notice has been published pending audit closure.

ARRA Broadband Initiatives Program (BIP) Post-Award Controls – AUG 22, 2013
This audit assessed RUS’ controls over BIP awardees’ fulfillment of their grant and loan/grant agreements (post-award controls) and evaluated the effectiveness of BIP in meeting and attaining Recovery Act goals. One recommendation requiring capture and analysis of post award performance remains open. The agency is currently seeking revision of the recommendation based on data collection challenges related to comingling of public and private funds by awardees, obfuscating performance results.
Rural Business - Cooperative Service Grant Programs Duplication – MAR 25, 2014
This audit’s objective was to determine if there is duplication, overlap, or fragmentation of program objectives, goals, and/or funding in RBS grant and loan programs. Two recommendations related to program consolidation and duplication prevention remain open. Consolidation of four grant programs and revision of the RD Instruction related to Loan and Grant fund allocation is expected to be completed by end of calendar year closing this audit.

Single Family Housing Direct Loan Servicing and Payment Assistance Recapture (Centralized Servicing Center) – JUL 18, 2014
In this audit, OIG reviewed how RHS services SFH direct loans to determine if CSC performs yearly reviews of borrower income, if the borrower is eligible for payment subsidy, and if payment subsidy is accurately calculated and repaid. Two recommendations related to receivable recapture and master death file debarment procedures remain open and are being addressed under the Do-Not-Pay initiative.

Review of Rural Rental Housing's Tenant and Owner Information – SEP 24, 2015
This audit attempted to determine whether owners of RRH projects, or their management agents, report reasonable and accurate project operation information, and whether tenants report eligibility information accurately. Nine recommendations related to the automation of multiple program controls, payment recapture and project review remain open. Project reviews for anomalous payments are currently in progress, automation solutions are in the design phase, and fulfillment of repayment demand letters are under review by the National Appeals Division.

Rural Development Single Family Housing Direct Loan Credit Reporting – MAR 28, 2016
This audit examined whether Rural Development accurately reported borrower repayment statuses in a timely manner to credit reporting bureaus and appropriate databases. Nine recommendations related to reporting deficiencies, data gaps, data accuracy, Debt Collection Improvement Act compliance, and Interagency Servicing Agreements are expected to remain open until mid-2017.

Rural Energy for America Program (REAP) – AUG 8, 2016
The objective of this audit was to determine whether REAP loan and grant recipients and projects met eligibility requirements and whether appropriate project performance measures were established and achieved.
Significant Closed OIG Audits

This audit was commissioned to determine if Rural Development field personnel complied with the agency’s established internal control procedures at loan origination and closing that ensure homes and program participants who received Recovery Act funds met eligibility guidelines.

ARRA Rural Business Enterprise Grants – SEP 5, 2012
In this audit, OIG assessed the controls used for determining eligibility and servicing of Recovery Act-funded RBEGs including evidence used in determining eligibility and ranking at the state and national level.

Rural Development's Controls over Eligibility Determinations for the Rural Community Facilities Program's Direct Loan and Grant Recovery Act Activities – SEP 28, 2012
OIG initiated this audit to determine if program participants and project purposes met eligibility requirements and if RHS properly monitored Recovery Act funds, ensuring that they were disbursed and used in accordance with project specifications.

Recovery Act Single Family Housing Direct and Guaranteed Loans – DEC 12, 2012
This audit was to determine if Rural Development’s SFH Direct and Guaranteed Loan Programs met the performance goals established to measure their effectiveness in meeting the purposes of the American Recovery and Reinvestment Act.

This audit was to determine if RBS internal controls were functioning as intended to ensure grant recipients used funds for authorized purposes, met grant objectives in a timely manner, and provided the required matching funds, where applicable.

OIG conducted this audit to evaluate Rural Development’s internal controls that evaluate the issuance of loss claim payments to lenders.

OIG reviewed the effectiveness of RUS’ Recovery Act-specific performance measures for the Water and Waste Direct Program (WWD) including whether controls over WWD expenditures were adequate to ensure RUS spent Recovery Act funds as intended.

Rural Development Procurement Controls – MAR 24, 2014
In this audit, OIG assessed whether RD selected contractors and prepared procurement contracts in accordance with Federal Acquisition Regulations, ensured funds were correctly accounted for and used in the proper period, adequately monitored contract funding and unliquidated balances, and verified that deliverables were met in accordance with contract terms and provisions.
Open GAO Audits

RURAL HOUSING SERVICE: Opportunities Exist to Strengthen Farm Labor Housing Program Management and Oversight – JUL 13, 2011
GAO examined the demand for the FLH program; RHS’s processes for ensuring that the program is providing decent housing for eligible farmworkers; and the financial status and financial management of FLH properties.

FORECLOSURE MITIGATION: Agencies Could Improve Effectiveness of Federal Efforts with Additional Data Collection and Analysis – JUN 1, 2012
GAO examined the federal and nonfederal response to the housing crisis, the current condition of the U.S. housing market, and opportunities to enhance federal efforts.

RURAL HOUSING SERVICE: Efforts to Identify and Reduce Improper Rental Assistance Payments Could Be Enhanced – JUL 3, 2012
GAO reviewed the extent to which RHS has examined the sources and magnitude of improper rental assistance payments, RHS’s compliance with requirements and guidance concerning improper payments, and potential lessons RHS could learn from HUD efforts to identify and reduce improper rental assistance payments.

HOUSING ASSISTANCE: Opportunities Exist to Increase Collaboration and Consider Consolidation – AUG 16, 2012
GAO assessed the extent to which there is overlap or fragmentation in selected housing programs, federal collaborative efforts, and implications of consolidating selected housing programs.

ENTREPRENEURIAL ASSISTANCE: Opportunities Exist to Improve Programs' Collaboration, Data-Tracking, and Performance Management – AUG 23, 2012
In response to a statutory requirement, this report discusses the extent of program overlap and fragmentation, the effects on entrepreneurs, and agencies’ actions to address them; and the extent of tracked program information and whether these programs have met their performance goals and been evaluated.

This report examines how the workforces of USDA’s service center agencies changed from fiscal year 2003 to fiscal year 2012, the extent to which USDA’s policy on supervisory ratios aligned with OPM guidance in fiscal year 2012, and the extent to which USDA’s service center agencies followed leading practices when closing offices and reducing staff in fiscal year 2012.

TELECOMMUNICATIONS: USDA Should Evaluate the Performance of the Rural Broadband Loan Program – MAY 23, 2014
This report assessed issues related to the loan program geographic distribution and financial performance of loans and the relationship between loans, broadband deployment, and economic development, and how USDA evaluates progress towards these outcomes.
RECOVERY ACT: USDA Should Include Broadband Program's Impact in Annual Performance Reports – JUN 17, 2014
This report addresses how RUS ensures that projects are approved, completed by the deadline, and the extent to which RUS provides information that shows broadband program impact.

This report examines USDA’s climate change priorities and how these align with national priorities, the status of USDA’s climate change efforts, and the challenges USDA faces in implementing its climate efforts and the steps it has taken to overcome these challenges.

WATER INFRASTRUCTURE: EPA and USDA are Helping Small Utilities with Asset Management; Opportunities Exist to Better Track Results – JAN 4, 2016
This report examines what is known about the use of asset management among the nation’s water utilities, particularly small water utilities including the benefits, challenges, and steps EPA and USDA are taking to help small water utilities implement asset management.

This report discusses recent trends in the credit subsidy costs of the RHS Single Family Housing Guarantee program, the process for estimating those costs, and the extent to which RHS policies and procedures for the program are consistent with federal standards for managing credit programs.

This report describes USDA efforts to streamline and improve administrative services since 2011 and examines opportunities that may exist to strengthen these efforts.

This report assesses federal agency Information Technology spending, including the oversight of at-risk legacy investments and the overall age and obsolescence of federal IT.
Significant Closed GAO Audits

This report examines federal wind-related initiative programs or groups of agency activities that promoted wind energy through a specific emphasis or focus, wind-related initiatives implemented by federal agencies in fiscal year 2011, and their key characteristics. Assessments included the extent of fragmentation, overlap, and duplication, if any, among these initiatives, and the extent to which they were coordinated, along with how agencies allocate support to projects through their initiatives and the extent to which they assess applicant need for support.

**Improving Disposition and Oversight Practices May Increase Returns on Foreclosed Property Sales** – JUN 20, 2013
This report examined disposition goals, strategies, practices, and effectiveness in disposing of properties compared with those of the private sector; and FHA oversight of contractors that maintained and marketed their Real Estate Owned properties.

**TELECOMMUNICATIONS: Federal Broadband Deployment Programs and Small Business** – FEB 7, 2014
This report addresses the federal government’s efforts to ensure the availability of broadband services for small businesses, and the effect of selected federally funded and municipal networks on broadband service and small businesses.

**MANAGING FOR RESULTS: Implementation Approaches Used to Enhance Collaboration in Interagency Groups** – FEB 14, 2014
This report assessed how interagency groups responded to the central collaboration challenges identified in its prior work of defining outcomes; measuring performance and ensuring accountability; establishing leadership approaches; and using resources, such as funding, staff, and technology including those groups related to federal housing finance.

**NATIVE AMERICAN HOUSING: Additional Actions Needed to Better Support Tribal Efforts** – MAR 27, 2014
This report examines common housing challenges tribes face and actions that could be taken to address them.

This report examines the role of the federal government in the development and use of alternative jet fuels, key challenges to developing and using alternative jet fuels, and actions that the federal government plans to or could take to help address those challenges.

**USDA FARM PROGRAMS: Farmers Have Been Eligible for Multiple Programs and Further Efforts Could Help Prevent Duplicative Payments** – JUL 8, 2014
This report examines USDA programs that provided financial assistance to farms during the effective period of the 2008 farm bill (2008 through 2013), the potential for overlap and duplication among these programs; the extent that farms received payments from farm programs and the amount of these payments; and the internal controls USDA has designed to help prevent duplicate payments for the same crop losses to the same farms.
NATIONAL FLOOD INSURANCE PROGRAM: Additional Guidance on Building Requirements to Mitigate Agricultural Structures' Damage in High-Risk Areas Is Needed – JUL 29, 2014
This report evaluates the possible effects of NFIP, including its building requirements, on farmers in riverine areas that have a high risk of flooding and examines, among other things, the effects of building requirements on farmers in high-risk areas, and options for addressing any challenges farmers face.

This report describes the market developments since 2000 that have led to changes in the federal government’s role in the single-family housing finance system, analyzes whether and how these developments have challenged the housing finance system, and presents an evaluation framework for assessing potential changes to the system.

This report addresses federal programs that fund these services and supports for older adults, how these services and supports are planned and delivered in selected localities, and agency efforts to promote a coordinated federal system of these services and supports, including those related to affordable housing and community facilities.

ELECTRICITY GENERATION PROJECTS: Additional Data Could Improve Understanding of the Effectiveness of Tax Expenditures – MAY 28, 2015
GAO examined state and federal supports for the development of utility-scale electricity generation projects—power plants with generating capacities of at least 1 MW that are connected to the grid and intend to sell electricity—for fiscal years 2004 through 2013. This report identifies key state supports for these projects; examines key federal support provided through outlays, loan programs, and tax expenditures for these projects; and examines how state and federal supports affect the development of new renewable projects.

FEDERAL LOW-INCOME PROGRAMS: Multiple Programs Target Diverse Populations and Needs – JUL 31, 2015
This report describes federal programs (including tax expenditures) for low income recipients, identifies the number and characteristics of impoverished households, identifies the number, poverty status, and household characteristics of select program recipients, and examines research on how certain programs may affect incentives to work.

TELECOMMUNICATIONS: Additional Coordination and Performance Measurement Needed for High-speed Internet Access Programs on Tribal Lands – DEC 18, 2015
The report examines the perspectives of tribes and providers on high-speed Internet access and barriers to increasing this access; the level of interrelation and coordination between federal programs that promote high-speed Internet access on tribal lands; and existing data and performance measures related to high-speed Internet on tribal lands.
INNOVATIVE MANUFACTURING: Commerce Should Target Program Outreach to Address Capital Access Gaps – FEB 4, 2016
This report assesses the status of the Economic Development Administration’s (EDA) implementation of the Innovative Technologies in Manufacturing (ITM) program and the extent to which EDA has coordinated with other agencies to ensure that ITM program activities do not duplicate the efforts of other federal loan guarantee programs.

NONBANK MORTGAGE SERVICERS: Existing Regulatory Oversight Could be Strengthened – APR 11, 2016
This report examines, among other factors, recent trends in mortgage servicing and the oversight framework in which non-bank servicers operate.

MUNICIPAL FRESHWATER SCARCITY: Using technology to improve distribution system efficiency and tap nontraditional water sources – APR 29, 2016
This report examines technologies that could reduce demand on freshwater supplies by improving distribution system efficiency; technologies that could increase water supply by using nontraditional water sources; and locations and types of water utilities where these technologies are most commonly adopted.

This report examines community lender participation in the mortgage servicing market and potential effects of CFPB’s Mortgage Servicing Rules (MSR) on them, potential effects of MSR capital rules on holding or selling by community lenders, and the process regulators used to consider impacts of these new rules on mortgage servicing and the capital treatment of MSRs.

Other Significant Audits
OIG Federal Managers Financial Integrity Act (FMFIA) Audits

85401-17-FM – Findings: RD will accelerate the conversion from the federally non-compliant RUS Legacy system to the compliant RULSS.

04601-0001-31 – Findings: OIG found issues with the methodology the Centralized Servicing Center applied to determining payment subsidy eligibility and recapture.

85401-0005-11 – Findings: RD will develop and implement a formal review and evaluation process to assess results from the current SFH subsidy models, explaining and documenting any adjustments needed in the methodology.

04601-0002-31 – Findings: Rural Development was not compliant with the Debt Collection Improvement Act and the Fair Credit Reporting Act.
III. Congressional Relations and Issues

Overview

RD programs are generally supported throughout Congress and are a point of interest to many members due to the potential impact programs have on their constituents. The RD legislative team has continuous interaction with staff and members of the following Committees: House Agriculture, House Appropriations Subcommittee on Agriculture, House Finance Services, Senate Agriculture, Senate Appropriations Subcommittee on Agriculture, Senate Banking, and Senate Indian Affairs. The following is a compilation of RD related issues regularly raised by Congressional leaders over the past two years at Congressional hearings or through direct inquiries.

RD Wide

Chief Risk Officer (CRO) - Congressional leaders have a regular interest in the creation of a CRO within RD. RD has been working to implement a CRO function within the RD USEC office. This action is consistent with direction provided by Congress in the FY 2015 House of Representatives Agriculture Appropriations Report. The position was posted at the end of July 2016. Congressional notification and candidate selection is expected in October 2016. The anticipated start date of the CRO is late November 2016.

Tribal Relations – Members of Congress with tribal or native communities have an interest in how RD programs are being utilized in Indian Country. Agency outreach and funding levels are at the center of many issues raised by members including most recently at a hearing of the Indian Affairs Committee on June 22, 2016. Many members of the Senate Indian Affairs Committee are also members of the Agriculture, Appropriations, and Banking Committees.

IT Infrastructure – While generally an issue of importance to many in Congress, IT infrastructure inquiries regularly come from Appropriators specifically requesting information on how RD is utilizing funding provided for IT upgrades or program delivery.

Program Duplication – During Congressional hearings some members will regularly ask about program duplication and why RD administers programs similar to other programs within the federal government. This issue is normally raised when discussing housing, energy, and broadband programs and their relationship to DOE, HUD, and SBA programs. GAO also issues a regular report on duplication of programs throughout the federal government that members often reference.

Rural Poverty - Congressional leaders have a regular interest in what RD is doing to combat rural poverty. Questions can touch on any area of the RD mission such as economic development, affordable housing, critical infrastructure, and broadband access. A number of members have been advocating for a “10-20-30” plan to address persistent poverty counties across the United States. This plan would require at least 10 percent of federal funds in certain accounts be directed to counties with a 20 percent poverty rate for the last 30 years. In response to this, USDA has launched several place based initiatives that span Federal Agencies precisely for the specific purpose of focusing on those rural communities such as StrikeForce and Promise Zone initiatives.
Rural Definition - The House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies directed RHS to submit a report listing the criteria used to define the “rural in character” standard used in determining program eligibility. The Agency was also instructed to explain how it accounts for incarcerated populations and students of colleges and universities in its population counts. Due to the suspension of eligibility determinations made solely on the basis of Rural in Character designations, the Agency has not responded to this request (House Report 114-205).

Similarly, the Agency has not responded to House Report 113-468, in which the same Congressional subcommittee directed them to provide a report on its implementation of the three-part test to determine a community's eligibility to participate in rural housing programs as required by the Housing Act of 1949, as amended. The requested report was expected to include information on the factors the Agency uses to determine whether a community is “rural in character” and when a serious lack of mortgage credit exists, along with a history of the agency's actions using this three-part test since the 2000 U.S. Census, and implementation of changes made by the Agricultural Act of 2014.
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

Rural Housing Service

502 Direct Single Family Housing Loan Program – USDA’s main housing loan program, 502 Direct loans are designed to help low-income individuals purchase houses in rural areas. Funds can also be used to build, repair, or renovate a house, including providing water and sewage facilities. The program provides fixed-interest mortgage financing to low-income families who are unable to obtain credit elsewhere. While this program falls under the jurisdiction of the House Financial Services and Senate Banking Committees, it is a regular point of interest and inquiry in the Senate and House Agriculture Committees due to the importance of affordable housing in rural America.

Community Facilities Program (CF) – The CF loan and grant program, administered by RHS, supports essential community facilities in rural areas with a population of 20,000 or less and has the strong support of many members of Congress. Most recently, the 2014 Farm Bill authorized the addition of a technical assistance and training component to the CF program designed assist communities in identifying and planning community facility needs. The provision authorizes use of not less than 3% or more than 5% of the total CF appropriation for this technical assistance component.

Consumer Financial Protection Bureau (CFPB) – In accordance with the Dodd-Frank Act arising from the financial crisis of 2008 and related Mortgage Servicing issues, CFPB was created to provide accurate, consistent, and transparent information to borrowers relative to mortgage debt owed. Even though the regulation does not specifically pertain to government loans Congress has asked whether the Customer Service Center is in compliance with CFPB and what resources are needed to attain compliance. RHS is striving to comply with the Act when servicing Single Family Housing loans.

RHS Multi-Family Housing Program (MFH) – The MFH program is of great interest to many members of Congress as it funds the construction, acquisition, and rehabilitation of Multi-Family housing for low to moderate income residents by providing 90% loan guarantees to certified lenders to make rental housing affordable to those residents. Most recently members have been concerned with how RHS will address the number of properties exiting the program, which potentially leaves constituents without affordable housing.

RHS has been working to provide more data to MFH customers to improve their understanding of properties at risk of exiting and to encourage transfers of those properties to owners interested in retaining affordable housing. An exit tool has been developed to provide the public with portfolio data and RD has been increasing outreach through buyers, sellers, and industry meetings.

RHS is also working to incentivize nonprofit, mission-based organizations to acquire at-risk Section 515 housing through a demonstration program. Under this program, Section 515 loan transfers to program eligible non-profit entities will be able to earn a return on their own resources initially invested in the property when the property is estimated to leave the Section 515 program as a result of the natural maturity or final payment of the loan. By allowing non-profit organizations to earn on their initial investment, RD anticipates an increase in non-profit organization participation in multi-family housing portfolio preservation efforts.
RHS Multi-Family Housing Program Funding – In FY 2016, MFH used all funding in its Rental Assistance, Voucher, Multi-family Direct (Section 515), Multi-family Guaranteed (Section 538), and Multi-family Preservation and Revitalization (MPR) programs. The Section 538 program had the authority to increase its guarantee authority up to 25% above its budgeted level. RHS exercised that authority and used the additional $37.5 million. The MPR program used all FY 2016 budget authority, prior year carryover, and has conditionally approved (subject to available funding) enough transactions through September 2016 to use nearly all of its expected FY 2017 budget authority. The Section 515 program also used its budget authority on portfolio revitalization, leaving no money for new construction of affordable housing needed to offset the loss of housing by older properties exiting the program.

RHS Rental Assistance (RA) – RA is project-based assistance used in conjunction with RHS Section 515 and Section 514/516 Farm Labor Housing loan/grant programs. The program provides rental assistance directly to the owners of some RHS-financed projects under contracts specifying that beneficiaries will generally pay no more than 30% of their income for rent. The program makes up the difference between the tenant’s contribution and the rental charge. Congressional leaders are interested in participation rates of the program and whether current appropriated dollars are sufficient to cover demand.

In FY 2016, Congress requested quarterly reports on the status of funding in the RA program. This was as a result of MFH running out of RA funds in FY 2015. In addition, in FY 2016 Congress asked GAO to perform a review of the RA program and RD’s efforts relating to maturing mortgages. These reviews are expected to remain ongoing through at least early calendar year 2017.
Rural Business-Cooperative Service

Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program (Section 9003) – The 2014 Farm Bill expanded the scope of renewable energy programs within RBS to include the development of new and emerging technologies for advanced biofuels. Members have been particularly interested in mandatory spending and CHIMPS related to this program.

Healthy Food Financing Initiative (HFFI) – The 2014 Farm Bill authorized $125 million for HFFI and laid out several priorities including projects that use local foods as a strategy to increase healthy food access. The Department of Treasury and the Department of Health and Human Services also support HFFI through existing programs. While a number of members support this program, others have raised questions about how the program would be structured and operate.

Rural Energy for America Program – This program provides funding to eligible farmers, ranchers, and small businesses for purchasing renewable energy systems and making existing energy systems more efficient.

Value-Added Producer Grant Program (VAPG) – VAPG is supported by many in Congress. The 2014 Farm Bill added two new priorities to the VAPG program: one for Veteran farmers and ranchers and one for projects that best contribute to creating or increasing marketing opportunities for operators of small and medium-sized farms and ranches structured as Family Farms, Beginning Farmers and Ranchers, Socially-Disadvantaged Farmers and Ranchers, and Veteran Farmers and Ranchers.
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

Rural Utilities Service

Broadband – Access to broadband in rural America is a high priority to many members of Congress. RD broadband programs are strongly supported by both the authorizing and appropriations committees. The 2014 Farm Bill amended the Farm Bill Broadband program in order to strengthen the evaluation of applicants, increase transparency, and more effectively target resources to areas lacking broadband. As a result, RUS published an interim final rule in July 2015 to further define underserved areas, prioritize applications that offer service to the greatest proportion of unserved households, and outline the minimum acceptable level of broadband service. Hearing questions or inquiries from members traditionally revolve around RD efforts to expand access to areas of most need and how RD coordinates with other federal agencies such as the Federal Communications Commission.

Water and Environmental Program (WEP) Open and Free Competition Policy – Senator Shelby and Representative Aderholt of Alabama have inquired about the RUS, WEP open and free competition policy guidance issued to staff in FY 2012. They have raised specific concerns of ductile iron manufacturers who believe the policy dictates that PVC pipe be used, or preferred, on WEP projects. These concerns have led to language being included in the most recent appropriations bill regarding this issue.

Clean Power Plan (CPP) – On August 3, 2015, the CPP Final Rule was issued by the Environmental Protection Agency. RUS has heard concerns from law makers on how the final rule will impact RUS power supply borrowers that own coal generation assets and the subsequent risk to the RUS loan portfolio and in turn to U.S. taxpayers. Many rural electric cooperatives invested in coal-fired generation facilities with loan funds from and with the support of RUS. The current RUS loan portfolio for power supply borrowers is approximately $20 billion of which 35% or $7 billion are secured by coal-fired generation assets. Fifty four coal-fired plants in 21 states are financed with RUS loan funds.

Rural Water and Waste Disposal Program (WWD) – The Rural Water and Waste Disposal Program, a popular program among many members, supports construction and improvements to rural community water systems unable to get reasonable credit in the private market. The Water and Waste loan and grant programs assist eligible applicants in rural areas and cities and towns of up to 10,000 residents. Drinking water, sanitary sewerage, solid waste disposal, and storm drainage facilities may be financed with direct and guaranteed loans and grants. This program is also extremely popular with customers and is oversubscribed. The 2014 Farm Bill provided $150,000,000 in mandatory funding to address the backlog of pending applications in the RD/RUS Water and Waste Disposal Loan and Grant Program.

Rural Energy Savings Program (RESP) – RESP authorizes the RUS Administrator to make loans to utilities, and similar entities, that agree to use the loan funds to relend those funds to their consumers for the purpose of implementing energy efficiency measures. RESP also requires RUS to establish a plan for measurement and verification training, and technical assistance of the program. Sen. Merkley has been interested and involved in this program since its development.
IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

Appalachian Regional Commission (ARC): ARC is a regional economic development agency that represents a partnership of federal, state, and local government. Established by an act of Congress in 1965, ARC is composed of the governors of the 13 Appalachian states and a federal co-chair, who is appointed by the president. ARC is an additional source of funding and technical assistance for many of RD’s customers, and has partnered with RD on many projects and initiatives.

Delta Regional Authority (DRA): Established in 2000 by Congress, the Delta Regional Authority makes strategic investments of federal appropriations into the physical and human infrastructure of the 252 counties and parishes that make up the most distressed areas of the country’s Delta Region communities. Through the States’ Economic Development Assistance Program, these investments help to improve transportation and basic public infrastructure and to strengthen our workforce development system and local business environments for some of the same constituents served by RD. DRA is also another source of funding and technical assistance for many of RD’s customers, and has partnered with RD on many projects and initiatives.

Department of Commerce, Economic Development Administration (EDA): The EDA’s mission is to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy by encouraging its partners around the country to develop initiatives that advance new ideas and creative approaches to address rapidly evolving economic conditions. EDA currently partners with USDA RD and a number of other agencies on the “Build America” initiative, and has provided valuable data, technical assistance and funding to a number of rural economic development efforts that involved RD.

Department of Energy, Loan Programs Office (LPO): LPO investments are designed to accelerate the deployment of innovative clean energy projects and advanced technology vehicle manufacturing facilities across the United States. Some recent partnerships between LPO and RD have involved Bioeconomy projects.

Farm Credit Administration (FCA): FCA is an independent Federal agency that regulates and examines the banks, associations, and related entities of the Farm Credit System (FCS), including the Federal Agricultural Mortgage Corporation (Farmer Mac). The FCS is the largest agricultural lender in the United States. It is a nationwide network of lending institutions that are owned by their borrowers. It serves all 50 States and Puerto Rico and works with nearly every RD program area.

Federal Emergency Management Agency (FEMA): RD activities intersect with FEMA through a number of Disaster Assistance Programs for emergency water assistance, home owners, Community Facilities program borrowers, and business owners and that may be administered in conjunction with FEMA activities, as well as a continuing partnership of cross-agency referral.
Government Contact Center Council: The RD CSC has a contact center where homeowners can call to receive various types of information and services. To ensure consistency throughout the administration IRS, Social Security, and others with call centers developed this partnership to discuss challenges, successes, and directions related to managing government call centers.

Joint Federal Housing Agency Group: RHS is a member of this Joint Federal Housing Agencies task force, along with Housing and Urban Development, Veteran Administration (VA), Ginnie Mae, the Federal Housing Finance Agency, and the Consumer Financial Protection Bureau. The purpose of the task force is to increase cooperation among Federal housing agencies, to pool resources, and to achieve uniform housing regulations, policies, and practices whenever possible.

National Endowment for the Arts (NEA): RHS works with NEA to provide, coordinate, and implement technical assistance on place-based and arts-focused economic development in rural communities, through programs such as Our Town.

National Food and Agriculture Council (NFAC): The NFAC was established in 1982 as a governing body for Departmental policies and directives within the USDA with the primary purpose of coordinating all activities that require cooperative involvement across agencies in the field. The NFAC has representation from every Agency and management entity within the Department of Agriculture and is replicated at the State and Local level through similar bodies known as State FACs and Local FACs. Rural Development, Natural Resources Conservation Service, and Farm Service Agency (also known as the “Service Center Agencies”) share the leadership role as chair of the council on an annually rotating basis. The NFAC uses its network of SFACs and LFACs to disseminate USDA directives, coordinate intra-agency efforts, and to reduce costs through shared space and other resources both at headquarters and in the field. Every three years the RD Deputy Under Secretary for Operations and Management chairs this council with support from the RD Special Projects Manager/NFAC Liaison, which will occur again January 2018.

The Organization for Economic Cooperation and Development (OECD): OECD is a 35 member institution based in Paris, France. This international agency works with governments to understand what drives economic, social and environmental change. They measure productivity and global flows of trade and investment and analyze and compare data to predict future trends. They also set international standards on a wide range of topics, from agriculture and taxes to the safety of chemicals. The common thread of their work is a shared commitment to market economies backed by democratic institutions and focused on the wellbeing of all citizens. USDA, Rural Development holds a dedicated seat as a Vice-Chair and is a voting delegate to the OECD Working Party on Rural Development. This committee shapes and provides guidance to the OECD Rural Secretariat on rural development policy work at the OECD.

RD Employee Associations – National Association of Credit Specialists (NACS) and National Association of Support Personnel (NASP): NACS and NASP were both founded in 1973 under the former Farmers Home Administration. They were subsequently recognized as a consultative body and an association in 1974 and 1978, respectively. NACS and NASP members are all current or former RD employees who meet and work together to find ways to expand and improve the services provided to rural America.
Working hand-in-hand with RD senior leadership and agency managers, their accomplishments have been demonstrated in numerous process improvements and positive changes over the past 40 years.

Both associations have National Officers that serve as their Executive Board, Zone Representatives that speak for their zone (region), and committees that focus on specific programs and areas, and often provide input and participation in National Office taskforces and working groups. Both associations hold joint Zone meetings and an annual conference, which are attended by RD National Office representatives. NACS and NASP are funded through member dues and additional funds requested and provided by the RD Deputy Administrator for Operations and Management each year.

**RD Enterprise Governance Group Participation within USDA:** To support collaborative efforts within the USDA and manage overlapping interests and responsibilities, the Department has established standing councils with Department and Agency membership. RD leaders serve on these councils, which include, but are not limited to:

- CFO Council
- CIO Council
- Management Council
- Civil Rights Director Council
- Strategic Sourcing Council
- Homeland Security Council
- Cultural Transformation Taskforce
- Mission Area Human Resources Directors Council
- Labor-Management Forum

**RD Labor Organizations:** RD adheres to Departmental Regulation DR-4070-711, Labor Relations, to administer the Agency’s Labor Relations program. Labor relations essentially involves vesting management, employees, and unions with certain rights, as follows:

a. **Employee Rights** - To organize, bargain collectively, and participate through labor organizations in employment decisions affecting them.

b. **Management Rights** - To determine mission, budget, organization, number of employees, internal security practices; hire, assign work, direct, layoff, and retain employees, or to suspend, remove, reduce in grade or pay, or take other disciplinary action, and make determinations regarding contracting out.

c. **Union Rights** – Exclusively represent and act on behalf of its bargaining unit employees on matters pertaining to personnel policies, practices, and working conditions.

The Federal Labor Relations Authority (FLRA) certified the American Federation of State, County and Municipal Employees (AFSCME), Local 3870, as the exclusive representative for bargaining unit employees (BUEs) in Rural Housing Service, Rural Utilities Service, and Rural Business Service in Washington, D.C. Its purpose is to deal with Agency management regarding conditions of employment affecting employees, including
collective bargaining. The unit includes 267 BUEs, 64 of whom are dues paying members, occupying varying positions and grades. All are non-supervisory positions.

The American Federation of Government Employees (AFGE) Local 3354 was certified as the exclusive representative of the CSC’s Bargaining Unit Employees in 1997. The unit includes 485 BUEs, 278 of whom are dues paying members.

A list of the Agency’s bargaining unions and units is provided below:

**Agency Bargaining Unions and Units**

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<thead>
<tr>
<th>State</th>
<th>Union and Local Number</th>
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<tr>
<td>ARKANSAS</td>
<td>American Federation of Government Employees, Local 108</td>
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<tr>
<td>COLORADO</td>
<td>American Federation of Government Employees, Local 3499</td>
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<tr>
<td>INDIANA</td>
<td>American Federation of Government Employees, Local 622</td>
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<tr>
<td>MONTANA</td>
<td>American Federation of Government Employees, Local 1585</td>
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<tr>
<td>NEW JERSEY</td>
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<tr>
<td>NEW MEXICO</td>
<td>American Federation of Government Employees, Local 1032</td>
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<tr>
<td>NEW YORK</td>
<td>American Federation of Government Employees, Local 2831</td>
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<tr>
<td>OKLAHOMA</td>
<td>American Federation of Government Employees, Local 3354</td>
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<tr>
<td>OREGON</td>
<td>National Federation of Federal Employees, Local 7</td>
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<tr>
<td>PUERTO RICO</td>
<td>American Federation of Government Employees, Local 0055</td>
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<tr>
<td>TEXAS</td>
<td>American Federation of Government Employees, Local 571</td>
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<tr>
<td>WASHINGTON STATE</td>
<td>National Federation of Federal Employees, Local 758</td>
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<tr>
<td>ST. LOUIS, MO</td>
<td>American Federation of Government Employees, Local 3354</td>
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<tr>
<td>(CUSTOMER SERVICE CENTER, RHS)</td>
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<tr>
<td>ST. LOUIS, MO</td>
<td>American Federation of Government Employees, Local 3354</td>
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<td>(OPERATIONS &amp; MANAGEMENT)</td>
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<tr>
<td>(NATIONAL FINANCIAL AND ACCOUNTING OPERATIONS CENTER)</td>
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</tr>
<tr>
<td>WASHINGTON, DC</td>
<td>American Federation of State, County, and Municipal Employees, Local 3870</td>
</tr>
</tbody>
</table>
Rental Policy Working Group: Multi-Family Housing is a member of the Rental Policy Working Group, which includes FHA, Treasury and OMB. The objective of the group is to better align rental housing policy across the federal government. Ongoing work is being done in the areas of physical property inspections, property financial reporting, Capital Needs Assessments, and energy conservation.

U.S. Department of Health and Human Services (HHS): RHS and HHS have a strong history of collaborating to help meet the health care needs of rural communities. RHS and the HHS Office of the National Coordinator for Health Information Technology and Health Resources and Services partner to leverage their resources to increase the availability of capital for health care facilities and health information technology, with the goal of improving the accessibility and quality of medical services in rural communities. This collaboration is further outlined in a Memorandum of Understanding between the two agencies.

U.S. Department of Housing and Urban Development (HUD): RHS and HUD work together to share information, coordinate programs and policies, leverage resources, and more. Partners within HUD include the Federal Housing Administration, Community Planning and Development, and Rural Housing and Economic Development. HUD also directly assists RHS with the following:

- Single Family Housing Income Limits: Single Family Housing programs are means-tested. Before assistance can be provided, the applicant’s income must not exceed prescribed thresholds. The thresholds (50%, 80% or 115% of area median income) are determined by the Secretary of HUD in cooperation with the Secretary of Agriculture. HUD determines the limits and provides the income data to USDA on an annual basis.
- FHA TOTAL Scorecard: Through an interagency agreement, HUD allows USDA to use the FHA TOTAL Scorecard tool as the decision component in the RD Guaranteed Underwriting System (GUS).

U.S. Environmental Protection Agency (EPA): RHS works closely with various offices within EPA, including the Office of Sustainable Communities, to provide and coordinate technical assistance on community planning and economic development in rural places, promote energy efficiency in federally-funded housing, and more.

U.S. Department of Justice, Civil Rights Division: The Civil Rights Division of the Department of Justice provides a wide array of legal services designed to protect the civil rights of all individuals. As such, RD is routinely engaged with this Division both to protect the rights of our employees as part of the Equal Employment Opportunity Act and to protect the rights of our customers related to topics like Environmental Justice, the Fair Housing Act, and the Equal Credit Opportunity Act.

U.S. Department of Treasury: Both directly and through the Department of Treasury’s Federal Financing Bank (FFB), RD utilizes various authorities to obtain, guarantee, and lend funds administered by the Department of Treasury to support RD’s substantial number of Federal Credit Programs. The FFB also holds several unique authorities that allow them to serve more directly as a lender with USDA RD as guarantor in certain Business and Utilities programs, and in some cases repurchase government backed securities at its discretion. The current RD Under Secretary is also a Federal Representative of the Community Development Advisory Board organized in Treasury’s Community Development Financial Institutions Fund.
United States Department of Agriculture  
2016 Presidential Transition  
Rural Development (RD)  

U.S. Small Business Administration (SBA): The SBA and RD collaborate across multiple programs and projects, most notably the SBA 7(a) loan program and the RD RBS Business & Industry Loan Program. At multiple levels of both organizations, leadership has recently noted other opportunities for SBA and RD to leverage programs such as Rural Business Development Grants with existing SBA loan program customers. Some of this work is also conducted at the state and local level through community development organizations.

U.S. Department of Veterans Affairs (VA): CSC has an ongoing pilot project with VA for the sale of RD’s Real Estate Owned properties for a portion of the states. Upon obtaining title to properties in designated states, RD transfers securitization, maintenance, and marketing of properties to VA. VA has a contract vehicle for the sale of their properties and includes the RD properties in the disposition of both sets of properties. The Economy Act agreement has been in place for one year, is set to expire in April of 2017, and will be extended in the near future. The cost of agreement services is $10 Million annually.

White House Rural Council (WHRC): The White House Rural Council was established by Presidential Executive Order in June 2011 with the goals of improving coordination among federal agencies and deepening partnerships with external stakeholders. The council is chaired by the Secretary of Agriculture with membership comprised of the heads of 25 federal agencies and supported by the U.S. Department of Agriculture. RD has worked closely with WHRC since its inception on multiple cross agency initiatives designed to leverage resources across the federal government to combat rural poverty, improve rural infrastructure, grow regional economies, and enhance the overall quality of life in rural America.
Stakeholder group overview

**American Bankers Association:** National trade association established over 140 years ago that represents financial institutions of various sizes and charters. The majority of member banks have less than $250 million in assets. RD meets with the organization each year at their annual conference.

**American Biogas Council:** The mission of the American Biogas Council is to create jobs, environmental sustainability and energy independence by growing the American biogas industry. Primary focus is on anaerobic digesters, food waste, manure, and distributed energy.

**American Council on Renewable Energy (ACORE):** ACORE is a national non-profit organization dedicated to advancing the renewable energy sector through market development, policy changes, and financial innovation. ACORE is a strong advocate for the Rural Energy for America Program.

**American Farm Bureau:** The American Farm Bureau Federation, commonly referred to as the Farm Bureau, is a nonprofit organization and describes itself as the largest general farm organization in the United States. Their primary communication has recently focused on the Rural Cooperative Development Grant program.

**Association of Communication Engineers (ACE):** The Telecommunications Program works with ACE members on issues related to our loan and grant programs. We participate in their annual Board meeting by presenting update and technical information to them. We also collaborate on an ACE/RUS School which is a three-day training program coordinated by ACE to facilitate new information and updates about our program. ACE educates their members on how to assist RUS grantees and borrowers in project implementation.

**Association of Cooperative Educators:** This association provides members a forum to highlight programs and practices that increase understanding, innovation and professionalism in cooperative education. Their primary communication has focused on the Rural Cooperative Development Grant program and Cooperative Agreements.

**Bank of America:** Bank of America is the lender of record to Fulcrum Sierra Biofuels. Bank of America and Fulcrum are preparing for a financial close of their Section 9003 loan in December of 2016 and to start construction of their Biorefinery. This will be the first Section 9003 loan closed since January, 2011.

**Bank of Montgomery:** Top lender under the B&I program for three of the last five years. Mr. Vansickle is also the Chairman of the NRLA Board. RD meets regularly with this stakeholder regarding various projects throughout the year.

**Biofuels Digest:** The Digest is the world's most widely distributed daily electronic biofuels (Bioeconomy) newsletter. The Digest also sponsors weekly webinars and biofuels-related conferences.

**Biomass Thermal Energy Council (BTEC):** BTEC is an association of biomass fuel producers, appliance manufacturers and distributors, supply chain companies and non-profit organizations that view biomass thermal energy as a renewable, responsible, clean and energy-efficient pathway to meeting America’s energy needs. BTEC engages in research, education,
and public advocacy for the fast growing biomass thermal energy industry. BTEC is a strong advocate for the Rural Energy for America Program.

**Biotechnology Innovation Organization (BIO):** BIO is the world's largest trade association representing biotechnology companies, academic institutions, state biotechnology centers and related organizations across the United States and in more than 30 other nations. BIO members are involved in the research and development of innovative healthcare, agricultural, industrial and environmental biotechnology products. BIO is a strong advocate of expanding the Biorefinery Assistance Program (9003) to provide more opportunities to biorefineries that produce renewable chemicals and other Biobased products.

**Cedar Rapids Bank and Trust:** Top lender under the B&I program for two of the last five years. RD meets regularly with this stakeholder regarding various projects throughout the year.

**Center for Budget & Policy Priorities:** Center for Budget & Policy Priorities is a nonpartisan research and policy institute that focuses on federal and state policies on poverty and inequality and fiscal responsibility.

**Citibank:** Citibank is the lender of record to Ensyn Georgia Biorefinery. Citibank and Ensyn are preparing for a financial close of their Section 9003 loan in early 2017 and to start construction of their Biorefinery.

**Coleman Publishing:** Publishes the Coleman Report as well as various small business loan underwriting guides. RD meets annually with this stakeholder at a lender roundtable they host each December.

**Cooperation Works!:** Cooperation Works! is a network of organizations promoting rural development through the formation of cooperatives in the United States. Their primary communication has recently focused on the Rural Cooperative Development Grant program.

**Corinne Young LLC:** is a strong advocate of expanding the Biorefinery Assistance Program (9003) in order to provide more opportunities to biorefineries that produce renewable chemicals and other Biobased products.

**Council for Affordable and Rural Housing (CARH):** CARH is a major stakeholder of Rural Housing Service. The Administrator and Deputy Administrator of Multi-Family Housing often engage with CARH by attending major meetings and inviting CARH to provide input on Multi-Family Housing Programs in writing and in person at RHS Headquarters. CARH’s national membership is comprised of large housing development organizations, multi-family housing property owners, and multi-family housing management companies. CARH has regional committees focused on local multi-family housing development and preservation.

**Credit Union National Association:** The Credit Union National Association (CUNA) is the largest national trade association in the United States serving America's credit unions. With its network of affiliated state credit union associations, CUNA serves America’s nearly 7,000 credit unions, which are owned by more than 100 million consumer members. Their primary communication has recently focused on the RBS lending programs and RD cooperative development activities.
Distributed Wind Energy Association (DWEA): The Distributed Wind Energy Association (DWEA) is a collaborative group comprised of manufacturers, distributors, project developers, dealers, installers, and advocates, whose primary mission is to promote and foster all aspects of the distributed wind energy industry. Distributed wind, commonly referred to as small and community wind, is the use of typically smaller wind turbines at homes, farms, businesses, and public facilities to offset all or a portion of on-site energy consumption. DWEA is a strong proponent of the REAP program.

Education Partners and Stakeholders: The CF Program remains engaged in strengthening investments in rural education through outreach activities with targeted participants such as Board of Regents, Independent Colleges and University Associations, State Departments of Education, Charter School Associations and private school associations.

Enterprise Community Partners: Leverages resources to create affordable housing in strong neighborhoods. Within Enterprise are entities that lend funds, finance development and manage and build affordable housing. To date, Enterprise has invested $18.6 billion, helped create nearly 340,000 homes.

Environmental Law and Policy Center: The Environmental Law & Policy Center is the Midwest’s leading public interest environmental legal advocacy and eco-business innovation organization, and among the nation’s leaders. ELPC led the charge to create the Farm Bill’s first-ever clean energy programs in 2002 focusing on the Rural Energy for America Program. ELPC is a strong advocate of the REAP program including energy efficiency and energy in agriculture.

Farm Credit System – CoBank: CoBank is a national cooperative bank serving vital industries across rural America. The bank provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states. Their primary communication has recently focused on the RBS lending programs, the Rural Cooperative Development Program and RD cooperative development activities.

Federation of Southern Cooperatives: There are three major themes of the Federation's mission, work and accomplishments over the past forty years: to develop cooperatives and credit unions as a means for people to enhance the quality of their lives and improve their communities; to save, protect and expand the landholdings of Black family farmers in the South; and to develop, advocate, and support public policies to benefit membership of Black and other family farmers and low income rural communities. Their primary communication has recently focused on the Rural Cooperative Development Program, the Socially Disadvantaged Group Grant Program and Cooperative Agreements.

Greater Nevada Credit Union: B&I lender of the year for FY2016 and very active with energy programs. The lender is also a cooperative. RD meets regularly with this stakeholder regarding various projects throughout the year.

Holland & Knight: Works with energy and clean technology companies to develop and execute strategies for access to government grants, loans and contracts across multiple states and federal agencies, including the U.S. Department of Energy, U.S. Department of Agriculture (9003, Biorefinery Assistance Program) and U.S. Department of Defense.
Housing Assistance Council (HAC): HAC is an organization dedicated to affordable housing advocacy. HAC leadership engages with Rural Housing Service leadership on a regular basis. HAC leadership often speaks at the same conferences RHS leadership participates in, and helps RHS promote major program changes and improvements in their weekly email blasts and in their quarterly publication *Rural Voices Magazine*.

Independent Community Bankers of America: Primary national trade association for small US banks, representing more than 6,000 community banks of all sizes and charter types. RD meets with this organization each year at their annual conference in March.

Institutional Investors and Accounting Firms: RD has ongoing relationships with a wide variety of outside stakeholder groups, including accounting firms, institutional investors in the capital credit markets, and association groups, which help to market and leverage RD programs.

Institute of Real Estate Management (IREM): IREM is an international community of real estate managers dedicated to ethical business practices, maximizing the value of investment real estate, and promoting superior management through education and information sharing.

Kentucky Highlands Investment Corporation: Kentucky highlands is a venture capital and private equity firm that also assists businesses with developing financing packages and is one of the leading nonregulated lenders under the RBS B&I program. RD communicates regularly with this group at various events hosted by other stakeholders.

Kilpatrick, Townsend & Stockton, LLP: focuses on U.S. and international project development finance and private placement representation of renewable and conventional energy, clean technology, environmental and infrastructure clients including a focus on USDA 9003 program and DOE programs. Clients represent developers, lenders, EPCs, O&Ms, equipment providers, private equity, venture capital and infrastructure funds.

Live Oak Bank: Live Oak Bank is one of the top lenders in the REAP guaranteed loan program.

National Affordable Housing Management Association (NAHMA): NAHMA is an organization made up of hundreds of multi-family housing property managers and management companies. NAHMA membership and CARH membership often overlap. RHS interacts with NAHMA by attending and speaking at major events and conferences they host as well as inviting feedback about RHS Multi-Family Housing Programs.

National Association of Affordable Housing Lenders (NAAHL): NAAHL represents organizations committed to increasing private lending and investing in low- and moderate-income communities. Members consist of private sector lenders and investors in affordable housing and community economic development: banks, loan consortia, financial intermediaries, local and national nonprofits, and public agencies.

National Association of Counties (NACO): NACO is an organization focused on researching and publishing data broken down by counties. NACO’s data helps USDA Rural Development explain the differences in needs between urban and rural areas. Rural Housing Service invites NACO to major Rural Housing events and will refer parties interested in learning more about the needs of rural America to NACO to get an in-depth understanding.
National Association of Development Organizations: The National Association of Development Organizations provides advocacy, education, research, and training for the nation’s regional development organizations. The association and its members promote regional strategies, partnerships, and solutions to strengthen the economic competitiveness and quality of life across America’s local communities. Their primary communication has recently focused on Promise Zones, Farm Bill Section 6025, and regional strategic planning activities.

National Association of Realtors (NAR): NAR helps Rural Housing Service promote Single Family Home Loan Programs to their national network of realtors. Realtors are often the first person potential homeowners interact with when trying to find an affordable way to purchase a home which makes this a key audience expanding RHS program awareness. Rural Housing Service invites NAR to come to USDA headquarters at least once a year to network with RHS leadership and learn more about RHS programs.

National Association of State Departments of Agriculture (NASDA): NASDA grows and enhances agriculture by forging partnerships and creating consensus to achieve sound policy outcomes between state departments of agriculture, the federal government, and stakeholders. NASDA has strong interest in the REAP program.

National Association of State Energy Offices (NASEO): NASEO is the only national non-profit association for the governor-designated energy officials from each of the 56 states and territories. Formed by the states in 1986, NASEO facilitates peer learning among state energy officials, serves as a resource for and about state energy offices, and advocates the interests of the state energy offices to Congress and federal agencies like USDA RD.

National Council of State Housing Agencies (NCSHA): NCSHA is made up of a large network of State Housing Finance Association leadership. NCSHA is a one stop shop for RHS to promote and publicize major program changes, needs, and improvements to a national stakeholder audience. Every year RHS leadership has a speaking role at NCSHA’s annual conference.

National Bankers Association: National trade organization representing minority and women owned financial institutions. RD meets at least twice per year with this organization and also attends their annual convention in October.

National Biodiesel Board: The National Biodiesel Board (NBB) is the national trade association representing the biodiesel industry in the United States. NBB is a strong advocate of the REAP program and the Advanced Biofuels Payment Program (Section 9005).

National Center for Appropriate Technology (NCAT): NCAT runs the Appropriate Technology Transfer for Rural Areas [ATTRA] program that supports data, information, and technical assistance focused on sustainable agriculture for farmers. Their primary communication has recently focused on the beginning and veteran farmer activities and Cooperative Agreements.

National Cooperative Bank (NCB): Is a leading financial services company dedicated to serving cooperatives and socially responsible organizations nationwide. Their primary communication has recently focused on RBS lending programs and cooperative development activities.
National Cooperative Business Association (NCBA): NCBA is the oldest not-for-profit cooperative development and trade association in the United States, fostering cooperative and international economic and social development in the United States and abroad. Their primary communication has recently focused on the Rural Cooperative Development Program, the Socially Disadvantaged Group Grant Program and Cooperative Agreements.

National Council of Farmer Cooperatives (NCFC): NCFC works on a wide range of legislative and regulatory issues of interest to agricultural cooperatives and their farmer and rancher owners. This includes cooperative tax issues, antitrust issues, energy, international trade, conservation and many others. Their primary communication has recently focused on the Value Added Producer Grant Program and agricultural cooperative development activities.

National Farmers Union (NFU): NFU represents family farmers, fishers, and ranchers across the country with formally organized divisions in 33 states. The National Farmers Union believes that good opportunities in production agriculture are the foundation of strong farm and ranch families, and strong farm and ranch families are the basis for thriving rural communities. Their primary communication has recently focused on the Rural Cooperative Development Program and agricultural cooperative development activities.

National Housing Conference (NHC) – NHC is an independent organization that hosts a large event in Washington, D.C. every year. In 2016 NHC’s conference focused specifically on rural housing needs for the first time in 30 years which brought much needed attention to the subject. Regardless of the focus, USDA Rural Development has a speaking role in the conference every year.

National Housing Law Project (NHLP): NHLP is a nonprofit national housing and legal advocacy center that works with a nationwide network of low-income housing advocates to increase and preserve the supply of decent, affordable housing, improve existing housing conditions, including physical conditions and management practices, expand and enforce low-income tenants' and homeowners' rights, and, increase housing opportunities for racial and ethnic minorities.

National Housing Trust: The National Housing Trust is focused on bringing together federal, state and local policymakers, private owners and investors, affordable housing practitioners, and the public to support quality, healthy neighborhoods with a range of housing options so that families of all income levels have an opportunity to thrive.

National Low Income Housing Coalition: The National Low Income Housing Coalition focuses on policy advocacy, research, and intervention efforts designed to preserve existing federally assisted homes and housing resources, expand the supply of low income housing, and establish housing stability as the primary purpose of federal low income housing policy.

National Partnership of Farmworker and Rural Organizations (MAFO): MAFO is a farmworker advocacy organization. MAFO invites RHS leadership to participate in and speak at their major meetings to discuss RHS’ Farmworker Housing Programs. MAFO often provides written feedback about how RHS can improve farmworker housing programs.

National Rural Electric Cooperative Association (NRECA): NRECA is the national service organization for more than 900 nonprofit rural electric cooperatives and public power districts providing retail electric service to more than 42 million consumers in 47 states, and whose
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

retail sales account for approximately 12 percent of total electricity sales in the United States. Their primary communication has recently focused on the RBS lending programs and cooperative development activities. RUS meets often with NRECA representatives and attends annual, regional, and occasionally board meetings. RUS’ relationship with NRECA and rural electric cooperatives has helped improve RD’s regulations and requirements and increased awareness of additional RD funding opportunities in rural areas.

**NTCA–The Rural Broadband Association:** NTCA is the association representing nearly 900 independent, community-based telecommunications companies that are leading innovation in rural and small-town America. Their primary communication has recently focused on the RBS lending programs and cooperative development activities. The Electric Program has had a strong partnership with the National Rural Electric Cooperative Association, which was created during the establishment of the Rural Electrification Administration, to help deliver electric service to rural areas 80 years ago.

**National Rural Housing Coalition (NRHC):** NRHC is a major stakeholder of RHS’ Mutual Self-Help Housing programs. RHS interacts with NRHC by participating and speaking at their annual meetings and conferences, and during Homeownership Month (June) to publicize and promote self-help housing.

**National Rural Lenders Association (NRLA):** NRLA is a national association representing banks and financial institutions. Their mission is to advocate for USDA Guaranteed Lending programs to support rural economic development. RD meets twice per year with the organization and also attends their annual conference in October.

**National Rural Utilities Cooperative Finance Corporation (NRUCFC):** The Electric Program has had a strong partnership with the NRUCFC, which was incorporated in 1969 to supplement RUS lending to rural electric cooperatives. RUS provides loan guarantees to NRUCFC, which has over $20 billion in loans. This relationship with NRUCFC and rural electric cooperatives has strengthened funding opportunities for rural electric cooperative utilities.

**National Rural Water Association (NRWA):** RUS has a long partnership with NRWA, which is the nation’s largest water and wastewater utility organization, and actively participates in NRWA conferences and training. RD Water and Environmental Programs staff partner with NRWA to provide critical training and technical assistance to rural water and waste utilities. NRWA provides training and on-site technical assistance to rural utility operators through its Circuit Rider program, conducts energy audits of water and wastewater systems, and provides sustainability training to utility operators. In addition, NRWA conferences and in-service training provide a wealth of information and training on utility management, operations, and governance. In the past year, WEP has worked with NRWA to promote RD Apply, (a new online application system) and has provided RD Apply training at nearly all NRWA national and state conferences.

**National Sustainable Agriculture Coalition:** The National Sustainable Agriculture Coalition is an alliance of grassroots organizations that advocates for federal policy reform to advance the sustainability of agriculture, food systems, natural resources, and rural communities. Their primary communication has recently focused on the Value Added Producer Grant Programs, the Rural Energy for America Program and the B&I Guaranteed Loan Program.
NeighborWorks America: NeighborWorks is a national organization that works with communities in need to improve housing and community economic development. NeighborWorks funds often leverage USDA investment dollars across several Rural Housing Service programs.

Opportunity Finance Network: The Opportunity Finance Network (OFN) is made up of hundreds of Community Development Finance Institutions (CDFIs). USDA has many programs rural CDFI’s qualify for, and OFN can help USDA promote those programs to their membership. Every October OFN hosts an annual meeting in Washington D.C., where USDA often participates and occasionally has a speaking role.

Orion Advocates: Orion Advocates is a full service government relations consulting firm. Patrick Rita focuses on the paper and forest products industry including the wood pellet industry and wood pellet manufacturers interests' in the Advanced Biofuels Payment Program.

Renewable Fuels Association (RFA): RFA's mission is to drive expanded production and use of American-made renewable fuels and bio-products worldwide.

Rural Community Assistance Corporation (RCAC): RCAC plays a major technical and management assistance role in the RHS Mutual Self Help Program every year. RCAC also recently received several million dollar Community Facilities Re-lending loan to reinvest in rural community facilities nationwide.

Rural Community Assistance Partnership (RCAP): RD Water and Environmental Program staff partner with RCAP, a federally-funded national nonprofit comprised of six regional partners, to provide training and on-site technical assistance to WEP borrowers that are financially unsustainable to help them achieve sustainability. WEP also partners with RCAP on special initiatives such as the Colonias project, which will help the poorest Colonias communities obtain financing and technical assistance to support water and wastewater infrastructure.

Rural LISC: Rural LISC works with USDA Rural Development to promote advocacy for investment in rural America. Rural Housing Service is often invited to have a speaking role at major Rural LISC meetings and conferences.

Self Help Bank: Self Help Bank is one of the top lenders in the REAP guaranteed loan program.

Smart Growth America (SGA): USDA works with SGA to bring innovative solutions, funding ideas, and insights from years of community development experience to small towns experiencing slow or nonexistent growth. In 2016 USDA Rural Development worked with SGA through a cooperative agreement to host workshop events in rural towns. USDA and SGA also completed financial analysis of each one of these communities so the town leadership could create an informed community economic development plan.

The Mortgage Bankers Association of America (MBA) – MBA is an organization made up of thousands of mortgage lending professionals across the country. RHS invites MBA leadership to many events at headquarters to network with RHS leadership and major stakeholders. MBA’s major publication (News Link) has featured many Single Family Housing program improvements over the years, and the editors/reporters are always open to working with RHS to publicize major achievements and changes.
Western Telecom Association (WTA): The RUS Telecommunications Program works with WTA members on issues related to our loan and grant programs. We participate in their spring and fall meetings by holding office hours to interact with current and potential borrowers. We also meet with them and their members upon request. WTA advocates for rural Telephone and Cooperatives relative to access for federal resources and favorable policies for their members.

a. Recent engagements with stakeholder groups

The O&M Division’s Office of Outreach and Community Engagement (OCE) includes a team of four Outreach Coordinators in the National Office. The team regularly collaborates with a diverse range of partners and stakeholders to extend RD’s reach to populations in rural areas that have been historically underserved. These partners and stakeholders include organizations that serve minority groups, federally recognized tribes, faith based organizations, Veterans, and new and beginning farmers. Some issues include lack of information about RD’s programs, lack of credit being available through traditional lenders, lack of culturally appropriate program information, and lack of capacity to access RD’s programs. Additionally, the Outreach Team helps to facilitate economic development roundtables with rural communities, connect partners that assist with developing regional plans, host Community College seminars to assist community colleges with economic development, and provide training to staff to help deliver RD’s programs more effectively in underserved communities. A sample of activities is included below.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Date/Location</th>
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<tbody>
<tr>
<td>Rural Advancement Fund of the National Share Croppers Fund</td>
<td>October 1, 2015</td>
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<tr>
<td>Eastern Workforce Opportunity Regional Center and Service, Inc.</td>
<td>October 15-17, 2015</td>
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<tr>
<td>Native American Finance Officers Association</td>
<td>November 4-6, 2015</td>
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<tr>
<td>National Black Farmers Association Annual Conference</td>
<td>November 6-7, 2015</td>
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<tr>
<td>Virginia State University, Small Farm Conference</td>
<td>November 2015</td>
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<tr>
<td>Intertribal Agriculture Council, Inc.</td>
<td>December 7-10, 2015</td>
</tr>
<tr>
<td>Arkansas Community Development Corporation</td>
<td>January 29, 2016</td>
</tr>
<tr>
<td>Arizona State University - Law School - Indian Legal Program</td>
<td>February 11 &amp; 12</td>
</tr>
<tr>
<td>National Women in Agriculture</td>
<td>March 24-25, 2016</td>
</tr>
<tr>
<td>National Center for American Indian Enterprise Development</td>
<td>March 21-24, 2016</td>
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<tr>
<td>HMONG National Farmers</td>
<td>April 29-30, 2016</td>
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<tr>
<td>National Women in Agriculture</td>
<td>June 16-18, 2016</td>
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<tr>
<td>Rocky Mountain Indian Chamber of Commerce</td>
<td>April 18, 2016</td>
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<tr>
<td>Penn Center, Inc. 1862 Circle Gala</td>
<td>April 30, 2016</td>
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<tr>
<td>National American Indian Housing Council</td>
<td>May 8-10, 2016</td>
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<tr>
<td>South Dakota Tribal Leaders’ Homeownership Summit</td>
<td>May 18, 2016</td>
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<td>North Dakota CED Training and Outreach Event - Role of Local Foods in CED</td>
<td>September, 2016</td>
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<tr>
<td>Brown Baptist Ministry</td>
<td>September 17, 2016</td>
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<tr>
<td>Nevada Tribal Forum - Creating Prosperity through Corporations, Enterprises and Jobs</td>
<td>September 19-20, 2016</td>
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<tr>
<td>2016 National Coalition for Asian Pacific American Community Development</td>
<td>September 19-21, 2016</td>
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<tr>
<td>Virginia State University, Small Farm Conference</td>
<td>September 20-22, 2016</td>
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<tr>
<td>Out and Equal National workplace Summit</td>
<td>October 4-7, 2016</td>
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<tr>
<td>Alliance to End Hunger</td>
<td>October 5-6, 2016</td>
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</tbody>
</table>

75
V. Top Issues

Hot Topics

The following are a collection of hot topics issues within the Rural Development mission. Some have received limited inquiries by Congress, but mostly are of high importance within USDA and for RD stakeholders.

RD Wide

Continued Labor Negotiations in Washington, DC and St. Louis, MO

Washington, DC – Working conditions are governed by a Collective Bargaining Agreement (CBA) between the Agency and the Union. The current CBA was enacted on July 16, 2010, and expired on July 15, 2015, but continues to be operational until completion of existing negotiations. Negotiations with the union began on August 17, 2015 and continue to date.

St. Louis, MO – The current CBA began on November 5, 2009, and November 24, 2012, and expired most recently on November 24, 2015, but continues to be operational until completion of existing negotiations. Negotiations with the union began in January 2015 and negotiations continue to date.

Contract Procurements – Provided below is a list of National Office contracts that are due to expire in the first quarter of FY 2017 (October 1 – December 31, 2016).

<table>
<thead>
<tr>
<th>CONTRACT</th>
<th>DESCRIPTION OF SERVICES</th>
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<tbody>
<tr>
<td>Adino</td>
<td>General administrative support services</td>
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<tr>
<td>Challenge Unlimited</td>
<td>Granite City Warehouse, warehouse services</td>
</tr>
<tr>
<td>Circuit Rider</td>
<td>Rural water/wastewater circuit rider technical assistance program systems assistance</td>
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<tr>
<td>Computer Support Group</td>
<td>Storage and retention services</td>
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<tr>
<td>Emagine Information Technology</td>
<td>Business &amp; Industry system maintenance</td>
</tr>
<tr>
<td>Enterprise Life-Cycle Management System Support Services</td>
<td>Guaranteed and direct loan and grants support</td>
</tr>
<tr>
<td>Falcon Capital Advisor</td>
<td>GAO risk management services</td>
</tr>
<tr>
<td>Help Desk Services</td>
<td>Program funds control and non-financial applications support</td>
</tr>
<tr>
<td>ICF</td>
<td>Multi-Family Housing voucher management</td>
</tr>
<tr>
<td>Millennium Health &amp; Fitness</td>
<td>Group (100) Fitness Center Memberships</td>
</tr>
<tr>
<td>Missouri Goodwill Industries Services</td>
<td>Mailroom Services</td>
</tr>
<tr>
<td>Pitney Bowes</td>
<td>Government-owned Pitney Bowes equipment maintenance</td>
</tr>
<tr>
<td>QFlow Technology</td>
<td>Enterprise Content Management tester development support</td>
</tr>
<tr>
<td>Technical &amp; Management Assistance</td>
<td>Technical assistance to public and private nonprofit entities eligible for Mutual Self-Help Technical Assistance Grant Program assistance</td>
</tr>
<tr>
<td>Unitech Consulting</td>
<td>Onsite Security Support Services</td>
</tr>
</tbody>
</table>
Federal Employee Viewpoint Survey – In 2012, OPM administered a census survey to all federal employees to measure employees’ perceptions of whether, and to what extent, conditions characterizing successful organizations are present in their agencies. Since then these surveys have continued annually as a random sampling of a percentage of employees based on the population of each organization within an agency or mission area. In 2012-2013, RD experienced a reduction of staff and budget that may account for the decrease in employee satisfaction and reduced positive scores in 2013. At the beginning of FY 2014, efforts were directed toward areas with low positive scores from the 2013 FEVS results through listening sessions, increased funding for training needs, IT equipment upgrades, and enhanced communication efforts. These efforts have been continuing through 2015 and 2016 and have made a positive impact on the scores.

Information Technology Investments – RD has made a considerable investment of time and resources to modernize and streamline the systems used to deliver and manage RD’s housing, business, and utilities loan and grant programs. These investments include new software platforms, enhanced cyber security measures, updated end-user and enterprise hardware, and the consolidation of recurrent cost items such as managed print services. The largest investment in those systems, otherwise known as the Comprehensive Loan Program (CLP), is focused on developing a more agile Enterprise wide IT platform for program delivery that condenses and optimizes systems, enables a more rapid rollout of new or changed business requirements, improves data transparency and reporting capability to support executive decision-making, and modernizes technologies, increasing the availability of support and longevity of future systems.

Information Technology, Comprehensive Loan Program – CLP’s more than $100 million Information Technology development effort originated in 2009 with initial funding from the American Recovery and Reinvestment Act. Because of the size and scope of this investment CLP is categorized as a “Major Investment” by the USDA subjecting the effort to continuous monitoring for compliance and progress milestones by OMB using the Federal IT Dashboard.

After the investment planning stage of this effort, progress was initially delayed due to Sequestration spending cuts. CLP fully resumed work in FY 2014 with $21 million in appropriated funds, followed by another break in development in June 2015, due to multiple vendor contract protests re: its major support services contract vehicle award. RD successfully awarded a new contract in July 2016 and is moving forward with the remaining $34 million necessary to complete CLP’s modernization mission. Thanks to a favorable cost variance and CIO rating, CLP is currently reported as Green by OMB.

Leasing Shared Services Model with RD, Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS) – In 2014, the USDA Office of Procurement and Property Management and the three Service Center Agencies – FSA, NRCS, and RD – initiated efforts to collectively resolve leasing challenges through the establishment of a USDA Center of Excellence (COE) for Leasing. In FY 2016 the USDA established the Lease Accountability and Strategy Division (LASD) to manage this new Leasing Shared Services Model. At the same time, RD established a Leasing Shared Services Lead position to serve as the primary conduit to the Department, RD Real Property Leasing Specialists, and the agencies. Realignment of lease portfolio workloads and other collaborative efforts needed to fully implement the Leasing Shared Services Model will continue into FY 2017.
Program Metrics (Section 6209) – Section 6209 of the 2014 Farm Bill requires several RD programs to incorporate program metrics in program evaluation. This section is of high importance to OMB. OBPA and the RD Special Projects Manager are currently leading the effort to determine how we might best consider program metrics for the affected RD programs. This remains a critical issue as we move forward on future regulatory actions.

Regionalization of Administrative and Program Support Services – Over the past five years, RD has examined its administrative and support functions to identify potential areas to more effectively leverage these services to achieve cost efficiencies, savings and/or avoidance. In Fiscal Years 2011-12, RD experienced severe staff losses of over 1,000 personnel primarily due to the Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payment (VSIP) exercises brought on by significant budget reductions. Two particularly hard-hit areas in the RD Mission Area were Real Estate Appraisal Services and Human Resources Management. In 2012, the RD Office of the Under Secretary directed the State Directors to establish plans responding to the reductions in Program Support functions (i.e. Appraisals, Architecture, and Engineering) and Administrative functions (i.e. HR, Procurement, and Budget) on a regional basis. With a nationwide portfolio that grows by $1 billion per month, states needed to streamline administrative functions to support the Agency’s programmatic demands without sacrificing business needs and customer service.

The result was Regionalization, which generally left the existing field organizational structure in place and left the employees performing these functions assigned to their current state organizations while performing the work for the region. Regional Administrative Program Manager (RAPM) and Regional Program Support Manager (RPSM) Positions, one per region and functional area, were created to manage the workflow of the virtual, regional teams. The structure, processes, and procedures implemented have begun to institutionalize Regionalization as RD’s way of doing business and generated multiple benefits in standardization, maximizing resources, increased accountability and customer service.

Rural Infrastructure Opportunity Fund – In 2014, USDA launched a public-private partnership with Capitol Peak Asset Management and CoBank, a national cooperative bank and member of the Farm Credit System. Designed to facilitate the flow of capital to infrastructure projects in rural America, the U.S. Rural Infrastructure Opportunity Fund included a commitment by CoBank to use up to $10 billion of its balance sheet capacity to lend and co-lend in support of fund-related projects. Since the fund’s inception, CoBank has lent more than $3 billion to over 400 financings of projects in the power, water, communications and community facilities industries.

Rural Opportunity Investment initiative (ROI) – In 2014, USDA launched ROI to expand private sector investment in rural communities. Rural communities have significant infrastructure needs, limited access to credit, and an abundance of investment opportunities. ROI is working to identify incremental opportunities for investment in rural water, energy, and broadband projects, reduce barriers to investment, and connect projects with investors. RD has recently hired four new career staff members to augment the current team. These Financial Investment Specialists will work directly with the Rural Development mission area’s program agencies while also reporting directly to the office of the Under Secretary for Rural Development. Their mission will be to build and expand on the work of ROI by engaging with the private sector to recruit investment to rural America.
Small Business Program – RD’s 2016 Vendor Communication Plan, approved by the USDA Office of Small Disadvantaged Business Utilization (OSDBU), increased RD’s engagement with small businesses in FY 2016 by promoting effective communication between RD representatives and industry partners. Already, in FY 2016 RD obligated $15 million to Small Businesses, $4 million to Small Disadvantaged Businesses, $2 million to Women Owned Small Business, $609,000 to Service Disabled Veteran Owned Small Businesses and Veteran Owned Small Businesses, and $798,000 to Historically Underutilized Business Zone Small Businesses. The final FY 2016 totals will be updated by November 2016. In FY 2015, four small businesses received USDA OSDBU Small Business Awards, and RD’s Rural Housing Service Single Family Housing Program contracting staff were recipients of the Small Business Program Special Achievement Award.
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

Rural Housing Service

Community Facilities Portfolio Management – The CF direct loan program has seen a seven-fold increase from a program level of $300 million in FY 2011 to $2.2 billion in FY 2016. This surge in funding has resulted in the CF loan portfolio doubling in size since FY 2011 increasing the workload of managing this rapidly increasing portfolio.

Community Facilities Relending Program - In September 2016 RD announced that it was making funds available to community lending institutions that qualify as eligible lenders through a new program called the Community Facilities Relending Program. This program allows RD to make direct loans to community lending institutions, referred to as “re-lenders,” who then re-loan the funds to eligible applicants to acquire, maintain, build, or renovate essential community facilities. The Community Facilities Relending Program targets community lending institutions working in high poverty and persistent poverty areas. This change to the CF rule is intended to increase RD’s impact in high need areas and empower experienced community-based organizations. The community lenders that receive CF funds through this relending program will have to hold their borrowers to the same rules and regulations current Community Facilities Direct Loan program borrowers follow.

Community Facilities Technical Assistance and Training Grants – CF is implementing a Technical Assistance and Training (TAT) Grant Program. A final rule with comments was published in the Federal Register on January 14, 2016. However, subsequent delays did not allow adequate time for applicants to submit applications or for funds to be obligated prior to the end of FY16. RHS plans to implement this program in the first quarter of FY17 by publishing a Notice in the Federal Register. In the absence of delays, RHS should be able to make announcements within 5 months of the date the Notice is published.

RHS Centralization initiative / Foreclosures and Real Estate Owned (REO) properties – For the small percentage of cases where RD properties are taken into receivership, RD began the effort of consolidating the management of foreclosures and REO properties function at CSC. Historically, RHS has struggled to manage and dispose of these properties efficiently, however a new MOU with the Veteran’s Administration has centralized the process for a limited number of states.

RHS Comprehensive Property Assessment – In 2015, RHS conducted a physical assessment on a sample of properties from across the spectrum of MFH programs. The assessment concluded that there was a shortfall of approximately $5.6 billion in funds needed to modernize and maintain the utility of our portfolio over 20 years. The bulk of the $4.7 billion cost was to preserve the Section 515 portfolio.

RHS Efforts to Address the Rural Opioid Epidemic – In 2016, USDA announced steps RHS is taking to help fill the need for transitional housing for people in recovery from substance use disorders. These steps included guidance to field staff that: encourages the use of Community Facilities financing for transitional housing projects; makes vacant USDA-owned properties in 22 states available for lease or sale to non-profits to convert into transitional housing; and outlines a pilot in four states (Missouri, Nevada, New Hampshire, and Vermont) to make vacant multi-family rental housing units available to tenants participating in drug court programs. In 2014 and 2015, RHS also provided more than $213 million to 80 projects in 34 States to develop or improve mental health facilities in rural areas.
RHS Loss Claims Project – The Customer Service Center approves all payments for losses experienced by partner mortgage servicers participating in the Guaranteed Rural Housing program. Due to program growth (over 400% since 2007), insufficient automation, limited staff, and fiscal resource limitations, the process of paying loss claims needed a complete analysis and overhaul. This project is designed to establish efficient, cost-effective, automated solutions to pay loss claims timely thereby minimizing costs of interest, penalties, and administration resulting from delays in loss claim payments. The project is fully funded and on track for completion by the end of FY 2017.

RHS Section 502 Direct Funding – In the last two Fiscal Years Borrower demand for Section 502 Direct loans has historically exceeded the program’s funding capacity, inviting questions from stakeholders about the sufficiency of the program’s funding level. In years prior to FY 2012, the Section 502 Direct program level often fluctuated between $1.1 billion and $1.2 billion, and the program fully used both its low and very low income funding. For example, obligations in FY 2010 exceeded the total program level ($2.1 billion), despite being more than double current program authority. However, while the FY 2010 obligation level is a better proxy for demand than current program levels, that obligation level cannot be supported by current staffing resources.

RHS Single Family Guarantee / User Fee and Delegated Authority – New authority granted by the Housing Opportunity through the Modernization Act of 2016 authorized RHS to collect a user fee of no more than $50 from guaranteed lenders. This new funding source is estimated to provide approximately $4 million annually for use in funding system enhancements to housing loan servicing systems. However, funding necessary for implementation of the User Fee and Delegated Authority regulation has not yet been identified. Initial implementation is planned for FY 2019 and 2020, with full implementation in 2021. Attention to securing the resources necessary for this implementation may be required.
Advanced Biofuel Producer Payments (Section 9005) – Producers of advanced biofuels are eligible for payments based on the amount of advanced biofuels they produce. Last year Senator Collins and the Biomass Thermal Energy Council, expressed concerns to Secretary Vilsack over the 85 percent discount on BTU value for solid advanced biofuels produced from forest biomass and the 5 percent cap on payments to producers of such fuels. The Secretary indicated that RBS will re-evaluate these factors. RBS has completed this evaluation and is in the process of developing a work plan and revised regulation addressing these concerns. RBS expects to revise the regulation to be effective later in FY 2017.

Business and Industry Guaranteed Loans & First Farmer’s Bancorp – First Farmer’s Bancorp, LLC, dba First Farmers Financial, headquartered in Orlando, Florida, was approved as an eligible non-traditional lender for the Business and Industry Guaranteed Loan (B&I) Program in seven states. Nikesh Patel, the founder and CEO of First Farmers Financial, was arrested by federal authorities on fraud charges, accused of fabricating loan-guarantee forms by forging the signatures of government officials and inventing borrowers. First Farmers Financial is alleged to have sold into the secondary market approximately 25 B&I loans that were never received or approved by the Agency. Nikesh Patel has plead not guilty to the charges. The Agency has determined that there were only 4 valid loans totaling $22.9 million made to First Farmer’s Financial (three loans in Georgia and one loan in Florida). Two of these loans have now been sold to an eligible lender, Northeast Bank, and the Agency is recommending a promissory note sale of Lancaster Energy Partners, LLC.

On August 31, 2016, a complaint was filed against the United States in Florida alleging a FTCA claim based on allegations that the USDA was negligent in certifying First Farmers as a non-traditional lender under the B&I loan guarantee program. The complaint was filed by a number of individual banks and investments funds.

In media reports, there has been some confusion about the significance that First Farmers Financial, LLC was an approved lender in the B&I Program. Approved lender status merely authorizes the lender to request that USDA guarantee a loan under the program. Approved lenders do not have authority to guarantee private loans on behalf of USDA. Instead, USDA reviews each and every loan submitted for the program to determine if the loan meets the requirements of the B&I Program before USDA guarantees the loan.

Business and Industry Guaranteed Loans, Guarantee Fee Rate – Since authorization was received in the FY 2012 Appropriations Act, this program has been charging an initial guarantee fee equal to 3% of the guaranteed amount of the loan, primarily to cover potential portfolio delinquencies. However, from 2012 to present the program has made significant strides in reducing delinquencies and improving portfolio performance.

A significant number of stakeholders and potential clients have recommended that the Agency return its guarantee fee to 2%, indicating that such a change would make the program much more competitive in the marketplace. Given the circumstances, RBS may need to discuss rate changes in the future.
Local and Regional Food Systems – RBS provides substantial funding for local and regional food projects and actively promotes local and regional food investments as important tools for rural economic development. These RBS efforts contribute to the Know Your Farmer, Know Your Food initiative, which coordinates local and regional food systems efforts across the Department. The following items are examples of the activities taking place at RBS:

- In FY 2015, RBS funded 311 local food project grants through RBDG, RCDG, SDGG, ARC, VAPG, B&I, REAP, and RMAP, totaling $91.6 million.

- In partnership with Wholesome Wave, RBS developed an AgLearn online training course for regional food system funders and investors on how to assess and finance local and regional food enterprises. With support from RBS staff, the training will be utilized by RD field staff and made available to the public.

- Creating new markets by linking rural producers to urban markets where local food demand is high. USDA’s Food LINC initiative (launched in March 2016) is leveraging over $2.4 million in both USDA and philanthropic funds and by working directly with its local Value Chain Coordinator and Community Development Financial Institution (CDFI), Communities Unlimited, Inc. (Fayetteville, AR), RBS is connecting small scale and minority farmers in the Arkansas-Mississippi Delta to consumers in Memphis, Tennessee, with the goals of increasing revenue to local producers, creating jobs along the value chain, and increasing access to healthy food.

- RBS developed a multi-volume technical report series called “Running a Food Hub.” The report series offers food hubs valuable information on how to plan for success, address challenges, and achieve viability.

- Staff have participated and presented in over 30 food systems conferences, webinars, and workshops – directly reaching well over 3,000 stakeholders with information and resources for developing local and regional food systems.

- RBS has supported the development of the organic sector through about $50 million in loans and Value Added Producer Grant funding, supporting producers entering new markets and diversifying production.

New and Beginning Farmers and Ranchers – USDA recognizes that the rapid aging of the American farmer is an emerging challenge. The average age of the American farmer now exceeds 58 years, and 2014 data shows that almost 10% of farmland in the continental United States will change hands in the next five years. This recognition has evolved into a robust, transparent, tech-based strategy to recruit the farmers of tomorrow. RBS has played a central role in these efforts by:

- Launching the first comprehensive, interactive online tool for new and beginning farmers, www.usda.gov/newfarmers.

- Supporting new and beginning farmers through its Value-Added Producer Grants and the Rural Energy for America Program, RBS is helping family farmers innovate and strengthen their operations. In doing so, these programs help family farmers stay on their farms.
Place-Based Initiatives – RBS is the primary lead on two cross agency place based initiatives; Rural and Tribal Promise Zones and Stronger Economies Together.

Rural and Tribal Promise Zones: Promise Zones is a White House initiative announced by President Obama in his 2013 State of the Union. Through three rounds of designations, we have a total of four rural and four tribal Promise Zones. The four rural Promise Zones are Southeastern Kentucky (since April 2014), South Carolina Low Country (since April 2015), Southwest Florida (since April 2016) and Eastern Puerto Rico (since April 2016). The four tribal Promise Zones are Choctaw Nation of Oklahoma (since April 2014), Pine Ridge Indian Reservation in South Dakota (since April 2015), Spokane Tribe in Washington State (since April 2016) and Pride of the Great Plains in North Dakota (comprising Turtle Mountain Band of Chippewa Indians and Spirit Lake Nation, since April 2016). RBS’s Community Economic Development (CED) team directly supports the rural and tribal Promise Zones economic activities.

Stronger Economies Together (SET): The SET Initiative is a cooperative agreement award with the Southern Rural Development Center (SRDC) which provides training and technical assistance to identified rural communities to assist with developing their regional economic development plan. Initiated in 2010, SRDC serves as a conduit for allocating training and technical assistance resources to appropriate land-grant co-op extension (including partnership with 1890 universities) to target SET Regions that are selected competitively. The plan increases the ability of isolated communities such as those in the Colonias, Appalachia, Delta, and Tribal regions to engage, identify their challenges and opportunities, capitalize on their regional assets, and increase their readiness to compete for Rural Development and other federal funds. Since completion of the first training in 2012, over $588 million in investments were received by SET regions, of which, 48% were from Rural Development.

Rural Business Investment Program (RBIP) – Existing and prospective Rural Business Investment Companies have recommended that RBS amend certain regulatory requirements. RBS is exploring updated program regulations to: Enable a Rural Business Investment Company (RBIC) to invest in an enterprise that is primarily located in a rural community, but may have a headquarters in a non-rural area; make the small business test equal to at least 25% of all investments, rather than the current two-pronged test which requires 50% investments in smaller enterprises, and 50% of those in small businesses; and change testing schedules for rural/metro and size of portfolio companies investments over a grace period of two to five years, as opposed to the end of each fiscal year.

In 2014, USDA licensed a $154.5 million Rural Business Investment Company (RBIC) that has been making private equity investments in agriculture-related businesses including bio-manufacturing and advanced farming technologies. This RBIC, managed by Advantage Capital Agribusiness Partners, has made 12 investments to-date, totaling $41 million.

Since 2015, an additional four funds have been conditionally licensed and two more are currently under RBS and Farm Credit Administration review. These conditional RBICs have a combined goal of raising approximately $335 million to invest into rural businesses. It is anticipated that Innova and Open Prairie will close in December 2016, with Meritus Kirchner and McLarty to close in 2017.
Value-Added Producer Grant Program (VAPG) – The VAPG, is a grant program within RBS. While effective in delivering grants that help agriculture producers in rural America expand their opportunities in the marketplace, stakeholders hold conflicting interests as they relate to the program. The National Sustainable Agriculture Coalition is actively pursuing both regulatory and legislative modifications to the VAPG program that would provide additional priority to specific categories like beginning farmers and ranchers and socially disadvantaged farmers and ranchers. The National Council of Farmer Cooperatives appears comfortable with the present priorities, but opposes modifications that will impact priority for agricultural cooperatives.

Modifying the VAPG scoring priorities to significantly enhance any one of the priority categories will likely reduce applications funded for larger cooperatives or other priority areas. RBS feels the present distribution of awards adequately meets the needs in a fair manner.
Rural Utilities Service

Rural Energy Savings Program (RESP) – Authorized in the 2014 Farm Bill, RESP was established to help rural families and small businesses achieve cost savings by providing loans to qualified consumers to implement durable cost-effective energy efficiency measures. RESP authorizes the RUS Administrator to make loans to utilities, and similar entities, that agree to use the loan funds to relend those funds to their consumers for the purpose of implementing energy efficiency measures. RESP also requires RUS to establish a plan for measurement and verification training, and technical assistance of the program. A NOSA was published on June 21, 2016 announcing the availability of $52 million in loans for FY16.

Rural Water Fund – USDA is working to leverage its existing Water and Environmental Programs portfolio which provides loans, grants and loan guarantees for drinking water, sanitary sewer, solid waste and storm drainage facilities in rural areas and cities and towns of 10,000 people or less. The policy goal of this pilot is to bring institutional investors into the market for rural water infrastructure lending by selling a participation interest in a bundle of USDA’s existing water loan assets to a private counterparty. In exchange for the sale, the counterparty would make a forward commitment for a certain amount of rural water lending within a specified period of time. The counterparty would target rural communities with populations greater than 10,000 people because they are not eligible for USDA’s grants and low interest rate loans for water infrastructure. The sales plan is expected to be sent to OMB before the end of 2016.
Timeline

January

CSC Support Services contract with Task Source for $3.3 Million expires January 17, 2017

CF Technical Assistance and Training Grants: target implementation in early FY17 - CF Technical Assistance and Training Grant Program implementation. A Final Rule with Comments was published in the Federal Register on January 14, 2016. However, subsequent delays did not allow adequate time for applicants to prepare and submit applications or for funds to be obligated prior to the end of FY16. The Agency plans to implement this program in the first quarter of FY17 by publishing a Notice in the Federal Register. In the absence of unplanned delays, the Agency should be able to make announcements within 5 months of the date the Notice is published.

March

RD Instruction 3570-A, Community Facilities Direct Loan and Grant Regulation: anticipate needing clearance of interim/final rule in the second half of FY17 - Consolidating the CF Direct Loan and Grant Regulations into one single regulation. Also included in this consolidation will be the inclusion of broadband projects as an eligible purpose for the CF Program.

RD Instruction 3570-E, Servicing Community Facilities Loans and Grants: anticipate needing clearance of interim/final rule in the second half of FY17 - The CF Program currently uses 7 different regulations to service CF loans and grants, this would consolidate the applicable parts of all 7 regulations into one servicing regulation.

The extension of the CSC Real Estate Tax Services contract with Corelogic for $1.3 Million annually expires March 2017

The CSC Property Preservation contract with Corelogic/MCS for $21 Million annually expires March 2017

The CSC Skip Trace Contract for finding address and occupant information with Experian for $35,000 expires March 2017

June

Single Family Guarantee – Regulation 7 CFR 3555: User Fee and Delegated Authority – Final Rule June 2017 - The Housing Opportunity through Modernization Act of 2016 authorizes the Secretary to (1) allow preferred lenders to issue loan guarantees without involving agency staff, and (2) require users of the Guaranteed Underwriting System to pay a user fee that will support the enhancement and maintenance costs of GUS and supporting systems. The fee will enable the agency to effectively administer the program and better manage portfolio risk. RHS is in the process of revising the regulation to add new sections pertaining to (1) the delegation of guarantee issuance authority (“delegated authority”), and 2) the remittance of the GUS user fees.

RHS needs approximately $1 million upfront for system enhancements to implement the User Fee and Delegated Authority regulation. The source of these funds have not yet been identified. This cost would be spread over a two-year period for system development and user
acceptance testing (FY 2017 and FY 2018). An additional $450,000 would be necessary to ensure minor changes to the system can be made following the initial implementation (FY 2019, 2020, and 2021), as is customary with any major system enhancement. Full implementation would occur in FY 2021.

Single Family Direct – Regulation 7 CFR 3550: Limitation on Seller Concessions and Repayment Ratios – Final Rule by August 2017 - This rule will also revise the way in which the Agency calculates the repayment ratios for applicants by including homeowner association dues and other recurring, property-related assessments in the calculations.
## Appendix A: Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>ACE</td>
<td>Association of Communication Engineers</td>
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<tr>
<td>AFGE</td>
<td>American Federation of Government Employees</td>
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<tr>
<td>AFSCME</td>
<td>American Federation of State, County and Municipal Employees</td>
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<td>ARC</td>
<td>Appalachian Regional Commission</td>
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<td>American Recovery and Reinvestment Act</td>
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<td>B&amp;I</td>
<td>Business and Industry</td>
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<td>Biotechnology Innovation Organization</td>
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<td>Broadband Initiatives Program</td>
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<td>BTEC</td>
<td>Biomass Thermal Energy Council</td>
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<td>British Thermal Unit</td>
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<td>Bargaining Unit Employees</td>
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<td>Community Development Financial Institution</td>
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<td>CF</td>
<td>Community Facilities program</td>
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<td>Chief Financial Officer</td>
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<td>Consumer Financial Protection Bureau</td>
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<td>Comprehensive Loan Program</td>
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<td>Center of Excellence</td>
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<td>ConAct</td>
<td>Consolidated Farm and Rural Development Act</td>
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<td>CPP</td>
<td>Clean Power Plan</td>
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<td>CRO</td>
<td>Chief Risk Officer</td>
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<td>Customer Service Center</td>
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<td>Credit Union National Association</td>
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<td>Deputy Administrator for Operations and Management</td>
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<td>DLT</td>
<td>Distance Learning and Telemedicine Program</td>
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<td>Economic Development Administration</td>
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<td>Equal Employment Opportunity</td>
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<td>Environmental Law &amp; Policy Center</td>
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<td>FCA</td>
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<td>FFB</td>
<td>Federal Financing Bank</td>
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<td>Acronym</td>
<td>Full Form</td>
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<td>FHA</td>
<td>Federal Housing Administration</td>
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<td>FMD</td>
<td>Financial Management Division</td>
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<td>FmHA</td>
<td>Farmers Home Administration</td>
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<td>Farm Service Agency</td>
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<td>FTCA</td>
<td>Federal Tort Claims Act</td>
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<td>GAO</td>
<td>Government Accountability Office</td>
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<td>GUS</td>
<td>Guaranteed Underwriting System</td>
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<td>HFFI</td>
<td>Healthy Food Financing Initiative</td>
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<td>HHS</td>
<td>Department of Health and Human Services</td>
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<td>HR</td>
<td>Human Relations</td>
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<td>HUD</td>
<td>Housing and Urban Development</td>
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<td>IRP</td>
<td>Intermediary Relending Program</td>
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<td>IRS</td>
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<td>IT</td>
<td>Information Technology</td>
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<td>ITM</td>
<td>Innovative Technologies in Manufacturing</td>
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<td>IUOE</td>
<td>International Union of Operating Engineers</td>
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<tr>
<td>kWh</td>
<td>Kilowatt Hour</td>
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<td>LAPAS</td>
<td>Legislative and Public Affairs</td>
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<td>LASD</td>
<td>Leasing Accountability and Strategy Division</td>
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<td>LFAC</td>
<td>Local Food and Agriculture Council</td>
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<td>LLC</td>
<td>Limited Liability Company</td>
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<td>LPO</td>
<td>Loan Programs Office (DOE)</td>
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<td>MCO</td>
<td>Mission Critical Occupations</td>
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<td>Management Control Reviews</td>
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<td>MOU</td>
<td>Memorandum of Understanding</td>
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<td>Megawatt</td>
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<td>National Association of Credit Specialists</td>
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<td>NASDA</td>
<td>National Association of State Departments of Agriculture</td>
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<td>NASEO</td>
<td>National Association of State Energy Offices</td>
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<td>National Association of Service Professionals</td>
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<td>NBB</td>
<td>National Biodiesel Board</td>
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<td>NCAT</td>
<td>National Center for Appropriate Technology</td>
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<td>NCB</td>
<td>National Cooperative Bank</td>
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<td>NCFC</td>
<td>National Council of Farmer Cooperatives</td>
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<td>NEA</td>
<td>National Endowment for the Arts</td>
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<td>NFAC</td>
<td>National Food and Agriculture Council</td>
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<td>National Financial Accounting and Operations Center</td>
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<td>NFIP</td>
<td>National Flood Insurance Program</td>
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<td>NFU</td>
<td>National Farmers Union</td>
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United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

NOFA  Notice of Funding Announcement
NOSA  Notice of Solicitation for Application
NRECA  National Rural Electric Cooperative Association
NRLA  Northeastern Retail Lenders Association
NRUCFC  National Rural Utilities Cooperative Finance Corporation
NRWA  National Rural Water Association
NTCA  The Rural Broadband Association
O&M  Operations and Management
OASCR  Office of the Assistant Secretary for Civil Rights
OBPA  Office of Budget and Program Analysis
OCE  Office of Outreach and Community Engagement
OGC  Office of General Council
OHRM  Office of Human Resources Management (USDA)
OIG  Office of the Inspector General
OMB  Office of Management and Budget
OPM  Office of Personnel Management
OPPM  Office of Procurement and Property Management
OSDBU  Office of Small Disadvantaged Business Utilization
OSEC  Office of the Secretary
P.L.  Public Law
PARA  Program Accounting and Regulatory Analysis
PAS  Procurement and Administrative Services
PBS  Public Broadcasting Service
PDRA  Program Development and Regulations Analysis
PSS  Program Support Staff
RA  Rental Assistance
RAPM  Regional Administrative Program Manager
RBDG  Rural Business Development Grant
RBEG  Rural Business Enterprise Grant program
RBIC  Rural Business Investment Company
RBIP  Rural Business Investment Program
RBOG  Rural Business Opportunity Grant program
RBS  Rural Business-Cooperative Service
RCAP  Rural Community Assistance Partnership
RCDG  Rural Cooperative Development Grant program
RD  Rural Development
RDA  Rural Development Administration
REA  Rural Electrification Administration
REAP  Rural Energy for America Program
REDLG  Rural Economic Development Loan and Grant program
REO  Real Estate Owned property
RFA  Renewable Fuels Association
RHS  Rural Housing Service
RMAP  Rural Microentrepreneur Assistance Program
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<tr>
<th>Acronym</th>
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<tr>
<td>ROI</td>
<td>Rural Opportunity Investment initiative</td>
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<td>RPMB</td>
<td>Regulations and Paperwork Management Branch</td>
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<td>RPSM</td>
<td>Regional Program Support Manager</td>
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<td>RRH</td>
<td>Rural Rental Housing</td>
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<td>Rural Utilities Service Loan Servicing System</td>
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<td>Small Business Administration</td>
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<td>SEARCH</td>
<td>Special Evaluation Assistance for Rural Communities and Households</td>
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<td>SES</td>
<td>Senior Executive Staff</td>
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<td>SET</td>
<td>Stronger Economies Together</td>
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<td>SFAC</td>
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<td>St. Louis</td>
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<td>TAT</td>
<td>Technical Assistance &amp; Training</td>
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<td>USAID</td>
<td>US Agency for International Development</td>
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<td>USDA</td>
<td>United States Department of Agriculture</td>
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<td>USEC</td>
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<td>Veterans Administration</td>
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<td>VAPG</td>
<td>Value Addend Producer Grant program</td>
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<td>Voluntary Early Retirement Authority</td>
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<td>VSIP</td>
<td>Voluntary Separation Incentive Payment</td>
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<td>WDC</td>
<td>Washington DC</td>
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<td>WEP</td>
<td>Water and Environmental Programs</td>
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<tr>
<td>WTA</td>
<td>Western Telecom Association</td>
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<tr>
<td>WWD</td>
<td>Rural Water and Waste Disposal program</td>
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WHO WE ARE: OUR MISSION AREA

DM's mission is to provide management leadership to ensure that USDA's administrative programs, policies, advice, and counsel meet the needs of USDA program organizations, consistent with laws and mandates. DM is also tasked to provide safe and efficient facilities and services to customers.

WHO WE ARE: OUR WORKFORCE

- OES 24 employees
- OHRM 130 employees
- OHSEC 65 employees
- OPPM 115 employees
- OSDBU 8 employees
- OCIO 998 employees
- OO 198 employees
- Office of the Assistant Secretary 9 employees

WHO WE SERVE: OUR CONSTITUENTS

DM is the central administrative management organization, serving all USDA employees.

KEY UPCOMING DECISIONS

South Building and GWCC Modernization

To address the many life safety and accessibility deficiencies as well as the failing operational systems, USDA has developed a strategy to modernize the South Building and George Washington Carver Center.

The project has an estimated cost of $776.15 million in today's dollars and would take five years to complete.

BUDGET HIGHLIGHTS FY 2016

- Overall Budget Authority $736,145
- 18% Direct
- 0% Mandatory
- 70% Working Capital Fund
- 12% Reimbursements
I. Organizational Overview

Organizational Chart

Departmental Management is a subcabinet level office led by the Assistant Secretary for Administration. The Office of the Assistant Secretary for Administration (OASA) is the immediate office for Departmental Management. OASA consists of the Assistant Secretary for Administration, two Deputy Assistant Secretaries for Administration, the OASA Chief of Staff, and the Senior Advisor to the Assistant Secretary for Administration as well as administrative support staff. Of the four leadership positions within OASA, three are political positions and one is career. The Deputy Assistant Secretary for Administration and administrative support staff are career positions for OASA.
Biographies for career and political staff in key leadership positions

Political:

**Dr. Gregory L. Parham**
Assistant Secretary for Administration
202-720-3291, Gregory.Parham@osec.usda.gov

Dr. Gregory L. Parham was appointed Assistant Secretary of Agriculture for Administration in June 2013. Prior to this appointment, he was designated Acting Assistant Secretary, and served as the Administrator of the U.S. Department of Agriculture’s (USDA) Animal and Plant Health Inspection Service (APHIS).

Previously, Dr. Parham served as APHIS’ Associate Administrator and as the Deputy Administrator for Marketing and Regulatory Programs - Business Services, after joining APHIS as the agency Chief Information Officer. He began his Federal career as an Epidemic Intelligence Service Officer with the Public Health Service at the Centers for Disease Control. He joined USDA in 1982, and has worked for several USDA agencies including: the Food Safety and Inspection Service, the Extension Service, the Cooperative State Research, Education and Extension Service, and the Office of the Chief Information Officer.

Dr. Parham holds a master’s degree from the Johns Hopkins University in administrative science and doctorate and bachelor degrees from The Ohio State University in veterinary medicine and microbiology.

**Yeshimebet Abebe**
Deputy Assistant Secretary for Administration
202-720-3291, Yeshimebet.Abebe@osec.usda.gov

Yeshimebet Abebe serves as the Deputy Assistant Secretary in the Office of the Assistant Secretary for Administration effective May 16, 2016. Prior to her current role, she served as the Chief-of-Staff for Research, Education and Economics. She has also served as an Advisor to the Secretary for Special Projects, Special Assistant in the Office of the Under Secretary for Rural Development, and as a Special Assistant in the Rural Utilities Service.

Prior to her USDA service, Ms. Abebe practiced law and worked on the Barack Obama presidential campaign. Ms. Abebe holds a Bachelor of Science in Urban and Regional Studies from Cornell University, a Masters in International Law and the Settlement of Disputes from the United Nations Mandated University for Peace, and a Juris Doctor from the University Of Miami School Of Law.
Henry (Hank) Bennett, Director  
Office of Small and Disadvantaged Business Utilization  
202-720-7117, Henry.Bennett@dm.usda.gov  

Hank Bennett was appointed as the U.S. Department of the Agriculture’s Director of the Office of Small and Disadvantaged Business Utilization (OSDBU) in May of 2016.

As Director of OSDBU, Mr. Bennett is responsible for ensuring that the Department’s purchasing agencies engage small businesses - the "engines that drive the Nation’s economy" - so that USDA continues to be a leader, and one of the Federal government’s top performing departments in utilizing small and disadvantaged businesses.

Mr. Bennett has extensive experience working with a diverse range of small businesses. Prior to joining the USDA, Mr. Bennett was part of a team that started a community bank in Tulsa, Oklahoma. Among other roles, he served as the bank's Board Secretary, Community Reinvestment Act Officer, and a Senior Lender. Mr. Bennett developed and managed a large loan portfolio of which more than half of the loans were to women, minority, and veteran owned small businesses, non-profit organizations, and churches.

Mr. Bennett has also served at the Democratic National Committee, worked in several roles for Mayor Alvin Brown of Jacksonville, Florida, and served for several other Democratic legislators and organizations.

Janet Nuzum  
Director of Asian American and Pacific Islander Affairs  
202-260-8259, Janet.Nuzum@osec.usda.gov  

Janet Nuzum currently serves as USDA’s Senior Advisor and Director of Asian American and Pacific Islander (AAPI) Affairs, a position she assumed in January 2016. In this role, Ms. Nuzum leads USDA’s engagement with Asian Americans and Pacific Islanders across the United States, and represents USDA on the White House Initiative on AAPIs.

Prior to her current position, Ms. Nuzum served as Associate Administrator of the Foreign Agricultural Service (FAS), overseeing the agency’s work on international agricultural trade. Ms. Nuzum’s career before USDA spanned three decades of public policy work, much of which was in the field of international trade policy and law. She has served as a Senate-confirmed Presidential appointee as Commissioner and Vice Chairman of the US International Trade Commission. Ms. Nuzum also worked on Capitol Hill in the U.S. House of Representatives on the committee staff of the House Ways and Means Committee and on the personal staff for two Members of Congress.

In addition to a Law degree from Georgetown University Law Center and a Bachelor’s degree in economics and government from Smith College, Ms. Nuzum has a graduate certificate in landscape design from The George Washington University and an executive education certificate
from the Harvard University Kennedy School of Government. Ms. Nuzum studied Japanese as an undergraduate student at Yale University and in Kyoto, Japan at Doshisha University.

Elisabeth Reiter
Senior Advisor to the Assistant Secretary for Administration
202-431-1034, Liz.Reiter@osec.usda.gov

Elisabeth Reiter currently serves as Senior Advisor to the Assistant Secretary for Administration. In this role, Ms. Reiter directs Secretary Vilsack's Signature Process Improvement initiative, working with each agency and staff office to successfully improve customer-facing business processes using Process Improvement tools. Previously, she served as Chief of Staff to the Under Secretary for Farm and Foreign Agricultural Services. Prior to government service, Reiter was Deputy Director of Advance for the Obama for America campaign in 2007-2008. Ms. Reiter worked previously on the successful campaigns of Virginia Governor Tim Kaine (D) in 2005 and Senator Jim Webb (D-VA) in 2006. Ms. Reiter also worked on Senator John Kerry's (D-MA) 2004 presidential bid. Reiter is a graduate of the University of Mary Washington in Fredericksburg, Virginia.

Career:

Malcom Shorter
Deputy Assistant Secretary for Administration
202-720-3291, Malcom.Shorter@osec.usda.gov

Malcom A. Shorter has served as the Deputy Assistant Secretary for Administration since June 2013. He is an accomplished administrative and financial professional with combined expertise in government relations and operational management. Mr. Shorter retired from the United States Army in September 2003 after a distinguished military career of more than 20 years. From January 2007 until February 2013, he served as the Democratic Staff Director for the House Committee on Veterans’ Affairs. He also served as the Director, Office of Budget, Finance and Administration, Office of the Special Trustee for American Indians, United States Department of the Interior (DOI) and as the Assistant Director for Programming and Budget, Office of Counternarcotics, United States Department of Homeland Security (DHS).

Mr. Shorter graduated from Rutgers University in 1981 with a Bachelor of Science Degree in Economics. He also holds a Master of Science Degree in Administration from Central Michigan University. His military education includes the Infantry Officer Career Course, the United States Army Command and General Staff College, and the Brookings Institute Congressional Fellowship Program.
Roberta Jeanquart
Director, Office of Human Resources Management and Chief Human Capital Officer
202-690-2994, bobbi.jeanquart@dm.usda.gov

Roberta “Bobbi” Jeanquart serves as Director of the Office of Human Resources Management and the Chief Human Capital Officer for USDA. She provides vision and leadership to USDA-wide human resources programs, including human resources policy, employee and labor relations, recruitment and diversity, and workforce and succession planning. In addition, she serves as the USDA representative to the Chief Human Capital Officers Council. Ms. Jeanquart was also named by the Deputy Secretary to serve as USDA’s Senior Accountable Official for implementation of the Executive Order on Improving the Senior Executive Service and also was appointed to serve on the People and Culture Workgroup that helped develop the President’s Management Agency. Ms. Jeanquart has served in a number of leadership positions since joining USDA in 2009, including Deputy Assistant Secretary for Congressional Relations and Chief of Staff for Departmental Management. She is a graduate of USDA’s Senior Executive Service Candidate Development Program. Ms. Jeanquart has 11 years’ experience working on Capitol Hill serving as an associate staff to the House Agriculture Appropriations Subcommittee. She also served for 10 years as the executive director of the National Association of Resource Conservation and Development Councils a national non-profit organization. Ms. Jeanquart is a native of Wisconsin, and holds a bachelor of arts in political science from Marquette University. Ms Jeanquart completed her graduate studies in comparative politics at the University of Toledo.

Jonathan Alboum
Chief Information Officer
202-720-8833, Jonathan.Alboum@ocio.usda.gov

Jonathan Alboum has served as the U.S. Department of Agriculture’s Chief Information Officer (CIO) since June 2015. In this role, Alboum works with stakeholders across USDA’s 17 component agencies and throughout government to formulate Information Technology (IT) strategies, and to develop policies that support IT budget formulation and execution, portfolio management, governance, IT operations, and information security.

Prior to his appointment as CIO, Mr. Alboum held several leadership positions at the USDA and the General Services Administration (GSA). He most recently served as the Program Executive for USDA's Modernize and Innovate the Delivery of Agriculture Services initiative, where he provided executive leadership for a $400+ million SAP implementation that gives farmers and ranchers the flexibility to update customer information at any Farm Service Administration (FSA) county office, enables them to more efficiently manage multiple customer records, reduces improper payments, and provides program eligibility information through a single view. Before that, Mr. Alboum served at GSA as the Associate CIO for Enterprise Governance and Planning. Mr. Alboum began his Federal government career at the USDA Food and Nutrition Service (FNS), where he served as the Deputy CIO and the CIO.
Mr. Alboum earned a MS in the Management of Information Technology from the University of Virginia's McIntire School of Commerce and a BS in Systems Engineering from the University of Virginia's School of Engineering and Applied Science.

Jean Daniel, Director  
Office of the Executive Secretariat  
202-720-6630, Jean.Daniel@osec.usda.gov

Office of the Executive Secretariat Director Jean Daniel has over 17 years of leadership and management experience in USDA. During her tenure with the Department, she served as Public Affairs Director for the Food and Nutrition Service, Special Assistant to the Food, Nutrition, and Consumer Services Under Secretary, Senior Advisor to the Deputy Administrator for Management, Director of Change Management and Organizational Engagement, and Acting Deputy Administrator for Management.

Todd H. Repass, Jr.  
Director, Office of Homeland Security and Emergency Coordination  
202-720-0272, Todd.Repass@dm.usda.gov

Todd H. Repass, Jr. serves as the Director of USDA's Office of Homeland Security and Emergency Coordination. He has served as the Director since January 2010. Mr. Repass is responsible for leading Department-wide efforts and initiatives for USDA physical security, radiation safety, emergency programs, personnel and document security, preparedness programs and policies, and Government continuity operations. In this role, Mr. Repass serves as the USDA Security Officer and Intelligence Officer.

Previously, Mr. Repass has held multiple program management, acquisition, environmental, and logistical positions throughout his twenty-five year career. Mr. Repass also worked for the U.S. Department of Defense.

Mr. Repass earned his degree in Business/Accounting from Saint Andrews College in 1989. He is married with four children.

Duane Williams  
Director of Operations  
202-720-3937, Duane.williams1@dm.usda.gov

Duane Williams currently serves as the Director for the Office of Operations in Departmental Management. Prior to accepting that position, Duane served as the Deputy Director for the Office of Operations. Prior to his appointment to the Office of Operations, he served as the Deputy Director of Human Resources for Rural Development Agency. Mr. Williams started his career with the Agricultural Marketing Service (AMS) 29 years ago as a Marketing Specialist in the Perishable Agricultural Commodities Act Branch, a regulatory program in AMS. During his time in AMS, he held multiple leadership and management positions.
Mr. Williams is a 1986 graduate of North Carolina Agricultural and Technical State University, where he earned his Bachelor of Science degree in Economics with a concentration in Transportation and Logistics. He is also a graduate of USDA’s Senior Executive Service Candidate Development Program, administered through American University’s Key Leadership Program.

Lisa M. Wilusz, Director  
Office of Procurement and Property Management  
202-720-9448, Lisa.Wilusz@dm.usda.gov

Lisa M. Wilusz serves as Senior Procurement Executive and Director for U.S. Department of Agriculture’s Office of Procurement and Property Management. Ms. Wilusz has over 20 years’ experience with the Federal government. She began her Federal career in 1995 as a contract specialist with USDA’s Food and Nutrition Service Agency, and worked as a procurement analyst supporting U.S. Department of Transportation’s Research and Special Programs Administration. Additionally, Ms. Wilusz has extensive experience managing enterprise level IT projects.

As a Presidential appointee, Ms. Wilusz serves as Vice Chair for the Federal AbilityOne Commission. The AbilityOne Commission oversees a $3 billion procurement program that employs more than 45,000 disabled Americans who supply services and goods to support Federal programs. Finally, Ms. Wilusz oversees the Federal BioPreferred Program, which encourages the development and use of biobased products in Federal and private sectors.

Overview of Agency Programs and Operations

Departmental Management (DM) is USDA’s central administrative management organization. DM provides support to policy officials of the Department, and overall direction and coordination for the administrative programs and services of USDA. In addition, Departmental Management manages the Headquarters Complex and provides direct customer service to Washington, D.C. employees.

DM’s mission is to provide management leadership by ensuring that USDA administrative programs, policies, advice, and counsel meet the needs of USDA program organizations, while complying with laws and mandates. DM is also tasked to provide safe and efficient facilities and services to customers.

DM includes seven offices led by Office Directors. The Office Directors report directly to the Assistant Secretary for Administration.

Office of the Chief Information Officer

The Office of the Chief Information Officer (OCIO) is charged with improving management, capital investment, and oversight of the government’s IT resources.
OCIO conducts planning, education, management, analysis, and governance of USDA’s annual IT investment portfolio, which in FY2016 was comprised of 32 major IT investments and 172 non-major IT investments. OCIO partners with USDA component agencies to create business relationships that support effective IT portfolio management processes and a strategic decision-making environment.

**Cyber Policy and Oversight**
The Office of Cyber Policy and Oversight provides leadership on IT security policy development, security oversight, risk management, information security training and awareness, and information security intern recruiting.

**Enterprise Network Services**
Enterprise Network Services provides oversight in the planning, operation, and management of USDA telecommunications network.

**National Information Technology Center**
The National Information Technology Center provides innovative, cost effective, and secure information technology solutions to government agencies.

**International Technology Services**
The International Technology Services program provides comprehensive, fee-for-service information technology, associated operations, security, and technical support services to end users.

**Security Operations Center**
The Agriculture Security Operations Center monitors, collects, and analyzes key data to identify patterns that indicate exploitation of vulnerabilities, intrusions, and malicious activities.

**Enterprise Applications Services**
Enterprise Applications Services manages a variety of enterprise applications services, development efforts, and integration projects, including Innovations and Emerging Technologies, Applications Engineering, and Applications Solutions, Identity, Credentials and Access Management, and Workforce Development Solutions.

**Office of the Executive Secretariat**
The Office of the Executive Secretariat (OES) manages the correspondence, documents, and records of the Secretary of Agriculture. OES is a valuable resource not just for the Secretary and immediate staff, but for the whole Department.

**Correspondence management**
OES ensures that all USDA officials are included in the process of drafting documents for the Secretary through a managed system of reviews and clearances. OES then works with other agencies to respond in an appropriate and timely manner. Additionally, OES ensures that Federal Register notices, memorandums, reports, and all other documents prepared for the
Secretary are fully vetted and prepared correctly for signature.

*Maintenance of official documents*
OES collects and maintains the official records of the Office of the Secretary of Agriculture.

**Office of Homeland Security and Emergency Coordination**

The Office of Homeland Security and Emergency Coordination (OHSEC) leads the Department’s security, preparedness, and response efforts through training, coordination, and the development and execution of policies and procedures to ensure employees and stakeholders are prepared to support the entire USDA mission.

*Emergency Programs Division*
The Emergency Programs Division serves as a focal point for emergency management and coordination of natural or man-made disasters within the scope of the USDA mission.

*Personnel and Document Security Division*
The Personnel and Document Security Division processes and adjudicates investigations for National Security and Public Trust positions at USDA.

*Physical Security Division*
The Physical Security Division provides physical security policy, oversight, review, and advice to the 17 USDA Agencies and 12 staff offices.

*Radiation Safety Division*
The Radiation Safety Division maintains safe use of radiation sources in USDA and coordinates USDA’s Radiological Emergency Response to national incidents.

*Resilience and Preparedness Division*
The Resilience and Preparedness Division develops, implements, and maintains emergency preparedness, emergency response, and continuity policies, plans, and procedures for the Department.

**Office of Human Resources Management**

The Office of Human Resources Management (OHRM) provides direction and leadership in formulating and issuing Departmental policy relating to personnel management, including recruitment and employment, employee and labor relations, compensation and performance management, payroll/personnel systems, and personnel management evaluations. OHRM has assisted the Assistant Secretary of Administration in implementing the Strategic Management of Human Capital Initiative under the President’s Management Agenda (PMA) and audits agency human capital activities.

*Virtual University*
This program establishes policy and provides oversight, and leadership for USDA employee
development and training in alignment of human capital goals.

**Diversity, Recruitment, and Work/Life Division**
The Diversity, Recruitment, and Work/Life Division provides Departmental policy guidance, oversight and leadership for the USDA Disability, Special Emphasis, Recruitment, Veterans Hiring and Work/Life programs.

**Executive Resources Management Division**
The Executive Resources Management Division is the centralized entity that sets policy, and provides guidance and support for USDA executive level employees, which include members of the Senior Executive Service (SES), Senior Level (SL), Scientific and Professional (ST), and political appointed employees.

**Human Resources (HR) Policy Division**
The Human Resources (HR) Policy Division sets policy and administers human resources policy related to classification, employment, compensation and leave, benefits, performance management, recognition and awards, and Departmental human resources directives.

**Strategic Human Resources Planning and Accountability**
The Strategic Human Resources Planning and Accountability Division directs implementation of the Human Capital Assessment and Accountability Framework of Title 5, Code of Federal Regulation (CFR), Part 250, which provides a systematic means for USDA to plan, implement, and evaluate performance outcomes on all aspects of human capital management policies, programs, and activities in support of the USDA Strategic Plan and the Secretary’s priorities.

**Equal Opportunity Accountability Division**
The Equal Opportunity Accountability Division is responsible for setting USDA policy and guidance related to equal opportunity accountability programs and initiatives.

**Employee and Labor Relations**
The Employee and Labor Relations Division develops, maintains, and implements Departmental initiatives related to labor and employee relations, including policies on labor-management relations, grievances, employee conduct, unacceptable performance, discipline, adverse actions, drug testing program management, employee assistance program management, workplace violence prevention program management, employee welfare and recreation associations, associations of management officials and/or supervisors, and other organizations.

**Human Resources Operations Division**
The Human Resources Operations Division provides services and technical advice in the areas of classification and position management, staffing, placement and recruitment, pay and compensation, payroll and processing, performance management, employee benefits, awards and recognition, employee and labor relations, maintenance of employee files and records, information systems, and personnel security. This division also oversees payroll processing and pay quality assurance efforts.
United States Department of Agriculture  
2016 Presidential Transition  
Departmental Management Mission Area (DM)

**Office of Operations**

The Office of Operations (OO) provides overall direction, leadership, coordination, and guidance in activities relating to facilities management, engineering and architecture, internal energy conservation, recycling, and mail and copier management programs. OO is also responsible for managing, operating, maintaining, repairing, and improving the USDA’s Headquarters’ complex as well as the George Washington Carver Center in Beltsville, Maryland.

OO provides a diverse array of support activities including: facilities operations and maintenance, engineering, architecture, design and construction oversight, space and asset management, internal energy conservation, recycling, sustainable practices, physical and technical security, parking management, executive driver services, HSPD-12 badging, occupational safety and health, occupant emergency management, accessible technology, reasonable accommodation, interpreting services, concessions/food service and child development center oversight. OO also provides centralized business services including: mail, courier, copier and duplication, general supply/equipment, excess personal property, forms and publication distribution, and warehouse services. The office also is responsible for providing executive support services to the Office of the Secretary and for the management and oversight of the USDA Visitor’s Center, which provides education and outreach to employees and the public.

**Office of Procurement and Property Management**

The Office of Procurement and Property Management (OPPM) provides policy, advice, and coordination for acquisitions and procurements, and management of Federal property. OPPM led the Department’s efforts in the Real Property PMA initiative. OPPM also provides oversight and policy on transportation, supplies, motor vehicles, and aircraft.

*Property Management*

The OPPM property management division manages leasing for the USDA and assists USDA agencies in disposing of excess buildings and structures. In addition, OPPM manages the Department’s alternative fuel use target set by Executive Order 13423.

*BioPreferred*

OPPM oversees the BioPreferred voluntary labeling program to increase the purchase of biobased products in the commercial marketplace. OPPM also helps to promote sustainable Federal procurement through use of the sixty-four biobased product categories.

**Office of Small & Disadvantaged Business Utilization**

The Office of Small & Disadvantaged Business Utilization (OSDBU) provides policy and leadership in fostering the use of small, disadvantaged, and women-owned businesses as Federal contractors. OSDBU works closely with USDA’s contracting offices to develop a comprehensive set of policies that strategically align oversight and accountability with a proactive outreach and
small business assistance program across USDA’s large decentralized mission area. These policies position USDA to sustain its small business accomplishments and to support and carry out the Department’s small business goals.

**Key Initiatives:**

- **DM** is leading a Department-wide process to review and evaluate administrative service delivery and to identify areas of improvement that would create efficiencies and improve service provided. This process, called the Administrative Solutions Project (ASP), is intended to streamline operations, eliminate or minimize redundant activities, identify process improvements, and improve customer service for program agencies and offices. The ASP is a core component of the USDA Blueprint for Stronger Service, and is focused on the functional areas of Civil Rights, Information Technology, Human Resources, Finance/Budget, Homeland Security, Procurement, and Property Management.

- **DM** also leads USDA’s engagement with the Asian American and Pacific Islander community and the White House Initiative on AAPIs (WHIAAPI). The focus of this portfolio, consistent with that of WHIAAPI, is to improve AAPIs’ understanding of, access to, and participation in federal (USDA) programs and services in which they may be underserved. The mission is one that cuts across the work of all USDA agencies and departmental offices, although some agencies have a larger role than others.

- **Presidential Memorandum "Improving the Federal Recruitment and Hiring Process" dated May 11, 2010,** established hiring reform initiatives to address major, long standing impediments to recruiting and hiring the best and the brightest into the Federal civilian workforce. Hiring Reform builds on the collaboration between OPM and Agencies to streamline the hiring process and recruit top talent, especially for mission-critical jobs. The President's initiative provides for a vigorous Government-wide recruiting effort, makes it easier for Americans to apply for Federal jobs, raises the bar on candidate quality, and provides a commonsense approach to the overall hiring process through clear objectives and detailed guidance. These steps are taken with rigorous adherence to, and respect for, the merit system principles upon which the civil service is grounded. USDA has also instituted additional hiring requirements for USDA organizations to ensure continuing progress towards transforming the hiring process. The requirements of the Presidential memorandum includes:
  1. Eliminate written essay-style questions (KSAs) at the initial stage of the application process;
  2. Allow individuals to apply with resume and cover letter;
  3. Use category rating;
  4. Hiring manager accountability and involvement;
  5. Improve the quality and speed of hiring;
  6. Notify applicants about their status
In addition, within USDA have adopted best practices for hiring under an initiative called Hiring Excellence. These best practices include:

- Focus on improving our 80-day hiring timeline goal
- All hiring managers must complete the Hiring Matters: Hiring Managers Making the Hiring Process Work training in AgLearn;
- Hiring managers must consult their Human Capital Plans prior to initiating the hiring process;
- For every recruit action, there must be a Mandatory Pre-Hiring Consultation between a hiring manager and a Human Resources (HR) specialist that includes, at a minimum, a review of the position description, job analysis, and crediting plan;
- Review hiring flexibilities prior to advertising a vacancy;
- Advertise vacancies either through Delegated Examining (DE)/Demo or Merit Promotion, but not both — subject, of course, to your labor agreements;
- Vacancy announcements should be open between five to ten days;
- Limit the number of applications for those occupations you historically receive a high volume of applications;
- Continue to provide additional training to HR staff to address competency gaps and take appropriate steps to improve the overall engagement of our HR employees;
- For each stage of the hiring process, identify where there are issues to be resolved and, where appropriate, reengineer those processes;
- Extensions to certificates must not be routinely granted; and
- Hiring Managers must complete Office of Personnel Management OPM hiring manager survey.
Budget and Staffing Summary

- Approximately 20% of Office of Operations, Office of Procurement and Property Management, and the Office of Human Resources Management are eligible to retire within the next year.
- OPPM has 1 key position it anticipates becoming vacant within the next 90 days.
- OHRM has 3 key positions it anticipates becoming vacant within the next 90 days.
## Departmental Management Mission Area (DM)

### Departmental Administration

**Budget Authority FY 2009-2016**

(Dollars in Thousands)

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### Summary by Agency:

- **OCIO Total**: $428,731
- **OES Total**: $486,236
- **OHRM Total**: $467,406
- **OHSEC Total**: $446,196
- **OO Total**: $443,890
- **OPPM Total**: $504,092
- **OSDBU Total**: $458,472

### Staff Years:

- **OCIO**: 949
- **OES**: 24
- **OHRM**: 308
- **OHSEC**: 15
- **OO**: 212
- **OPPM**: 44
- **OSDBU**: 14

**Total Staff Years**: 1566
United States Department of Agriculture
2016 Presidential Transition
Departmental Management Mission Area (DM)

II. Top Issues/Hot Topics

Timeline

January
- Finalize bring your own device program (OCIO)
- Determine Scope and implementation for security training for USDA workforce (OHSEC)

February
- Determine whether to maintain Executive Order 13522, Creating Labor-Management Forums To Improve Delivery of Government Services, and if so, whether to develop different success metrics, to continue with labor-management forums, annual labor relations climate assessment surveys, or to develop alternate methods/procedures for administering the Pre-Decisional Involvement process (OHRM)

March
- Obtain eBoard and GSA approval to establish NITC data center as Federal shared service provider (OCIO)
- The Biennial Allocation Request and justifications to support the allocation of new SES, SL, and ST slots is due to OPM (OHRM)
- Nominations for Presidential Rank Awards are due to OPM (OHRM)
- Executive Order 13693 “Planning for Federal Sustainability in the Next Decade” which requires vehicle petroleum reduction by 4% by the end of Fiscal Year 2017 and that all new vehicles employ telematics (OPPM)

April
- Certification renewal for USDA’s SL/ST performance system is due to OPM (OHRM)
- FITARA self-assessment plan, updated common baseline, and FITARA IT management maturity model verification due to OMB (OCIO)
- Eagle Horizon Exercise (OHSEC)

May
- USDA Enterprise Roadmap Update due (OCIO)
- USDA IT Asset Inventory Submission due (OCIO)
- Park Center Lease Expiration (OO)

June
- Implement new customer facing services, including eVPN2, Managed Print Services 2, and MS 0365 upgrades (OCIO)
- An approved compensation plan for the SES is due to USDA Executives by June 30, 2017. Any new or revised Departmental initiatives will need to be incorporated into executive performance plans as soon as possible, but no later than June 30, 2017, if executives are expected to be held accountable and rated on them during the Fiscal Year 2017 performance cycle (OHRM)

Other
- TBD- New Chairperson for the Executive Review Board needs to be appointed within 30 calendar days after the appointment of a new Secretary (OHRM)
• TBD- As soon as practical after the appointment of a new Secretary, decisions will need to be made as to whether or not to approve any new SES appointments or actions that have been suspended (OHRM)

Mission Area Issues

Office of the Chief Information Officer

FEDERAL INFORMATION TECHNOLOGY ACQUISITION REFORM ACT (FITARA)

The Federal Information Technology Acquisition Reform Act (FITARA) was enacted on December 19, 2014, and outlines specific requirements relating to the following:

• Federal Chief Information Officer authority enhancements
• Enhanced transparency and improved risk management in Information Technology (IT) investments
• Portfolio Reviews
• Expansion of training and use of IT cadres
• Federal Data Center Consolidation Initiative (FDCCI), more recently known as the Data Center Optimization Initiative (DCOI)
• Maximizing the benefit of the Federal Strategic Sourcing Initiative (SSI)
• Government-wide software purchasing programs

In order to provide more specific guidance for the implementation of FITARA, the Office of Management and Budget Memorandum M-15-14, Management and Oversight of Federal Information Technology, was issued. The objectives of M-15-14 state that covered agencies shall conduct a self-assessment that identifies current conformity with or gaps in conformity with a Common Baseline and Implementation Plan (herein known as the Common Baseline), and articulate an implementation plan describing the changes it will make to ensure that all Common Baseline and milestone and action table responsibilities are either implemented or provisioned for by December 31, 2015.

This self-assessment shall include a discussion of how Agency senior leaders and program leaders will work in partnership to facilitate the successful implementation of the Common Baseline and milestone and action table and how the Agency CIO will be enabled as a strategic partner integrated in shaping Agency strategies, budgets, and operations.

• In response to the M-15-14 mandate, the United States Department of Agriculture (USDA) developed the United States Department of Agriculture Federal Information Technology Acquisition Reform Act Common Baseline and Implementation Plan, dated November 14, 2015, which reinforces the role and authority of USDA’s CIO in establishing an inclusive, integrated governance process that manages IT as a strategic resource.
In addition, the USDA established the **Actions and Milestones Table**, which captures the progression of tasks related to the success of the common baseline. The USDA **Common Baseline** establishes a framework for USDA to implement the specific authorities that FITARA gives to the **Chief Financial Officer (CFO) Act** Agency CIOs, and builds upon the responsibilities outlined in the **Clinger-Cohen Act of 1996**. The Common Baseline speaks to the roles and responsibilities of other applicable senior Department officials including the CFO, the Chief Acquisition Officer (CAO), Senior Procurement Executive (SPE), the Chief Human Capital Officer (CHCO), and the Director, Office of Budget and Program Analysis (OBPA) (the USDA CIO, CFO, CAO, SPE, CHCO and OBPA Director, as a group, shall herein be identified as the CXOs).

USDA also developed FITARA scorecards in the following domains:

1. IT Security
2. IT Investment Health
3. FAC P/PM Program Manager Certification
4. Data Center Consolidation/Optimization
5. Privacy Compliance
6. Acquisition Approval Request Compliance
7. Open Data Compliance
8. Section 508 Compliance

The Scorecards are designed to evaluate and score the performance of the Agencies and Staff Offices in order to delegate authority down to the component CIOs. The USDA CIO will use these scorecards as part of his assignment plan strategy, providing empirical data to assist in assigning responsibility down to the component CIOs.

**CONTINUOUS DIAGNOSTICS AND MITIGATION (CDM)**

The Department of Homeland Security’s Continuous Diagnostics and Mitigation (CDM) Program provides federal departments and agencies with capabilities and tools that identify cybersecurity risks on an ongoing basis, prioritize these risks based upon potential impacts, and enable cybersecurity personnel to mitigate the most significant problems first. Congress established the CDM program to provide adequate, risk-based, and cost-effective cybersecurity and more efficiently allocate cybersecurity resources.

CDM is being implemented in three phases, with a fourth phase anticipated. The CDM Phases, objectives, and tools/capabilities are shown in the table below. USDA is working with DHS to implement Phase 1, and initiating the planning for Phase 2.
United States Department of Agriculture  
2016 Presidential Transition  
Departmental Management Mission Area (DM)

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Key Details

- USDA fully participated in the CDM program, and has volunteered as early adopters in Phase Two.
- We are currently implementing the capabilities of Phase One:
  - Hardware Asset Management (HWAM) solution, ForeScout, is 50% deployed. This is increasing Cybersecurity staff’s knowledge of systems on USDA networks and directly reducing exploitable cyber-attack surface by providing information about unauthorized or unmanaged devices.
  - Software Asset Management (SWAM) solution, RES ONE, is currently 15% deployed, enabling access and control of the services and technologies employees need while reducing the risk of data breaches and cyber-attacks.
  - Dashboard and Security Event Integration Management (SEIM), SPLUNK, and RSA Archer will be implemented by June of 2017. Upon implementation, USDA FISMA reporting will be streamlined through partial automation, with less human error.
- USDA is exploring options for funding out-year operations and maintenance costs after DHS funding ends after FY17.

Office of Homeland Security and Emergency Coordination

OHSEC is preparing to update the USDA Radiological Emergency Response Plan to conform to current FEMA guidelines for Federal Agency emergency response. OHSEC is also building a strong counterintelligence program to protect billions of dollars in research and development, science and technology, information technologies, critical infrastructures, employee information, and other sensitive information. Once risks are fully identified, the program will provide education and training to the Department’s employees.
Office of Human Resources Management

Secretary’s Executive Resources Board
Each Federal agency is required by 5 U.S.C. § 3393(b) to establish one or more Executive Resources Boards (ERB’s), the members of which shall be appointed by the Secretary. The ERB conducts the merit staffing process for career entry into the Senior Executive Service (SES) and entrants into the Presidential Management Fellow Program. Other functions relating to the management of the Department’s executive resources, as delegated by the Secretary, include the oversight of HR matters related to SES and Senior Level (SL) and Scientific or Professional (ST) employees. Departmental Regulation DR-1061-003, dated November 4, 2014, establishes the policy for USDA’s ERB. The ERB is comprised of a Chairperson, a Vice Chairperson, and a mix of SES and SL/ST employees representing their Mission Areas, Agencies, and Staff Offices. The ERB meets monthly to discuss executive resources policies and procedures impacting SES and SL/ST employees and makes recommendations to the Secretary. A new Chairperson will need to be appointed by the incoming Secretary. The current Vice Chairperson is a career executive and will continue the business of the Board until a new Chairperson is appointed. The current Chair is Acting Deputy Secretary Scuse.

2018/2019 Biennial Allocation Process
Pursuant to 5 U.S.C. § 3133(a), Federal agencies are required – during each even-numbered calendar year (CY), to examine their needs for SES positions for each of the two fiscal years beginning after such calendar year, and to submit to OPM a written request for each of such fiscal years. Although not expressly required by statute, Federal agencies conduct the same examination and submit a similar written request to OPM for their positions in the SL and ST systems. OPM allocates SES, SL, and ST positions to Federal Departments and in accordance with these reviews. USDA’s current allocations are:

- 399 SES slots
- 42 SL slots
- 49 ST slots

Through this process, called the biennial allocation process, OPM reviews organizational missions, plans, and structures to assess the extent to which executive resources are being used in an efficient manner. OPM conducts this process as a part of the overall strategic management of the Government’s executive resources pool. The biennial allocation process requires OHRM, Executive Resources Management Division to conduct an assessment of all USDA executive resources needs and allows Mission Areas, Agencies, and Staff Offices to submit requests for new SES, SL, and ST allocations as appropriate, based upon changing or shifting mission critical work. As part of this process, Mission Areas, Agencies, and Staff Offices are also required to review the SES position designations (career reserved or general, career, and non-career) for all encumbered and vacant positions.

The Executive Resources Management Division currently is in the process of meeting with each Mission Area, Agency, and Staff Office to determine their executive needs for the OPM data call
that is anticipated in December of 2016 for the 2018/2019 biennial. A preliminary response to OPM on USDA’s anticipated needs will be due upon the receipt of the data call. A formal justification and accompanying documentation is required to be submitted in the first quarter of calendar year 2017 if USDA intends to request any additional executive allocations.

Land Management Workforce Flexibility Act
This Act (PL 114-47) was signed into law on August 7, 2015, and allows certain current and former land management agency employees who are serving or have served under a time-limited appointment to compete for any permanent position in the competitive service at a Land Management Agency, or any other agency, under “internal” merit promotion procedures. Land Management Agencies include:

- U.S. Forest Service, USDA
- Bureau of Land Management, DOI
- National Park Service, DOI
- Fish and Wildlife Service, DOI
- Bureau of Indian Affairs, DOI
- Bureau of Reclamation, DOI

OHRM has issued instructions to agencies to provide implementing instructions to servicing HR offices to ensure compliance with this Act.

Per Executive Order 13522, in order to evaluate the effectiveness of labor-management collaborations in improving government efficiency, the Labor Relations Branch is responsible for leading the efforts for conducting an annual USDA Labor-Management Climate Assessment Survey for all USDA agency-level labor-management forums to measure the labor-management relationship across the entire USDA. Determining barriers for building effective partnership efforts between labor and management within USDA continues to be a hot topic.

Affordable Care Act and Casual Employees
USDA’s Forest Service (FS) has the authority to hire on the spot certain emergency workers to cope with sudden and unexpected emergencies related to wildland firefighting responsibilities and other hazardous incidents. In 2015, FS hired 7,212 emergency workers who are termed “casual hires.” Most of the casual hires work a few days or a few weeks, and are hired from the local area where the fire is located. However, there are occasions where the employees work for extended periods during the fire season. On October 17, 2014, OPM issued a regulatory change to 5 CFR 890 that applied the requirements of the Affordable Care Act (ACA) to temporary employees who work full time for more than 90 days. We initially believed that this change did not apply to casual hires. After consultation with Office of Personnel Management and the USDA Office of the General Counsel, it was determined that health benefits coverage must be offered under the ACA to this group of casual hires if they work more than 130 hours in a month for three consecutive months. These casual hires are paid by the Department of the Interior (DOI), who also employ casual hires. USDA collaborated with DOI to ensure all qualifying
employees were offered coverage beginning in January 2016 and throughout the summer fire season.

**Office of Operations**

*South Building and George Washington Carver Center (GWCC) Modernization Project Strategy*

USDA has been working for over 25 years (beginning with the 1995 Modernization Project) with extremely limited funding to maintain and modernize the historic USDA Headquarters Complex. With mounting deferred maintenance, aging infrastructure, long-standing life safety issues (unabated hazardous materials, lack of critical fire safety systems, outdated electrical systems, etc.), and non-compliance with contemporary building and accessibility codes, the USDA Headquarters is the only agency headquarters in Washington, D.C. that has not been modernized. The business-as-usual model of requesting modernization funds from Congress has not provided a viable means for funding the over $140 million in deferred maintenance or the funding required to complete modernization.

To address the many life safety and accessibility deficiencies, as well as the failing operational systems, USDA has developed a strategy to complete modernization. The goals and objectives of the new modernization strategy are to correct the serious deficiencies with the South Building and to achieve operating cost reductions both by reducing the footprint through the elimination of all leases in the National Capital Region and by improving energy efficiency. While continuing to reduce USDA’s real property footprint is important through elimination of leased facilities, each day that the South Building remains without proper fire protection, which would be corrected through the installation of an automatic sprinkler system, the safety of all occupants and visitors is seriously compromised. Likewise, modernization will allow the Department to achieve energy reduction goals, which will lower present operating expenses.

The USDA OO is embarking on a new business model that will utilize a hybrid funding approach. USDA would combine five (5) funding mechanisms to overcome the limitations associated with one single approach. In today’s dollars, USDA requires $776.15 million to completely modernize the South Building and GWCC. Under the hybrid option, an additional $376 million in ESPC finance fees would need to be added to the cost. The five (5) funding options under the hybrid approach include:

1. The energy savings performance contract (ESPC) – a public-private partnership tool available through the Department of Energy (DOE) which utilizes third-party financing and guaranteed energy and operational efficiency savings to pay for high-value energy conservation measures over time.
2. Non-recurring Expense Fund (NEF) – Granted to USDA by Congress with the express intent of maintaining and using unobligated balances of expired discretionary funds for projects such as facilities infrastructure and capital acquisition.
3. Annual Appropriations (over the next 5 years) – $20 million annual appropriations needed over next 5 years will be used for project requirements that cannot be funded under the ESPC or where the NEF funding has not accumulated in sufficient amounts to meet current funding needs. This includes costs incurred for payments on GSA program loans for furniture (see below), transition expenses, information technology, visual and telecommunications equipment, increased security costs for protection of construction equipment, construction delays, etc.

4. Backfill from Agency Appropriations – As agencies move into the South Building and/or GWCC from leased space, there could be an opportunity to capture some or all of the funds used for lease payments to assist with modernization funding.

5. GSA Total Workplace Furniture & Information Technology Program (FIT) – GSA’s FIT Program will be used to fund all new furniture acquisition for the South Building, with an estimated cost of $69.4 million.

People’s Garden Site Improvements and Perimeter Security Plan
The People’s Garden Initiative began in 2009 as an effort to challenge USDA employees to create agriculturally productive gardens at the agency’s facilities and the inaugural People’s Garden is located at the Whitten Building. The initiative is named in honor of President Lincoln’s description of USDA as the “People’s Department.”

USDA commissioned the People’s Garden Site Improvements and Perimeter Security project to expand the People’s Garden Initiative across its headquarters’ grounds with a focus on sustainability, landscape enhancement, and education. In addition, as the only federal office building on the National Mall which also houses a Cabinet level position, USDA required a perimeter security plan. The scope of the project included the expansion of the People’s Garden theme with sustainable practices site-wide, integration of low impact development practices site-wide including bio retention swales, permeable and pervious paving, soil cells for street trees and rain gardens, integration of Level IV Perimeter Security, and a reduction of on-site parking.

The People’s Garden site improvements and perimeter security is a multi-phase project that encompasses the entire grounds of the USDA Headquarters Complex. Following presentations, USDA received conceptual approval of the site development plans from the National Capital Planning Commission (NCPC) and the Commission of Fine Arts (CFA) in July 2014. Upon approval, Federal Agencies have a 4-year approval limit to begin construction or face a new requirement to obtain approval again. OO has requested funding in the FY2018 budget for this project.

The HQ People’s Garden is OO’s Garden and the USDA flagship demonstration garden that supports public engagement in support of the Agricultural Marketing Service nationwide People’s Garden initiative.
The HQ Perimeter Site Improvement and Security Plan is the plan for improving security and sustainability around HQ buildings by incorporating mandatory security protection elements into the sustainability features of the HQ grounds in support of Executive Orders 13693 and 13508. This plan is a product of cooperation between USDA, the National Capital Planning Commission, GSA, the DC State Historic Preservation Office, and the National Park Service. Site improvements under this plan are separate and apart from the larger USDA South Building and GWCC Modernization plan.

**National Liberty Memorial**

The National Liberty Memorial (Memorial) was authorized on January 2, 2013, by Section 2860 of Public Law 112-239. It allows the National Mall Liberty Fund D.C. (Fund) to establish a memorial on eligible Federal land to honor the more than 5,000 slaves and free black persons who served as soldiers and sailors or provided civilian assistance during the American Revolution. On September 26, 2014, P.L. 113-176 approved the establishment of the Memorial within Area I, the area comprising the central Monumental Core of the District of Columbia and its environs. Potential sites within Area I for the Memorial includes properties under the control of GSA and Department of the Interior. The three sites include: the Interior South Triangle (Virginia Avenue/19th Street), Freedom Plaza, and the west side of the Jamie L. Whitten Building (the preferred site of the Fund given its proximity to the Washington Monument, its location along 14th Street as a gateway into and out of the city, and the high volume of pedestrian traffic the site receives). The site also has a connection to the National Museum of African American History and Culture.

GSA, as the property owner has the overall lead responsibility for this project. However, USDA has and continues to be committed to working with our partners. The next step in the process is the development of a Memorandum of Understanding (MOU) between GSA, USDA, and the Fund to include: roles and responsibilities; information on design development, and a narrative that supports and articulates the role of African Americans in the Revolutionary War and its relationship to the Department.

**Park Center Lease**

The lease at the Food and Nutrition Service Building, Park Center in Alexandria, VA, expires 5/31/2017. The General Services Administration (GSA) is analyzing the six Final Proposal Requests (FPRs) received September 23rd. The current time frame for occupancy of the new facility is between June 1, 2017 and May 31, 2018. An extension of the Park Center lease will likely be required. General requirements for the replacement facility include: ISC Level III security requirements; the offered space must be contiguous and accommodated in no more than one building; must be within 2,640 walkable linear feet of an existing Metrorail station. As the liaison for space in the NCR, OO has assisted FNS and GSA with developing the Program of Requirements and other logistics; however, GSA has the lead on the leasing acquisition and award.
Office of Procurement and Property Management

- USDA Category Management Hardware – A Blanket Purchase Agreement catalog offering certified hardware products (workstations, laptops, tablets, servers) at pre-competed prices.
- USDA Enterprise-wide Managed Print Services (MPS) – An Indefinite Delivery contract for a next generation USDA MPS that enhances the existing MPS within USDA to reduce the overall cost of producing images for an environmentally sustainable MPS solution.
- OMB Reduce the Footprint update is typically due in October of each year. The goal for FY2017 is to reduce the square footage of offices by 328,045 and warehouses by 28,016.
- Executive Order 13693 “Planning for Federal Sustainability in the Next Decade” which requires vehicle petroleum reduction by 4% by the end of Fiscal Year 2017 and that all new vehicles employ telematics.
- Improving lease management practices through the establishment of LASD procedures and quality assurance review process for lease delegation requests submitted to GSA.

GAO and OIG Audits

Office of the Chief Information Officer

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United States Department of Agriculture  
2016 Presidential Transition  
Departmental Management Mission Area (DM)

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<td>Information Technology Reform: Billions of Dollars in Savings Have Been Realized, but Agencies Need to Complete Reinvestment Plans GAO-15-617</td>
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<td>Federal Chief Information Security Officers: Opportunities Exist to Improve Roles and Address Challenges to Authority GAO-16-688</td>
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Office of Homeland Security and Emergency Coordination

- Office of Inspector General (OIG) open audit:
  o 61701-0001-21- FY 2016 Agro-Terrorism Prevention, Detection, and Response

- Government Accountability Office (GAO) open audit:
  o GAO-16-797 – Federal Disaster Assistance - 441286

Office of Human Resources Management

- 2014 (GAO-14-288) GAO “U.S. Department of Agriculture: Workforce Decisions Need Better Linkage to Missions and Use of Leading Practices” [http://www.gao.gov/products/GAO-14-288](http://www.gao.gov/products/GAO-14-288) This report examines: (1) how the workforces of USDA’s service center agencies changed from fiscal year 2003 to fiscal year 2012, (2) the extent to which USDA’s policy on supervisory ratios aligned with OPM guidance in fiscal year 2012, and (3) the extent to which USDA’s service center agencies followed leading practices when closing offices and reducing staff in fiscal year 2012. GAO recommends, among other things, that USDA take actions to revise its supervisory ratios policy; amend its policy on organizational changes to follow leading practices; and require RD and FSA to document links between various incentives and reshaping of strategic goals. USDA generally agreed with GAO’s findings but disagreed with one finding and recommendation on supervisory ratios.


  GAO was asked to review workforce planning for federal veterinarians. This report examines: (1) department-wide efforts USDA and HHS have made for their routine veterinarian workforces, (2) the extent to which USDA has identified the veterinarians needed for emergency response to an animal disease outbreak, and (3) the steps OPM and other federal agencies have taken to achieve the goals of the government-wide strategic plan for the veterinarian workforce. GAO reviewed USDA, HHS, and government-wide workforce plans, and interviewed relevant officials. GAO recommended that USDA assess and address veterinarian workforce needs for emergency response to an animal disease outbreak, and that OPM review agencies’ use of direct-hire authority for veterinarians and monitor and evaluate progress and obtain leadership support for achieving government-wide veterinary workforce goals. USDA partially agreed, noting that it has taken steps to assess its emergency needs.

Office of Procurement and Property Management

Procurement Policy


Procurement Systems

The following audits were conducted by the USDA OIG in the last four years in which the IAS program was subjected to review as part of other OPPM audits:

- **OIG - 10/01/2014 - Review of USDA Contract Databases (PDF)**, (Report No. 89901-0001-13, Issued September 2014)

The following audit was conducted by the USDA OIG in the last four years on the CCSC program:

- **OIG - 50024-0001-13 “Review of the Department’s US Bank Purchase Card and Convenience Check Data”**

Procurement Systems


- **GAO – 361520 “USDA Contracting - Further Actions Needed to Strengthen Oversight of Contracts for Professional Services (GAO-14-819) [September 2014] Completed March 31, 2015**

- **OIG - 50099-001-12 “Review of Expenditures Made by the Office of the Assistant Secretary for Civil Rights” [July 15, 2015] Completed on June 30, 2016, except for Recommendation #8. The Procurement Operations Division is awaiting submission of the Unauthorized Commitment documents from the staff of the Assistant Secretary of Civil Rights on/about September 30, 2016**

- **OIG - 50601-0002-21 “Hispanic and Women Farmers and Ranchers Claim Resolution Process” [March 10, 2016] Completion of Recommendations 1 and 2 is due on December 31, 2016, and March 31, 2017, respectively**
Property Management

Closed GAO Audits


Open GAO Audits

- GAO - 100195 “Leasing Responsibilities” entrance meeting 11/12/15
- GAO - 100565 “Real Property Disposal Authorities” entrance meeting 8/2/16
- GAO - 100799 “Incentives for Disposal” entrance meeting 8/2/16
- GAO - 100807 “Data Reliability” entrance meeting 8/22/16
- GAO - 100849 “Aircraft Data” entrance meeting 7/27/16

OIG Audits

- OIG - 50024-004-13 “Charge Card Data” 7/13/15
- OIG - 50099-002-21 “Vehicle Misuse” 3/2/16

Environmental Management

- The BioPreferred Program is currently responding to the GAO’s “Sustainable Chemistry Technology Assessment Review” (GAO Engagement Notification 100398).
- In 2015, HMMP was under a GAO audit: GAO-15-35 “Agencies Should Take Steps to Improve Information on USDA’s and Interior’s Potentially Contaminated Sites”.

Office of Small & Disadvantaged Business Utilization

In late May of 2016, GAO began an audit of USDA’s OSDBU at the request of the Chair of the House Committee on Small Business. Almost all other federal departments’ and agencies’
OSDBU’s are undergoing the same audit. While this audit is not a regular, recurring occurrence, it is certainly not unusual or unexpected. Similar audits were conducted by GAO in 1995, 2003, and 2011, all at the request of the Chair of the House Committee on Small Business, and all focusing on very similar issues and objectives. The objectives of the current audit are:

- Assess whether the OSDBU director reports to the head or deputy of the head of the agency as defined in the National Defense Authorization Act revisions; and

- Determine the functions conducted by the OSDBUs at selected federal agencies.

Based on previous audits, GAO anticipates concluding the audit, and returning the report sometime during the second or third quarter of calendar year 2017. In the interim, GAO communicates with USDA’s OSDBU office for any questions, requests for additional information, and any other item or action it needs to develop their report.

In previous audits, the GAO found that USDA was not in compliance with the section of the Small Business Act that requires the OSDBU Director to report directly to the Secretary or his designee. Instead, USDA had previously designated the Assistant Secretary for Administration as the OSDBU Director, who then delegated nearly all authority to the lower-ranking Director in the OSDBU office. That lower-ranking official would report to the ASA, who would in turn report to the Deputy Secretary.

At the entrance conference for the current audit USDA clarified that it has altered the reporting structure and responsibilities to comply with the requirements of the law. The OSDBU Director now has the full authority as described in the law, and reports directly to the Deputy Secretary. USDA also discussed the various roles and responsibilities of the OSDBU office, and how they implement the various laws, statutes, and regulations related to OSDBU.
WHAT WE DO: OUR MISSION

The Office of Advocacy and Outreach (OAO) was established by the 2008 Farm Bill, to ensure that all constituents, including those historically underserved, have access to USDA programs. As the face of USDA in the community, OAO’s mission is to improve the viability and profitability of small farms and ranches, beginning farmers and ranchers, and socially disadvantaged farmers or ranchers through outreach and collaboration with community-based organizations, higher education institutions, and other USDA Agencies and Mission Areas. The 2014 Farm Bill broadened OAO’s reach to now include advocacy and outreach for veteran farmers and ranchers. OAO’s partnerships with Minority Serving Institutions help to close the professional achievement gap and create a diverse workforce pipeline.

WHO WE ARE: OUR WORKFORCE

- We employ 49 people across the country with offices located in 20 states and the District of Columbia.

WHO WE SERVE: OUR CONSTITUENTS

OAO’s constituents range from a variety of farmers and ranchers, including the small and beginning, the historically underserved, and the veteran. OAO works with community-based organizations to provide state of the art training to farmworkers and the farming community at large. Their work with Higher Education Institutions provides scholarships and internships to a diverse population of students. OAO works across the USDA and serves as the driving force to increase access to USDA programs for underserved constituents.

KEY UPCOMING DECISIONS

- FY 2017 Notice for 2501 Grants Program. A decision will be needed as to the timing and policy considerations for the 2017 solicitation for grant applications.

BUDGET HIGHLIGHTS FY 2016

- The Annual Ag appropriations bill for FY 2016 provides budget authority for the following:
  - OAO Discretionary - $1.209 million; and
  - 2501 Grant Program - $10 million
- The USDA Shared Cost Program provides budget authority for the following:
  - 1890 Initiatives;
  - 1994 Programs; and
  - Hispanic Serving Institutions

FY 2016 Budget Authority

- OAO Discretionary
- OAO Mandatory
- 1890 Initiatives
- 1994 Programs
- Hispanic Serving Inst
- Other Reimbursable
I. Organizational Overview

Executive Summary

The Office of Advocacy and Outreach is the lead organization in U.S. Department of Agriculture (USDA) for planning, developing, administration, and coordination of all Department programs and activities concerning advocacy and outreach programs as they relate to small farms and ranches; beginning farmers and ranchers; and socially disadvantaged farmers or ranchers. The major divisions within OAO are Small Farms and Beginning Farmers & Ranchers Program; Socially Disadvantaged Farmers Program; Farmworker Coordination Program; the Higher Education Initiative; and Community Engagement.

Agency’s Mission/Strategic Plan

The mission of OAO is to improve access to USDA programs and enhance the viability and profitability of small farms and ranches. Through these actions, OAO will support the Department’s commitment to ensuring that all USDA constituents, including historically underserved groups and veteran farmers and ranchers, have the opportunity to participate in and benefit from the programs offered by the Department. OAO serves as an advocate for underserved constituents and as an avenue for them to have input into programmatic and policy decisions to improve their viability and profitability.
## Strategic Goal 1:
**Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving.**

### Promote partnerships between USDA and Higher Education Institutions to create awareness of Federal career opportunities and develop a strong pipeline of diverse talent for USDA.

### To develop of strong pipeline of diverse talent for USDA.

<table>
<thead>
<tr>
<th>Programs that Contribute</th>
<th>Key Outcome</th>
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<tbody>
<tr>
<td>Higher Education Institutions Program; which include: USDA/1890 National Program, USDA/1994 Program, and Hispanic Serving Institutions National Program.</td>
<td>To close the professional achievement gap by providing opportunities to talented and diverse young people to support the agricultural industry in the 21st century.</td>
</tr>
</tbody>
</table>

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

### Increase access to programs of the Department, and increase the viability and profitability of small farms and ranches, beginning farmers or ranchers, and socially disadvantaged farmers or ranchers.

### Ensure the Department and its programs are open and transparent.

### Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers

### Increase the viability and profitability of small farms and ranches, beginning farmers or ranchers, and socially disadvantaged farmers or ranchers.

---

Key mission delivery performance measures

Key Performance Measures:

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</thead>
<tbody>
<tr>
<td>Increase the number of minority, underserved, socially disadvantaged persons served by key programs</td>
<td>4%</td>
<td>10%</td>
<td>1%</td>
<td>3%</td>
<td>3%</td>
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</table>

Organization’s History

OAO was established as an office under the Food, Conservation, and Energy Act of 2008, 7 USC 6934. OAO’s purpose is to improve access to USDA programs and enhance the viability and profitability of small farms and ranches, beginning farmers and ranchers, socially disadvantaged farmers and ranchers, and veteran farmers and ranchers. Through these actions, OAO will support the Department’s commitment to ensuring that all USDA constituents, including historically underserved groups and veteran farmers and ranchers, have the opportunity to participate in and benefit from the programs offered by the Department. OAO serves as an advocate for underserved constituents and as an avenue for them to have input into programmatic and policy decisions to improve their viability and profitability.
Biographies of career staff in key leadership positions

Carolyn C. Parker
Director of the Office of Advocacy and Outreach
202-720-6350, Carolyn.Parker@osec.usda.gov

Ms. Carolyn Parker serves as the first permanent Director of the Office of Advocacy and Outreach (OAO), joining in the agency in October 2011. In her short time as Director of OAO, Ms. Parker has managed to numerous accomplishments, including, but not limited to: Securing 36 internships and research positions for students attending Southern University and secured more than $37,000 worth of excess property for use by the University of Maryland at Eastern Shore. Initiated partnerships with the Thurgood Marshall College Fund (TMCF), the Hispanic Association for Colleges and Universities (HACU), the Washington Internships for Native Students and sponsored internships for diverse students across the Department. She implemented the 2016 E. Kika De La Garza Fellowship Program; and established the 2501 Annual Conference for Socially Disadvantaged Veteran Farmers and Rancher. Under Ms. Parker’s leadership and direction OAO has collaborated with USDA agencies to establish a work plan with milestones to evaluate the Beginning Farmers program goal effectiveness, and worked with the Future Farmers of America and the 4-H to host agriculture-based events for more than 80,000 K-12 and college level students from the southeast and the mid-west.

Ms. Parker has served in various leadership capacities at the USDA. As a County Supervisor, Ms. Parker served for the Farmers Home Administration in rural New Jersey where she administered Single Family Housing and Farm Programs. She served in the Community Facilities Loan Programs as the Director of the Business and Industry Program for more than 15 years. Prior to joining the Office of Advocacy and Outreach, she served as the Assistant Deputy Administrator for Business Programs in Rural Development. She has worked at USDA for approximately 35 years. The programs administered involved individuals, corporations, and other business entities, financial institutions, non-profit and community based organizations, as well as local, state, and Federal partners.

Ms. Parker is a native of Wilmington, Delaware and currently resides in the State of Maryland. She is a graduate of the University of Maryland Eastern Shore where she earned a Bachelor of Science degree in Business Administration. Mrs. Parker earned a Master’s in Public Administration from American University in Washington, D.C.

Christian Obineme
Associate Director of the Office of Advocacy and Outreach
202-720-6350, Christian.Obineme@osec.usda.gov

Mr. Christian Obineme joined the Office of Advocacy and Outreach (OAO) in 2014 where he serves as the Associate Director. Mr. Obineme’s primary role is to provide an authoritative vision and technical assistance to the program leads in carrying out the mission of the OAO. He is responsible for analyzing and implementing legislative changes impacting the mission and overall operation of the Staff Office. He prepares and conducts briefings, presentations, for
Agency Administrators, partners, University officials and non-profit institutions regarding highly sensitive and critical issues impacting the Department’s outreach priorities. Mr. Obineme actively participates in strategy sessions for program development and plans, organizes, directs, reviews, and coordinates the day to day programmatic activities of the office. He is responsible for securing the resources necessary to support OAO activities and administration of the operational programs. He has established private and public project cooperative agreements ensuring completeness and conformity to contracting laws and regulations. As the direct supervisor for all program leads, Mr. Obineme provided leadership, guidance, and operational expertise across the Staff Office of Advocacy and Outreach. Mr. Obineme chairs the USDA Agency Outreach Coordinators meetings and serves on the Department’s Performance Improvement Council. He provides administrative and technical supervision, direction and leadership to assigned staff. He assigns responsibilities, delegates authority and determines operating policies, as well as exercising general direction over the work and reviewing operations to ensure the attainment of program objectives.

As an employee of the Agricultural Research Service of USDA, Mr. Obineme served as the Beltsville Area (BA) Facilities Director (Facilities and Asset Manager) from 1990 through 2008. He was responsible for the construction and renovation activities conducted at the Beltsville Agricultural Research Center (BARC), the U.S. National Arboretum (USNA), Washington, D.C., and the Beltsville Human Nutrition Research Center (BHNRC).

From 2007 to 2008, Mr. Obineme served as Supervisory Project Manager of the Research Facilities Solutions (Beltsville Area “Most Efficient Organization”), providing supervision and oversight for the efficient operation of all units and teams within the organization.

From 2005 to 2007, Mr. Obineme was the Chief of Beltsville Area Engineering and Construction Branch. In this position, he provided engineering and construction management support to the Beltsville Area (including BARC, USNA, the Glenn Dale facility, and worksites in Chatsworth, NJ, Presque Isle, ME, and McMinnville, TN) and the National Agricultural Library.

Mr. Christian Obineme is a resident of Baltimore County in Maryland. He earned a B.S. degree in Urban Studies in 1985, and later graduated with a Masters of Business Administration degree with a concentration in Finance and a Masters of Architecture degree, all from Morgan State University, Baltimore City, Maryland. He also completed the Executive Leadership in Public Policy Implementation Program at American University, Washington, D.C.
Senior Staff Members

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<tr>
<td>2501 Program Director</td>
<td>Kenya Nicholas</td>
</tr>
<tr>
<td></td>
<td>(202) 720-6350</td>
</tr>
<tr>
<td></td>
<td><a href="mailto:kenya.nicholas@osec.usda.gov">kenya.nicholas@osec.usda.gov</a></td>
</tr>
<tr>
<td>Farm Worker Coordination Program Director</td>
<td>Maria Goldberg</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td></td>
<td><a href="mailto:maria.goldberg@osec.usda.gov">maria.goldberg@osec.usda.gov</a></td>
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<tr>
<td>USDA/1890 National Program Director (Acting)</td>
<td>Phyllis Holmes</td>
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<td>(202) 720-6350</td>
</tr>
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<td></td>
<td><a href="mailto:phyllis.holmes@osec.usda.gov">phyllis.holmes@osec.usda.gov</a></td>
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<td>USDA/1994 Program Director</td>
<td>Lawrence Shorty</td>
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<td></td>
<td><a href="mailto:lawrence.shorty@osec.usda.gov">lawrence.shorty@osec.usda.gov</a></td>
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<tr>
<td>USDA/Hispanic Serving Institutions Program</td>
<td>Jaqueline Padron</td>
</tr>
<tr>
<td>Director</td>
<td>(202) 720-6350</td>
</tr>
<tr>
<td></td>
<td><a href="mailto:jaqueline.padron@osec.usda.gov">jaqueline.padron@osec.usda.gov</a></td>
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Biographies of political staff in key leadership positions

N/A
United States Department of Agriculture  
2016 Presidential Transition  
Office of Advocacy and Outreach (OAO)  

Organizational Budget and Financial Management  

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Enterprise Workforce Data

**Workforce FY 2009-FY 2016**

![Graph showing workforce trends from FY 2009 to FY 2016.](image)

**GS Level Distribution**

- **GS 13-GS 15, 78%**
- **GS 8-GS 12, 16%**
- **ES/SES, 2%**
- **GS 5-GS 7, 4%**

![Pie chart showing GS level distribution.](image)
United States Department of Agriculture
2016 Presidential Transition
Office of Advocacy and Outreach (OAO)

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<th>Location</th>
<th>Number of Staff</th>
<th>Percentage of Staff</th>
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<td>Washington DC (HQ)</td>
<td>24</td>
<td>49%</td>
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<td>Alabama</td>
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<td>2%</td>
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<td>6%</td>
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<tr>
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<tr>
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<tr>
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<td><strong>Total Staff</strong></td>
<td><strong>49</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
United States Department of Agriculture
2016 Presidential Transition
Office of Advocacy and Outreach (OAO)

- OAO employs a workforce of 49 employees of which the following are full-time and part-time:
  - Full-time: 49 employees
  - Part-time: 0 employees
- Of our total workforce, 9 (18 percent) are eligible to retire within the next year.
- Our headquarters is located in Washington, D.C., which houses 49 percent of our workforce.
- OAO has 19 field locations across the United States to work directly with our constituents.

II. Policies and Regulations

Statutory Authorities

OAO was established by Section 14013 of the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill), P.L. 110-246 in October 2009, Codified as 7 USC 6934. Section 12201 of the Agricultural Act of 2014 (P.L. 113-79) Codified as 7 USC 2279, broadened the OAO’s responsibilities to include advocacy and outreach for veteran farmers and ranchers.

Important Policies and Regulations

There have been no published regulations/policies from OAO outside of administrative regulations.

Overview of the policy/regulation review process

Programs approved in our Farm Bills are implemented within OAO via a working partnership with our Office of General Counsel and the Office of Budget and Program Analysis (OBPA) and OMB. After approval, the Standard Operating Procedures are updated to reflect programmatic changes. Unless the implementation is administrative, the office provides the public with notification via the Federal Register Notice and via email distribution to our partners and stakeholders.

The OAO uses the process above to publish an annual Funding Opportunity Announcement to solicit proposals for grant funding competition under the Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers Grant Program (also known as the 2501 Program). These past publications have been used to successfully administer the 2501 Program.
GAO and OIG Audits

Office of Inspector General Audits:

<table>
<thead>
<tr>
<th>Audit Report</th>
<th>Report Number</th>
<th>Date of Release</th>
<th>Link</th>
</tr>
</thead>
</table>

III. Congressional Relations and Issues

Overview

- OAO Section 2501 Grants (Senate Agriculture/House Agriculture)

On May 18, 2015, both the House and Senate Agriculture Committee requested documents and briefings regarding the USDA Office of Advocacy and Outreach (OAO) Section 2501 grants given to organizations to promote outreach of USDA programs. USDA briefed both Committees staffs on July 17, 2015. USDA produced 4783 pages of documents in response to requests from the Committees.

- StrikeForce

Both the House and Senate Agriculture Committees have sent to USDA oversight requests USDA regarding the USDA StrikeForce Initiative. StrikeForce was a concept initiated by USDA during the Obama Administration to focus on areas of persistent poverty with USDA RD, FSA, and NRCS programs. Initially, the StrikeForce Pilot Project was initiated by the USDA Office of Advocacy and Outreach (OAO) partnering with Community Based Organizations (CBOs) to engage in outreach activities on the part of USDA. After the pilot project, StrikeForce continued as USDA initiative led by the three field-based organizations (RD, FSA, and NRCS) as an effort to give “intensive care” to areas of persistent poverty. Rather than being led by OAO, there has been a designated staff person in DM that is the liaison on the project with OSEC.

Congressional Oversight focused on an OIG report that indicated some issues with the CBOs involved, as well as an OIG Report of Investigation (ROI) that found potential wrongdoing on the part of certain USDA officials, and indicated that the matter was referred for prosecution.
to the DOJ public integrity branch as well as a local US Attorney, both of whom declined prosecution. Shortly after the ROI was issued, the offending USDA official resigned from office.


USDA OGC has initiated a search of e-mails with the USDA e-Comply system, and has obtained the search set. USDA OGC is awaiting on additional review of those documents until there is further interest by the Committees.

IV. **Internal and External Stakeholders**

**Important relationships with other Federal Departments or organizations**

**Internal Agencies:**
- OAO works across the USDA with all agencies and mission areas:
  - Providing talented scholars to various agencies and mission areas to help close the professional achievement gap and create a diverse workforce pipeline
  - OAO Hosts monthly USDA Outreach Coordinators meetings to provide a forum for agency outreach coordinators at the National level to share information, best practices, and any outreach opportunities available to communities and individuals at large. Collaborative assistance across agency and mission area outreach efforts, serve as the driving force to increase access to USDA programs for underserved communities.

**External:**
- Community-based organizations (CBO)
  - OAO works with CBOs to provide state of the art training to farmworkers and the farming community at large
- Higher Education Institutions
  - OAO partners with HEI, such as the 1890 and 1994 Land-Grant Universities, as well as Hispanic Serving Institutions, to provide talented, diverse student with scholarships and internship opportunities
- Scholars and Interns
  - Through internship programs such as Hispanic Association of Colleges and Universities, Thurgood Marshall College Fund, and The Washington Internship for Native American Students, the Office of Advocacy and Outreach provides internships to students and recent graduates.
- Socially Disadvantaged (historically underserved), Veteran, Farmers and Ranchers
  - OAO works to increase access to USDA programs, as well as increase viability and profitability of Veteran, Farmers and Ranchers
United States Department of Agriculture  
2016 Presidential Transition  
Office of Advocacy and Outreach (OAO)

- **Small & Beginning Farmers & Ranchers**  
  - The OAO provides direction, guidance and oversight to the Beginning Farmers and Ranchers Advisory Committee. The Committee advises the Secretary on ways to develop programs to provide coordinated assistance to beginning farmers and ranchers while maximizing new farming and ranching opportunities. The committee also works to enhance and expand Federal and State partnerships to increase financing for beginning farmers and ranchers. These efforts are designed to assist USDA to increase access to programs, as well as increase viability and profitability of small and beginning farmers and ranchers.

- **Minority Farmers**  
  - The Minority Farmers and Ranchers Advisory Committee advises the Secretary of Agriculture on the administration of the Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers Competitive Grant Program. The committee advises the Secretary on how to increase participation of socially disadvantaged farmers and ranchers in U.S. Department of Agriculture (USDA) programs, and advises the Secretary about civil rights activities of USDA as such activities affect USDA programs.

- **Socially Disadvantaged Policy Research Center, Alcorn State University, Alcorn, Mississippi**  
  - OAO provides funding and collaboration to support policy recommendations to the Secretary and USDA.

- **State and Local Officials (including churches, schools, and chamber of commerce)**  
  - OAO works with the State and Local Officials to further the USDA strategic objectives in rural America.

**Stakeholder group overview**

- **Advisory Committee for Beginning Farmers and Ranchers** - The Advisory Committee for Beginning Farmers and Ranchers established under the Agricultural Credit Improvement Act of 1992, 7 U.S.C. § 1929 Note. The Committee’s purpose is to advise the Secretary on ways to develop programs to provide coordinated assistance to beginning farmers and ranchers while maximizing new farming and ranching opportunities.

- **Minority Farmer Advisory Committee** - The Minority Farmer Advisory Committee whose purpose is to advise the Secretary on implementation of section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990, 7 U.S.C. § 2279; methods of maximizing the participation of minority farmers and ranchers in USDA programs; and civil rights activities within the Department as such activities relate to participants in such programs. Members of the Committee include socially disadvantaged farmers or ranchers, representatives of nonprofit organizations that work with minority farmers and ranchers; civil rights professionals; representatives from institutions of higher learning; and other persons the Secretary deems appropriate.

- **Strike Force Initiative** - The **Strike Force Initiative** provides assistance to USDA’s socially disadvantaged farmers and ranchers in communities with counties of persistent poverty. Several Community Base Organizations (CBOs) are selected and enter into cooperative
agreements to carry out the Strike Force’s mission to identify the needs of those communities and coordinate USDA staff on program insistence to address the issues of those communities.

- **1890 Taskforce**– USDA/1890 Task Force partnership was forged to strengthen the ties between USDA agencies and the 1890 Land Grant Universities. The 1890 Task Force Meeting is held to provide information and guidance in order to advance the interests of USDA, strengthen agricultural research, and improve educational opportunities at the 1890 Colleges and Universities.

- **USDA and AIHEC Leadership Group**: The USDA and the American Indian Higher Education Consortium (AIHEC) Leadership Group are represented by the seven USDA Mission Areas and by presidents from the 1994 Land Grant Institutions. This group makes recommendations to the 1994 Program.

**Recent engagements with stakeholder group**

- **February 11, 2016 - The USDA and American Indian Higher Education Consortium (AIHEC) Leadership Group**
  - Washington, D.C.
  - The AIHEC meets annually to provide recommendations to the 1994 Tribal Land-Grant program.

- **September 23, 2016 – Monthly 2501 Grantee Teleconference:**
  - Via Teleconference Service
  - Grantee Teleconferences are held to provide grantees with information regarding the administrative requirements for the awards, update the grantees on upcoming USDA-OAO projects, and answer questions or concerns from the grantee.

- **September 26-27, 2016 – 2nd Annual 2501 Partnership Symposium**
  - Cleveland, Ohio
  - The Annual Symposium provides HEIs and CBOs the opportunity to network and speak with USDA representatives about specific programs affecting their operations. This year, during a networking opportunity, a community-based organization and a Higher Education Institution established a formal partnership through a Memorandum of Understanding to collaborate on outreach and technical assistance for beginning and minority farmers.

- **September 29-30,2016 - Advisory Committee for Beginning Farmers and Ranchers**
  - The last Advisory Committee meeting was conducted in a public forum in Cleveland, Ohio. USDA representatives provided committee members with program overviews and requests for recommendations on program or policy improvement. The committee reviewed the requests for assistance and begin identifying and deliberating on potential recommendations for the Secretary’s review and action.
May 2016 Minority Farmer Advisory Committee
  o The last Advisory Committee meeting was conducted in a public forum in New Orleans, Louisiana. USDA representatives provided committee members with program overviews and requests for recommendations on program or policy improvement. The committee reviewed the requests for assistance and begin identifying and deliberating on potential recommendations for the Secretary’s review and action.

March 2016 USDA/1890 Taskforce Meeting
  o The USDA/1890 TaskForce met in a public forum at the Jaime L. Whitten Building, in Washington, DC., the meeting was attended by the 1890 Presidents, Agriculture Deans, and Research Directors. The objective of the meeting was continue work on the Centers of Excellence which promote and expand USDA’s partnership with the 1890 Land-Grant Universities.
  o The meeting was a collaborative effort to identify and obligate departmental funding for the 5 Centers of Excellence joint efforts with other USDA Agencies and the 1890 Institutions.
  o Through the work of OAO, USDA Agencies renewed funding for the 1890 Centers of Excellence in excess of $1.6million

V.  Top Issues

Hot Topics

1. There continues to be a high level of demand by USDA constituents for grant funding associated with the OASDVFR program. The overall funding for the program was as high as $20 million annually but was reduced to $10 million with the enactment of the 2014 Farm Bill. Along with reducing the funding level for the program, the Farm Bill also added Veterans as an eligible group to receive associated grant funds. These changes have resulted in increased competition for the OASDVFR financial assistance. In FY 2014, the program received 262 applicants, with only 62 receiving funding. While in FY 2015, the program received 165 applicants, with only 54 receiving funding. The continued demand for the program and high number of applications has resulted in increased questions from Congress and constituents concerning the program’s size and scope.

2. Converting the 2501 regulation (7 CFR Part 2500) from an interim rule into a final rule. Action to complete the conversion of the 2501 regulation brings the program into compliance with the new guidelines governing Federal Grants programs. Completion of the conversion will enable the program to continue to serve traditionally underserved communities.

3. Deployment of the 2501 Grants Management system into the EzFed Grants Management system. The EzFed Grants Management system will streamline the
United States Department of Agriculture  
2016 Presidential Transition  
Office of Advocacy and Outreach (OAO)

business process for applicants and USDA staff; shortening the amount time it now takes to complete the grant process.

4. Since the establishment of OAO following the 2008 Farm Bill, the Office has been tasked with an expansive set of responsibilities for outreach and coordination on behalf of the Department. In addition, recent audit findings have identified some operational challenges for OAO that may potentially be addressed through a review and comparison of the responsibilities and resources available to implement them. Consideration may be needed as to understanding this comparison of available resources and existing responsibilities to ensure that OAO can best support USDA to improve service delivery and responsiveness to small, beginning, and socially disadvantaged producers and farmworkers.

Timeline announcement anticipated

1. Converting the regulation – March 2017
2. EzFed Grants Management system – March 2017
3. BFR Advisory Committee Recommendation – June 2017
4. Announcement of the 2017 Notice of Funding Opportunity – March 2017

Appendix A: Acronyms

AIHEC – American Indian Higher Education Consortium
CBO – Community –Based Organization
HACU – Hispanic Association of College and Universities
HEI – Higher Education Institutions
HSINP – Hispanic Serving Institutions National Program
NGOs – nongovernmental organizations
OAO – Office of Advocacy and Outreach
OASDVFR – Outreach and Assistance for Socially Disadvantaged, Veteran Farmers and Ranchers
SDVFR – Socially Disadvantaged, Veteran Farmers and Ranchers
TCUs – Tribal Colleges and Universities
TMCF – Thurgood Marshall College Fund
1994 TLGCU- The 1994 Tribal Land-Grant College and Universities Program
WHAT WE DO: OUR MISSION
The Office of the Assistant Secretary for Civil Rights’ (OASCR) mission is to provide leadership and direction for the fair and equitable treatment of all USDA customers and employees while ensuring the delivery of quality programs and enforcement of civil rights. OASCR ensures compliance with applicable laws, regulations, and policies for USDA customers and employees regardless of race, color, national origin, sex (including gender identity and expression), religion, age, disability, sexual orientation, marital or familial status, political beliefs, parental status, protected genetic information, or because all or part of an individual’s income is derived from any public assistance program.

WHO WE ARE: OUR WORKFORCE
OASCR employs 134 staff all located at the USDA Headquarters Offices in Washington, DC.

WHO WE SERVE: OUR CONSTITUENTS
Our staff works internally with USDA agencies and employees and externally with customers across the United States to ensure fair and equitable treatment is afforded to all.

KEY UPCOMING DECISIONS
OASCR’s top three initiatives for implementation within the first 30 – 60 days of the new administration are as follows:

- Ensure agency funding is timely provided to OASCR for the cost of investigations and adjudications for their agency employment complaints to prevent sanctions.
- Provide civil rights training to all new on boarded political appointees; and
- Ensure civil rights has a separate goal section in the next Department-wide Strategic Plan.

BUDGET HIGHLIGHTS FY 2016
- Office of Civil Rights: $24,070,000
- EEO Investigations: $800,000
- Reimbursements: $600,000
- Administrative Solutions Project: $3,000,000

*The numbers above represent all available funds and not just budget activity from appropriations.

The Office of Civil Rights’ budget has remained constant since FY 2015 with increases to address IT security and training initiatives.
I. Organizational Overview

Agency’s Mission/Strategic Plan

OASCR’s mission is to provide leadership and direction for the fair and equitable treatment of all USDA customers and employees while ensuring the delivery of quality programs and enforcement of civil rights. OASCR ensures compliance with applicable laws, regulations, and policies for USDA customers and employees regardless of race, color, national origin, sex (including gender identity and expression), religion, age, disability, sexual orientation, marital or familial status, political beliefs, parental status, protected genetic information, or because all or part of an individual’s income is derived from any public assistance program. (Not all bases apply to all programs.)

OASCR has established the following three strategic goals for FY 2016 – 2020:

GOAL 1: Improve civil rights complaints processing for internal and external customers in keeping with Federal laws, mandates, and Departmental Regulations and guidelines.

GOAL 2: Engage leadership in preventing workplace conflict and support conflict management at the earliest stage possible.

GOAL 3: Demonstrate effective engagement within USDA by ensuring all USDA employees have the necessary resources to support the civil rights of all employees and customers of USDA.

The expected outcomes for Strategic Goal 1 are:
1. Civil rights complaint processes meet statutory and regulatory mandates;
2. Timeframes for civil rights complaint processing are consistent with statutory and regulatory requirements;
3. The inventory of complaints has been reduced and is maintained at a manageable level;
4. Improve reporting mechanisms and access to data through technology solutions; and
5. Improve branding of Conflict Complaints Division

The expected outcomes for Strategic Goal 2 are:
1. Participate in civil rights activities to increase awareness of ADR techniques;
2. Establish effective practices to mitigate conflict in the workplace;
3. Improve ADR training and leadership development;
4. Increase utilization of ADR;
5. Provide fair, efficient, and high quality processes for resolving workplace disputes; and
6. Provide organizational climate assessments and focus group facilitation to assist agencies in overcoming workplace challenges.
The expected outcomes for Strategic Goal 3 are:
1. Hold employees and leadership accountable for fair and equitable treatment of employees and customers;
2. Improve agencies’ implementation of discrimination complaint settlement agreements and use the results of compliance reviews;
3. Evaluate program effectiveness, determine challenges, and develop solutions;
4. Renew departmental regulations, prepare Civil Rights Impact Analysis (CRIA), increase CRIA training, monitor LEP compliance, and provide oversight for REG data collection, and prepare annual reports (No Fear Act, Age Report, and Farm Bill); and
5. Monitor Civil Rights Practitioner Training.

The OASCR Strategic Plan can be found at: https://www.ascr.usda.gov/oascr-strategic-plan-fy-2016-2020.

Key mission delivery performance measures

Key Performance Measure and Targets:

OASCR processes employment and program discrimination complaints for all of USDA employees and customers; provides training to all USDA employees; revises agency regulations, reorganizations, policies, and directives; conducts department-wide compliance reviews; serves as the primary office for conflict management; and ensures completion of mandatory certifications and accreditations are completed, which is used by most civil rights staff within USDA.

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<th>Measure</th>
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<td>Complete intake process timely</td>
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<td>Timely Processing of ECOA Complaints</td>
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<td>Within 5 years statutory time frame</td>
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United States Department of Agriculture
2016 Presidential Transition
Office of the Assistant Secretary for Civil Rights (OASCR)

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*All processing timeframe measures are based on ensuring compliance with the mandatory timeframes outlined in the MD-110 and 29 C.F.R. Part 1614.

Organization’s History

From 1999 to 2002, the Office of Civil Rights, led by a Director (SES) was under Departmental Administration and the Assistant Secretary for Administration.

Section 10704 of the Farm Security and Rural Investment Act of 2002, Public Law 107-171, authorized the Secretary of Agriculture to establish the new position of Assistant Secretary for Civil Rights (ASCR). In April 2003, the first Assistant Secretary for Civil Rights was named, reporting directly to the Deputy Secretary of Agriculture.

On July 12, 2005, the then Office of Civil Rights was reorganized to become the Assistant Secretary for Civil Rights mission area to include: the Office of Outreach, the Secretary’s Diversity Council, the 1890 Task Force and the Conflict Prevention and Resolution Center.

On April 27, 2007, OASCR created the Office of Diversity and Inclusion and renamed the Office of Civil Rights the Office of Adjudication and Compliance.

Section 14013 of the 2008 Farm Bill, USDA established the Office of Advocacy and Outreach (OAO), which is housed under the Assistant Secretary for Administration. Outreach and diversity functions and duties previously in the Office of the Assistant Secretary for Civil Rights (OASCR) were transferred to OAO.

On October 1, 2009, OASCR was realigned into the newly created Departmental Management, led by the Assistant Secretary for Departmental Management. The ASCR reported to the Assistant Secretary for Departmental Management.

In November 2011, the Secretary of Agriculture in a memorandum realigned the ASCR to the Office of the Secretary. On July 30, 2012, OASCR reorganized to create a Corporate Services Division, Employment Investigations Division, and Office of Compliance Policy, Training and
United States Department of Agriculture
2016 Presidential Transition
Office of the Assistant Secretary for Civil Rights (OASCR)

Cultural Transformation Division. In addition, the Associate Assistant Secretary for Civil Rights was added back into the organizational structure.

DUTIES OF ASSISTANT SECRETARY OF AGRICULTURE FOR CIVIL RIGHTS.—The Secretary may delegate to the Assistant Secretary for Civil Rights responsibility for—“(1) ensuring compliance with all civil rights and related laws by all agencies and under all programs of the Department; “(2) coordinating administration of civil rights laws (including regulations) within the Department for employees of, and participants in, programs of the Department; and “(3) ensuring that necessary and appropriate civil rights components are properly incorporated into all strategic planning initiatives of the Department and agencies of the Department.”

In April 2009, Secretary Vilsack sent a memo to all USDA employees calling for "a new era of civil rights" for the Department. He emphasized that USDA would have zero tolerance for any form of discrimination. He also directed OASCR to lead a comprehensive program to improve USDA’s record on civil rights and move us into a new era as a model employer and premier service provider.
United States Department of Agriculture
2016 Presidential Transition
Office of the Assistant Secretary for Civil Rights (OASCR)

Organizational Chart

The mission of the Office of the Assistant Secretary for Civil Rights is to provide leadership and direction for the fair and equitable treatment of USDA customers and employees while ensuring the delivery of quality programs and enforcement of civil rights.

Recommended: [Signature]
Approved: [Signature]
Date: 31 July 2015
Biographies of career staff in key leadership positions

Winona Lake Scott  
Associate Assistant Secretary for Civil Rights  
202-401-3648,  Winona.Scott@ascr.usda.gov

Winona Lake Scott began her tenure as Associate Assistant Secretary for Civil Rights in December 28, 2013. Winona has over 20 years of experience in leadership at federal, state, and local levels in civil rights, employment and equal opportunity law, training and development, policy, strategic planning, budgeting, communications, and compliance.

She began her career in D.C. Government with the D.C. Office of Human Rights and left that agency as the Associate Director with a Certificate in Public Management from George Washington University. From Brookings Institution, Winona received a Certificate in Public Leadership and from Harvard University’s Kennedy School of Government, certification as a Senior Executive Fellow.

Prior to starting her career with the U.S. Department of Agriculture’s Office of Civil Rights in 2002, Ms. Scott served as the Director of the Fair Employment Council of Greater Washington and later self-employed as an independent contractor. Winona is currently the Associate Assistant Secretary for Civil Rights in the Office of the Assistant Secretary for Civil Rights and is responsible for providing leadership and direction for the fair and equitable treatment of all USDA customers and employees while ensuring the delivery of quality programs and enforcement of civil rights.

She graduated from the University of Massachusetts at Amherst with a B.A. in History and Seton Hall Law Center in Newark, NJ with a Juris Doctor degree. She serves as a volunteer member of the Washington, DC Executive Council of AARP, 2016 graduate of Leadership Greater Washington, the D.C. State Advisory Committee for the U.S. Commission on Civil Rights, and is a member of several social organizations.

Carl Martin Ruiz  
Director, Office of Adjudication  
202-720-5212,  Carl-Martin.Ruiz@ascr.usda.gov

Mr. Carl-Martin Ruiz serves as the Director of the Office of Adjudication, Office of the Assistant Secretary for Civil Rights (OASCR) at the U.S. Department of Agriculture (USDA), in Washington, DC. He has been a member of the Career Senior Executive Service since June 2007, and was appointed the Director of Adjudication in October 2009. In this position he is responsible for the intake, investigation, and adjudication divisions of both employment and program complaints for all of USDA.
From June 2007 to October 2009, Mr. Ruiz worked as the Director of Outreach and Diversity with OASCR, where he provided leadership, oversight and evaluation for USDA’s outreach and land-grant institution educational efforts. He was also responsible for managing the Department’s Diversity Program and in building the platform for the USDA’s highly successful workplace diversity and inclusion initiatives.

From October 2010 to September 2011, Mr. Ruiz served a detail assignment as Acting Assistant Administrator, Office of Outreach, Employee Education and Training, Food Safety and Inspection Service, USDA, Washington, DC. During this period, he led numerous food safety outreach efforts, agency mission-critical and science-based food safety training, as well as organizational and employee development training.

He also served as Special Advisor to the Acting Deputy Assistant Secretary for Civil Rights during the Presidential transition, where he was instrumental in guiding the new Administration in their implementation of the 2008 Farm Bill and USDA’s outreach initiatives. His efforts effectively reached Tribal Nations, national advocacy groups, socially disadvantaged and limited resource farmers and ranchers, small and beginning farmers and ranchers, farmworkers, community and faith-based organizations, land-grant institutions, and other stakeholders.

Prior to his work with the USDA, Mr. Ruiz was the Civil Rights Director with the U.S. Department of Transportation’s (DOT) Federal Railroad Administration, where he was responsible for implementing the provisions of Title VI of the Civil Rights Act of 1964, as amended, affecting recipients of federally assisted and federally conducted programs, such as Amtrak, and Environmental Justice efforts impacting low income and minority-based communities and Tribal Nations. He coordinated the provisions of the Americans with Disabilities Act of 1990, and helped design and advance DOT’s successful rail initiatives on accessibility and reasonable accommodations for the disabled and elderly.

In addition, he was responsible for implementing all provisions of Title VII of the Civil Rights Act of 1964, as amended, affecting equal opportunity, employment discrimination, affirmative employment, and alternative dispute resolution. He also managed the agency’s diversity and inclusion program and the minority serving institutions program.

Mr. Ruiz has held key positions with the U.S. Department of Army. He was Director of Equal Opportunity Programs (civilian and military) with the U.S. Army Garrison, Fort Belvoir, VA, and with the U.S. Army Engineer Center and Fort Leonard Wood, MO. Other positions with the U.S. Army include Alcohol and Drug Control Officer, Civilian Program Coordinator, and Professional Psychological Counselor. In his work with the U.S. Army he developed prototype initiatives in combat readiness. An Army veteran himself, Mr. Ruiz served honorably with the U.S. Army, elite 3/11 Armored Calvary (Black Horse), Reconnaissance Squadron.

Mr. Ruiz is a graduate of Harvard University’s Law School Program on Negotiations, Master in Negotiation’s Course, and the Diplomacy and International Negotiations Course. He graduated from Boston University with a Master’s Degree in Counseling Psychology; Southern
Christian University with an M.A. Degree in Philosophy, and Freed-Hardeman University with a B.S. Degree in Theology and Social Work. He is also a graduate of the Federal Executive Institute, Leadership for a Democratic Society Course, and the Army Management Staff College.

He was born in Piura, Peru, to Mario and Maria Ines Ruiz. He is the second youngest of ten children, and comes from a family with a rich military history. Mr. Ruiz is fluent in three international languages: English, Spanish and German.

D. Leon King
Director, Office of Compliance, Policy, Training and Cultural Transformation
202-720-8106, David.King@ascr.usda.gov

D. Leon King has been with USDA since June 2007. He is the Director of Office of Compliance, Policy, Training and Cultural Transformation and formerly the Deputy Director, Office of Adjudication in the Office of the Assistant Secretary for Civil Rights at the U.S. Department of Agriculture. King has more than 24 years of Federal civilian service and has worked for the Department of Veterans Affairs, the Department of Homeland Security, the Department of Labor, and the Department of Justice as a civil rights practitioner.

As a civil rights practitioner, Mr. King served at various times as a counselor, trainer, and liaison for EEO field personnel, compliance officer and director of training. A native of Winston-Salem, North Carolina, Mr. King earned a Bachelor’s and Master’s degree from North Carolina Central University; and a Law Degree from George Washington University, National Law Center.

In 2003, he retired from the U.S. Army Reserve, at the rank of Major, after serving 21 years as a Transportation Officer. During his military service, Mr. King served as a Company Commander, Staff Officer, Executive Officer and Platoon Leader. During much of his military career, he also served as his unit’s Equal Opportunity Officer. Mr. King is a graduate of the Defense Equal Opportunity Management Institute (DEOMI).

Mr. King serves an adjunct professor of History at the Northern Virginia Community College in Woodbridge, Virginia, and has also taught at Graduate School USA, formerly the USDA Graduate School.

Kenneth J. Baisden
Director and CIO, Data and Records Management Division
202-260-1897, Kenneth.Baisden@ascr.usda.gov

Kenneth J. Baisden serves as the Director and Chief Information Officer (CIO) for DRMD within OASCR. In this capacity, he oversees the USDA Civil Rights Enterprise System, manages OASCR’s Information Technology (IT) assets, and enforces various IT mandates in support of USDA’s e-Government mission.
Additionally, Ken is responsible for safeguarding and managing the department’s employment and program complaints non-electronic files. He also supervises OASCR’s Information Research Services, which is responsible for responding to telephone and mail inquiries worldwide. This unit handles over 6000 employment and USDA program complaint inquiries annually.

Ken attended college and graduate school in New York. He also served honorably in Southeast Asia with the U.S. Army. As a visionary and pragmatist, his overriding priority is to provide real time IT support to OASCR staff offices, USDA customers and employees. Ken’s greatest asset is his staff.

Candace B. Glover
Director, Conflict Complaints Division
202-720-3680, Candace.Glover@ascr.usda.gov

Candace B. Glover is Director of the Conflict Complaints Division within the Office of the Assistant Secretary for Civil Rights in Washington, DC. In this capacity, she is primarily responsible for the overall direction, management, and processing of conflict of interest and highly sensitive Equal Employment Opportunity (EEO) complaints of discrimination for USDA. Prior to joining CCD, Ms. Glover served as a Senior Adjudicator and Team Lead in the Employment Adjudication Division, where she oversaw the adjudication of approximately 500 EEO complaints annually, through the issuance of final agency decisions, final orders, and settlement agreements.

Ms. Glover is skilled in all aspects of the informal and formal EEO complaint process and frequently trains managers and employees on complaint processing trends. She is also certified as an EEO Counselor and Investigator, and has drafted countless final agency decisions.

Ms. Glover joined USDA in 2010 as a member of the Program Complaints Task Force. Prior to joining USDA, she worked as an attorney for White & Case, LLP, in Washington, DC. Ms. Glover also has experience working on Wall Street as an Investment Banking analyst and a financial consultant.

Ms. Glover is a native of Washington, DC. She attended Spelman College in Atlanta, GA, where she graduated magna cum laude in 2001 with a Bachelor of Arts degree in Economics. She is also a graduate of the University Of Virginia School Of Law, where she received her Juris Doctor (JD) in 2007. Ms. Glover is an active member of District of Columbia bar and Alpha Kappa Alpha sorority.

Cyrus Salazar
Director, Early Resolution and Conciliation Division
202-720-4040, Cyrus.Salazar@ascr.usda.gov

Cyrus Salazar serves as the Director of the Early Resolution and Conciliation Division within the Office of the Assistant Secretary for Civil Rights. In this capacity, he oversees the USDA alternative dispute resolution (ADR) policy for employment and program cases. Mr. Salazar joined the USDA from the Department of the Air Force where he served as the Air Force Equal
Opportunity Program Manager and Deputy Director of Air Force Equal Opportunity. He developed and administered Air Force-wide policy regarding military and civilian requirements for over 300,000 Airmen. His duties included developing and overseeing policy guidance for complaint processing, equal opportunity training, and organizational climate assessment.

Biographies of political staff in key leadership positions

Joe Leonard, Jr. Ph.D.
Assistant Secretary for Civil Rights
202-720-3808, joe.leonard@osec.usda.gov

U.S. Department of Agriculture (USDA) Secretary Tom Vilsack swore in Dr. Joe Leonard, Jr., as Assistant Secretary for Civil Rights on April 6, 2009. Nominated by President Barack Obama and confirmed by the U.S. Senate on April 2, 2009, Assistant Secretary Leonard is the longest serving Assistant Secretary for Civil Rights in USDA’s history and the longest serving African-American Senate confirmed appointee ever at USDA.

Under Assistant Secretary Leonard’s leadership, USDA was able to accomplish several historic accomplishments. To address long-standing allegations of past discrimination, Assistant Secretary Leonard spearheaded an effort to settle large-scale class-action lawsuits with Native American and African American farmers and ranchers and established a voluntary claims process for women and Hispanic farmers and ranchers, which provided payments of more than $2.5 billion combined and over $118 million in debt forgiveness. Notably, during Dr. Leonard’s tenure, there has been an increase in civil rights trainings within USDA nationwide, a 90% decrease in farmer complaints nationwide, a 9% increase in the number of African-American farmers and a 21% increase in the number of Hispanic farmers in the United States.

Additionally, in 2013, the Office of the Assistant Secretary for Civil Rights (OASCR) provided unprecedented protections for Gender Identity and Gender Expression for conducted programs at USDA. And, more recently, in 2014, OASCR issued a Departmental regulation prohibiting discrimination on the basis of National Origin affecting persons with limited English proficiency in assisted and conducted programs.

Under Secretary Vilsack’s leadership, and the tremendous efforts of the Office of the Assistant Secretary for Civil Rights, USDA has made a comprehensive cultural transformation. USDA’s Senior Executive Service (SES) now exceeds the government-wide workforce in 9 out of 10 diversity categories. Most notably, the percentage of minorities and women in the SES have increased by 88% and 38%, respectively. These achievements have earned USDA recognition as one of the most diverse groups of executives in the entire federal government.

Before joining USDA, Assistant Secretary Leonard served as Executive Director of the Congressional Black Caucus (CBC) under the leadership of Representative Carolyn Cheeks Kilpatrick (D-MI). While at the CBC, Leonard managed the daily activities of the Caucus and helped guide the legislative policy for its 43 congressional members.
Prior to his role at the CBC, Assistant Secretary Leonard served as the Executive Director of the Black Leadership Forum, an umbrella organization of 32 member groups that together work to develop and implement progressive public policies for social change. He has also served as the Washington, DC Bureau Chief of the Rainbow/PUSH Coalition and Director of the Arthur Fleming Institute of the Center for Policy Alternatives.

Assistant Secretary Leonard is a native of Austin, TX. He holds a Ph.D. in American history with a specialization in civil rights history from Howard University, Washington, DC; an M.A. degree from Southern University, Baton Rouge, LA; and a B.A. degree from Huston-Tillotson University in Austin, Texas. Assistant Secretary Leonard and his wife, Dr. Natasha Cole-Leonard are proud parents of a 13-year-old son, Cole.

Frederick Pfaeffle Arana
Deputy Assistant Secretary for Civil Rights
202-720-3808, Frederick.pfaeffle@osec.usda.gov

Frederick Pfaeffle Arana began his tenure as Deputy Assistant Secretary for Civil Rights at the United States Department of Agriculture (USDA) in March 2014. Prior to his current position, Mr. Pfaeffle was appointed by the White House as Principal Deputy General Counsel of the USDA, one of the largest agencies in the Federal government, with presence in 88 countries and with approximately 100,000 employees.

Mr. Pfaeffle Arana has been instrumental in leading efforts with the U.S. Department of Justice to establish a $1.33 Billion women and Hispanic claims process to resolve long-standing discrimination claims by women and Hispanic farmers, and ranchers against USDA. He also worked to resolve multi-billion dollar class-action civil rights litigation filed by African-Americans and Native-Americans. Furthermore, Mr. Pfaeffle leads teams responsible for administrative investigations and adjudication of thousands of civil rights complaints filed against the United States claiming employment discrimination and discrimination in the delivery of USDA programming. Other functions include compliance with civil rights laws and regulations and establishing civil rights policy on a national scale.

As Principal Deputy General Counsel, he assisted the General Counsel in managing the Office of the General Counsel which employs over 200 lawyers nation-wide. His responsibilities included providing legal advice to the Secretary of Agriculture and his sub-cabinet and supervising 3 Divisions and 2 Regions. In addition to his Civil Rights work, his areas of supervision included legal services in Natural Resources and Environment, Rural Development, Anti-trust, International Trade, Finance, Insurance, and Food and Nutrition Services such as the Food Stamp and School Lunch programs.

Mr. Pfaeffle Arana was born in Mexico City of Nicaraguan parents and lived in Latin America until moving to Miami to attend High School, where he became a U.S. Citizen. He attended the University of Florida and Florida International University and practiced as a CPA at a major international accounting firm until entering Law School at the University of Southern
California. He began his career in the private sector at a major California law firm in the areas of Real Estate, land use, and environmental law.

Prior to joining USDA in 2010, Mr. Pfaeffle Arana held the position of Principal Deputy County Counsel in Los Angeles County where he was responsible for legal work in the areas of Public Works, Solid Waste, Hazardous Waste and Water. He was active in the community serving as staff counsel to the Christopher Commission Investigating the LAPD following the LA riots and serving for a U.S. Senator as International Monitor to Presidential Elections in Nicaragua. Mr. Pfaeffle Arana also served as member to various boards, including the Mexican American Bar Foundation.

**Jillian Semaan**  
**Chief of Staff, Office of the Assistant Secretary for Civil Rights**  
202-260-3979, jillian.semaan@osec.usda.gov

Jillian Semaan currently serves as Chief of Staff to the Assistant Secretary for Civil Rights. She previously held the position of Senior Advisor to the Assistant Secretary for Civil Rights where much of her focus was on outreach. She is the Director of the Community and School Garden Pilot Initiative with a focus on Urban America, disadvantaged communities and childhood nutrition.

She joined the Obama campaign in 2008 as the director of scheduling/logistics for athletes and entertainers. Following the campaign she joined the presidential Inauguration committee as a talent liaison. A native of Detroit and proud Spartan, she worked for Governor Jennifer Granholm of Michigan before joining USDA as Secretary Vilsack's deputy scheduler in early 2010. She also ran congressional and city council campaigns in Michigan, and was a fundraiser for the political action committee of Senator Joe Biden, D-Del

**Ashlee Davis**  
**Senior Advisor to the Assistant Secretary for Civil Rights**  
202-260-8475, Ashlee.davis@osec.usda.gov

Ashlee J. Davis currently serves as Senior Advisor to the Assistant Secretary for Civil Rights at the U.S. Department of Agriculture. In this role she is the lead advisor for the Office of Adjudication and also directs the office’s outreach and engagement efforts. She also serves as the Director of the National LGBT Rural Summit Series where she leads the #RuralPride campaign with two national civil rights organizations. Previously, she served as White House Liaison at the U.S. Department of Agriculture where she was the principal liaison between the Office of the Secretary and the Executive Office of the President at the White House. As White House Liaison she managed the political appointment process for USDA’s non-career employees in the DC region and all 50 states.

Before joining USDA, Ms. Davis served in the White House as the Staff Assistant to the Special Assistant to the President for Presidential Personnel. In this role she assisted with the
personnel decisions and processes for Energy and Environment federal agencies, including five Cabinet-level agencies and two Executive Offices of the President.

Prior to her role at the White House, she was a Legal & Policy Fellow for the moderate think tank Third Way where her portfolio included social policy issues such as LGBT equality, education and immigration. Ms. Davis also served as a Holley Law Fellow for The National Gay & Lesbian Task Force and as a Law Clerk for University Legal Service of Washington, D.C. where she focused on the protection and advocacy of individuals with mental and physical disabilities. She is a native of Nashville, TN and holds a J.D. from Howard University School of Law and a B.A. in Politics and Philosophy from the University of Pittsburgh.

Danielle Perry Lewis
Special Advisor to the Assistant Secretary for Civil Rights
202-260-3987, Danielle.lewis@osec.usda.gov

Danielle Perry Lewis serves as the Special Advisor in the Office of the Assistant Secretary for Civil Rights, a position she has held since January 11, 2016. Before joining the Administration, Danielle was a Congressional Aide in the Office of Congressman Chris Van Hollen, where she managed a portfolio that includes social security, healthcare and civil rights issues. Prior to her work on Capitol Hill, Danielle practiced law at the Cook County Forest Preserve Legal Department.

Danielle holds a Bachelor of Arts in Political Science from Howard University and a Juris Doctor from the Howard University School of Law. She has also served as an Adjunct Professor at the University of the District of Columbia Community College and guest lecturer at Bowie State University. She has served on the Howard University Board of Trustees and is a member of several social organizations. Danielle is a native of Chicago, Illinois.
Organizational Budget and Financial Management

At the beginning of fiscal year 2010, OASCR was realigned under Departmental Management as a result of a reorganization. The fiscal year (FY) 2009 budget of $33,308,385 included Greenbook activities, and the salaries of two OASCR divisions removed from the Assistant Secretary for Civil Rights’ authority. Additionally, USDA agencies were responsible for managing contracts to process investigations of employment discrimination. Resulting budgetary changes are as follows:

- OASCR’s FY 2010 budget decreased to $24,922,000 and has remained within that range over the last few years. FY 2016’s budget is $28,470,000.
- In FY 2012, OASCR received authority to process all employment investigations for USDA which increased the reimbursable line item.
- In FY 2013 OASCR’s budget was subject to a decrease of $1,056,000 for sequestration.
- Beginning FY 2015 OASCR was appropriated $2,471,000 for rent linked to leased GSA space. (Prior to FY 2015 the rent payment came from a USDA Central Bill account and was not charged to staff offices).
- From FYs 2009 – 2016, OASCR has requested budget increases to conduct civil rights training nationally; upgrading the Civil Rights Enterprise System used to track complaints; and to coordinate outreach activities controlled by USDA agencies.
## United States Department of Agriculture
### 2016 Presidential Transition
#### Office of the Assistant Secretary for Civil Rights (OASCR)

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Enterprise Workforce Data

Workforce FY 2009-FY 2016

GS Level Distribution

GS 13- GS 15, 63%
GS 8- GS 12, 25%
GS 5 - GS 7, 7%
ES/SES, 2%
• OASCR employs a workforce of 135* employees of which the following are full-time and part-time:
  o Full-time: 134 employees
  o Part-time: 1 employee

* OASCR is in the process of filling approximately 20 vacancies which will increase the staffing level. The funding of the vacancies are done through appropriated and reimbursement funding.

• OASCR employs additional seasonal employees to provide support during busier months. In the spring/summer, four 1890 scholars return to work as well as students from the District of Columbia Summer Youth Employment Program.

• OASCR employs two (2) Schedule A employees. Schedule A employees are temporary appointments, which are made in increments of up to one year each for a total of up to four years of service. See Schedule A 316.402(a) for these appointments.

• Of our total workforce, 39 employees (28 percent) are eligible to retire within the next year.
• Our headquarters is located in Washington, D.C., which houses 100% of our workforce
II. Policies and Regulations

Statutory Authorities

- **Farm Security and Rural Investment Act of 2002 (Farm Bill)** PL 107–171, May 13, 2002, 116 Stat 134, Section 10704, establishment of the Office of the Assistant Secretary for Civil Rights

- **Title VI of the Civil Rights Act of 1964**, 42 U.S.C.A. § 2000d prohibits discrimination based on race, color, or national origin in programs or activities receiving federal financial assistance;

- **Title VII of the Civil Rights Act of 1964**, 42 U.S.C. § 2000e, et seq., which prohibits employment discrimination based on race, color, religion, sex, or national origin;

- **Age Discrimination Act of 1975**, 42 U.S.C.A. § 6102 prohibits discrimination on the basis of age in programs and activities receiving federal financial assistance;

- **Equal Pay Act of 1963 (EPA)**, 29 U.S.C.A. § 206 which protects men and women who perform substantially equal work in the same establishment from sex-based wage discrimination;

- **Age Discrimination in Employment Act of 1967 (ADEA)**, 29 U.S.C.A. § 621 which protects individuals who are 40 years of age or older;

- **Sections 501 and 505 of the Rehabilitation Act of 1973**, 29 U.S.C.A. § 701 et seq. which prohibit discrimination against qualified individuals with disabilities who work in the federal government;

- **Section 504 of the Rehabilitation Act of 1973**, 29 U.S.C.A. § 701 et seq. prohibits discrimination against individuals with disabilities. Section 504 ensures that the child with a disability has equal access to an education;

- **Title IX of Civil Rights Act of 1964**, 20 U.S.C.A. § 1681 prohibits discrimination on the basis of sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any education program or activity receiving Federal financial assistance;

- **Executive Order 13166 (LEP)**, 65 FR 50121"Improving Access to Services for Persons with Limited English Proficiency";

- **7 C.F.R. 15 Subpart A** -prohibits discrimination in Federally-Assisted programs;

- **7. C.F.R. 15 Subpart B**, -prohibits discrimination in Federally-Conducted programs;
United States Department of Agriculture
2016 Presidential Transition
Office of the Assistant Secretary for Civil Rights (OASCR)

- C.F.R. Part 15d-Non Discrimination in Programs or Activities Conducted by the United States Department of Agriculture July 7, 2014.

- **DR 4300-04 Civil Rights Impact Analysis**; Department’s regulation which governs Civil Rights Impact Analysis (CRIAs);

- **DR 1512-001 Regulatory Decision Making**; provides a consistent process for the development and review of all regulatory actions;

- **DR 4330-005** Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA; and

**Important Policies and Regulations**

Departmental Regulations (DR)

- DR 4330-005: Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency in Programs and Activities Conducted by USDA - June 2013;
- DR 4300-003 Equal Opportunity Public Notification Policy – June 2, 2015;
- DR 4330-003Nondiscrimination in USDA- Conducted Programs and Activities – October 5, 2015;
- DR 4120-001 Annual Departmental Civil Rights Training – June 14, 2016;
- 7 C.F.R. Part 15d-Non Discrimination in Programs or Activities Conducted by the United States Department of Agriculture July 7, 2014.

Policies

- Civil Rights Policy Statement—signed and posted on June 8, 2016;
- Alternative Dispute Resolution Policy—signed and posted on June 6 2015; and

Since the beginning of FY 2016, OASCR has reviewed and cleared off on 28 significant regulations.
Overview of the policy/regulation review process

OASCR recommends and develops Departmental plans for the conduct of regular and special Civil Rights compliance reviews and investigations of agency civil rights offices and staffs as well as federally-conducted and federally-assisted programs and activities. OASCR evaluates the employment activities of USDA agencies to identify systemic discrimination and assist Agency managers in carrying out the Secretary’s EEO and civil rights program and activities.

In addition, OASCR develops annual civil rights performance plans of agency heads and civil rights staff office directors; evaluates civil rights performance with respect to agency heads and civil rights staff office directors and advises the Director concerning such performance; and provides technical assistance to agency civil rights liaisons and advise the Director on rating the EEO/Civil Rights performance element of agency heads and civil rights staff office directors.

Lastly, all statutory regulations go through a USDA clearance process if deemed significant and are processed in accordance with the procedures implemented by the Office of Budget Program Analysis (OBPA). DR 1512-001, Regulatory Decision Making Requirements, is the USDA authority for issuing regulations.

GAO and OIG Audits

Review of the Office of the Assistant Secretary for Civil Rights’ Oversight of Agreements Reached in Program Complaints (PDF), (Report No. 60601-0001-23, Issued August 2012).


OIG Audit not listed on OIG website: Review of Expenditures Made by the Office of the Assistant Secretary for Civil Rights (Report No. 50099-0001-12, Issued September 2015)

III. Congressional Relations and Issues

Overview

OASCR leadership met with Congressman Elijah E. Cummings’ staff in November 2015 with respect to USDA’s Equal Employment Opportunity (EEO) program. The meeting prompted a follow-up letter to USDA Secretary Tom Vilsack dated January 12, 2016, to address questions and action items on USDA’s fiscal year (FY) 2014 MD-715 aggregate Report submission; and why USDA had not filed aggregate MD-715 Reports for FYs 2011, 2012, and 2013.

- The Assistant Secretary for Civil Rights issued a memorandum to USDA Agency Heads requesting FYs 2015 and 2016 MD-715 Parts H and I Action Items. To ensure the requests
were understood, OASCR held quarterly action oriented MD-715 work group meetings and requested status updates on their respective Actions Items.

- A follow-up meeting was held with Congressman Cummings’ staff in early September 2016 to provide an update on the FY 2014 Parts H and I Action Items with the “Target Completion Date” of September 30, 2016, or earlier and a progress of all other Action Items.

- In an October 6, 2016, meeting with Congressman Cummings’ staff, OASCR indicated the majority of the Action Items were met and remaining items would be satisfied by September 30, 2017.

IV. **Internal and External Stakeholders**

**Important relationships with other Federal Departments or organizations**

1. **U.S. Department of Justice (DOJ)** – OASCR is a crucial member of DOJ’s Title VI Working Group which provided assistance with the development of USDA’s Limited English Proficiency regulation and guidelines and collaborates with OASCR on substantive Title VI program complaint issues.

2. **U.S. Equal Employment Opportunity Commission (EEOC)** – USDA and OASCR are required to annually submit MD-715 and 462 Reports; OASCR collaborates with the EEOC on all employment complaint matters and attends monthly EEO Director Meetings to discuss state of the art initiatives relating to employment discrimination.

3. **U.S. Department of Housing and Urban Development (HUD)** – OASCR has a Memorandum of Understanding with HUD regarding the processing of program complaints under the Fair Housing Act.

4. **U.S. Department of Health and Human Services (HHS)** – USDA and OASCR are members of the HHS Federal Interagency Health Equity Team and recently hosted the roundtable titled, “The Cross-Sector Collaboration and Resource Alignment for Health Equity: A Convening of the Partnership for Action to End Health Disparities,” to address the scope and complexity of health disparities through action on the social determinants of health—from housing and food security/access to rural economic development and access to health care.

5. **American Federation of Government Employees (AFGE) Local 3147** – AFGE represents OASCR bargaining unit employees. This is a collaborative relationship to ensure all tenets of the Collective Bargaining Agreement are fulfilled.

6. **Major Services** – OASCR is a customer of the Office of Human Resources Management, the Office of the Chief Information Officer and the Office of the Chief Financial Officer. OASCR provides IT data base access to some USDA agency civil rights staff.
Stakeholder group overview

OASCR engaged with internal or external stakeholders through interagency agreements (Federal agencies only), cooperative agreements (non-governmental organizations, universities, colleges) and non-monetary partnerships. The following is a list of those relationships:

1. Hackathon for Health & Nutrition – Interagency Agreement with ARS to fund the event
2. Landowners Association of Texas – Cooperative Agreement
   - Implement a program to provide outreach, education, and technical assistance to socially disadvantaged and veteran farmers and ranchers.
3. Texas Small Farmers & Ranchers Community Based Organization – Cooperative Agreement
   - Plan a project in support of their ongoing outreach mission to the Limited Resource, Socially-Disadvantaged, Historically-Underserved, Beginning Farmers and Ranchers, Veterans, and other minorities in the rural communities in Texas.
   - Provide outreach services by presenting workshops on the civil rights claims process and land loss prevention tools.
5. Federal Asian Pacific American Council (FAPAC) – Cooperative Agreement
   - Initiate cooperative training and outreach project in the Asian American Pacific Islander federal employee community.
   - Provide training and outreach services to minority small farmers and family farms in rural and urban communities.
7. University of Missouri Extension – Cooperative Agreement
   - Provide outreach services to support the local, urban, and community garden initiative on sustainable food while increasing the knowledge and capacity of local schools and communities.
8. National Council of Negro Women, Inc. – Cooperative Agreement
   - Provide outreach services to African American women by teaching them about their property rights.
9. League of Latin American Citizens (LULAC) – Interagency Agreement with Office of Advocacy and Outreach to support LULAC’s annual conference.
10. College/Underserved Community Partnership Program (CUPP) – Interagency Agreement with Office of Advocacy & Outreach to fund CUPP
11. Urban - Ag Academy Conference – Interagency Agreement with Office of Advocacy & Outreach to provide funding for the conference.
13. Cultivating Change Summit – Interagency Agreement with Office of Advocacy & Outreach to sponsor the summit.
• Provide outreach services to communities of color to teach farmers about their property issues.
15. Asian American Government Employees Network – Senior Executive Service-type training provided to an OASCR employee.
16. GovLab Open Data Summer Camp – Interagency Agreement with Office of Advocacy & Outreach to fund the camp.
17. Colorado 4-H Foundation – Cooperative agreement
   • Provide outreach services to support the local, urban, and community garden initiative on sustainable food while increasing the knowledge and capacity of local schools and communities.
18. Washington State University Extension – Cooperative Agreement
   • Provide outreach services to support the local, urban, and community garden initiative on sustainable food while increasing the knowledge and capacity of local schools and communities.
19. Youth and Leaders Living Actively – Cooperative Agreement
   • Provide outreach services to support the local, urban, and community garden initiative on sustainable food while increasing the knowledge and capacity of local schools and communities.
20. Boys Grow Cooperation – Cooperative Agreement
   • Provide outreach services to support the local, urban, and community garden initiative on sustainable food while increasing the knowledge and capacity of local schools and communities.
21. NRCS Strike Force Initiative – Interagency Agreement with NRCS to assist funding these initiatives.
22. Andrew Young YMCA – Cooperative Agreement
   • Assist outreach projects reaching more than 300 youth, adults, and seniors. The concentration is centered on urban farming and community gardening to obtain the adequate knowledge required to be successful apprentices of urban farming.
23. Federation of Southern Cooperatives – Cooperative Agreement
   • Assist in land retention and development, especially for African Americans, but inclusive of all family farmers.
25. True Colors Fund – Partner for LGBT Rural Summits
27. Keys Grace Academy – Cooperative Agreement
   • Provide outreach services to support the local, urban, and community garden initiative to provide sustainable food while increasing the knowledge and capacity of local schools and communities.
28. Broccoli City – Cooperative Agreement
   • Provide outreach services to support the local, urban, and community garden initiative to provide sustainable food while increasing the knowledge and capacity of local schools and communities.
29. Oberlin Community Services – Cooperative Agreement
• Provide outreach services to support the local, urban, and community garden initiative to provide sustainable food while increasing the knowledge and capacity of local schools and communities.

30. Turning Point 180 (Bread for Life Food Pantry) – Cooperative Agreement
• Provide outreach services to support the local, urban, and community garden initiative on sustainable food while increasing the knowledge and capacity of local schools and communities.

31. The Kitchen Community, Inc. – Cooperative Agreement
• Provide outreach services to support the local, urban, and community garden initiative on sustainable food while increasing the knowledge and capacity of local schools and communities.

32. United States Soccer Federation Foundation – Cooperative Agreement
• Provide outreach services to support the local, urban, and community garden initiative on sustainable food while increasing the knowledge and capacity of local schools and communities.

33. Oklahoma Black Historical Research Project, Inc. – Cooperative Agreement
• Provide outreach services to support the agriculture consensus mobilization project.

34. Texas/Mexico Border Coalition – Cooperative Agreement
• Provide outreach services to support the agriculture consensus mobilization project.

35. National Hmong American Farmers, Inc. – Cooperative Agreement
• Provide outreach services to support the agriculture consensus mobilization project.

36. Operation Spring Plant, Inc. – Cooperative Agreement
• Provide outreach services to support the agriculture consensus mobilization project.

37. Northern New Mexico College – Cooperative Agreement
• Provide outreach services to support the agriculture consensus mobilization project.

38. University of Texas Rio Grande Valley – Cooperative Agreement
• Provide outreach services for Hispanics and traditionally underrepresented populations in areas of agriculture, food, natural resources, science, engineering, health and other related disciplines.

39. St. Peter’s African Methodist Episcopal Church – Cooperative Agreement
• Provide outreach services to support the local, urban, and community garden initiative on sustainable food while increasing the knowledge and capacity of local schools and communities.

40. Metro Community Development Cooperation – Cooperative Agreement
• Provide outreach services to support the agriculture consensus mobilization project.

41. New York City Board of Education (P373K Brooklyn Transition Center) – Cooperative Agreement
• Provide outreach services to support the local, urban, and community garden initiative on sustainable food while increasing the knowledge and capacity of local schools and communities.

42. Common Ground Foundation – Cooperative Agreement
• Provide outreach services to support the local, urban, and community garden initiative on sustainable food while increasing the knowledge and capacity of local schools and communities.
Recent engagements with stakeholder groups

OASCR, in collaboration with the National Center for Lesbian Rights and the True Colors Fund, engaged with LGBT rural communities across the country to host the LGBT Summit Series, #RuralPride. Past series stops included:

4. Summit Series Stop 4: Southern University and A&M College in Baton Rouge, LA, on October 9, 2014.
5. Summit Series Stop 5: Resource Center in Dallas, TX, on October 10, 2014.
7. Summit Series Stop 7: Oasis Center in Nashville, TN, on March 29, 2015.
8. Summit Series Stop 8: Omni Atlanta Hotel at CNN Center in Atlanta, GA, on May 26, 2015.
10. Summit Series Stop 10: Millsap College in Jackson, MS, on August 14, 2015.
14. Summit Series Stop 14: Drake University Parents Hall in Des Moines, IA, on August 18, 2016.

The delegations of authority for the Assistant Secretary for Civil Rights (ASCR), 7 C.F.R. § 2.25 (a)(1)(24) was amended on September 29, 2015, to allow the ASCR to award grants and enter into cooperative agreements for the purpose of conducting outreach efforts. OASCR entered into cooperative agreements with non-profit organizations under USDA’s Community Garden Initiative. OASCR assisted several schools and communities by establishing local, urban, and community gardens. These community gardens will provide sustainable food while increasing the knowledge and capacity of local schools and communities. OASCR worked with the following entities:

1. IDEA Public Charter School Monterrey in San Antonio, TX, in 2014.
2. Moss Haven Elementary in Dallas, TX, in 2014.
3. Charles Drew Academy in Houston, TX, on February 23, 2015.
5. KIPP School in New Orleans, LA, on September 17, 2015.
7. Orchard Knob Middle School in Chattanooga, TN, on September 21, 2015.
8. McKissack Middle School in Nashville, TN, on September 22, 2015.
9. Paul Quinn College in Dallas, TX, on October 16, 2015.
10. Frederick Douglass High School in Baltimore, MD, on April 27, 2016.
11. Creative City in Baltimore, MD, on April 27, 2016.
12. Green Street Academy in Baltimore, MD, on April 28, 2016.
13. University of Missouri Extension in St. Louis, MO, on May 1, 2016.
14. Frederick Douglass Academy for Young Men in Detroit, MI, on May 12, 2016.
15. TJ Rusk Middle School in Dallas, Texas, on May 16, 2016.
17. Institute for American Indian Arts in Santa Fe, NM, on August 22, 2016.
19. Alliance at Meek Middle School in Portland, OR, on September 12, 2016.
20. Arminta Elementary School in Los Angeles, CA, on September 18, 2016.
22. Garden Place Academy in Denver, CO, on October 16, 2016.
23. Over 19 locations in Puerto Rico.

V. Top Issues

Hot Topics

1. Agency investigation funding provided in a timely manner
As of January 2013, OASCR has authority over the investigation of all equal employment opportunity (EEO) complaints of discrimination. Prior to that date, USDA agencies controlled their own EEO investigations and managed procurement of Contract Investigators. This practice created disparities in how investigations were billed as well as the quality and timeliness of the investigations. Once OASCR took over the investigation process, agencies were required to reimburse OASCR for the investigation of their respective complaints. OASCR has had to use discretionary funds to pay for EEO investigations when agencies have not reimbursed OASCR in a timely manner. OASCR is working with the OCFO to create an institutionalized reimbursable process to ensure the investigation costs are funded timely. This will ensure USDA is not subjected to sanctions from the EEOC.

2. Civil Rights Training
In 2016, Secretary Tom Vilsack designated August as “Civil Rights Month at USDA.” In response to the Secretary’s charge, OASCR conducted training on critical civil rights subjects for selected agencies and staff offices across the nation. Over 1000 USDA supervisors and non-supervisory employees participated in the trainings. OASCR seeks to continue this proactive measure in 2017.

3. Community Garden Initiative
The School and Community Garden Initiative has created over 50 gardens throughout the country. The gardens transform the lives of school children and their parents. Eating habits have changed, social behaviors have been positively enhanced, science grades
have improved and interest in agriculture has increased. OASCR seeks to continue this effort in 2017 with additional funding that has been appropriated in the budget. This outreach effort directly links to OASCR’s mission and delegated authority to provide assistance to customers residing in economically distressed communities.

**Timeline**

<table>
<thead>
<tr>
<th></th>
<th>30 DAYS</th>
<th>60 DAYS</th>
<th>90 DAYS</th>
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<tbody>
<tr>
<td><strong>Community garden initiative</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of gardens created</td>
<td>2</td>
<td>6</td>
<td>8</td>
</tr>
<tr>
<td><strong>Reimbursable Agreements Funding</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of agreements funded</td>
<td>25</td>
<td>40</td>
<td>45</td>
</tr>
<tr>
<td><strong>Civil Rights Training</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of trainings conducted</td>
<td>1</td>
<td>5</td>
<td>2</td>
</tr>
</tbody>
</table>
United States Department of Agriculture
2016 Presidential Transition
Office of the Assistant Secretary for Civil Rights (OASCR)

Appendix A: Acronyms

ADR – Alternative Dispute Resolution
ALOC – Acceptable Level of Competence
ARS – Agricultural Research Service
BUE – Bargaining Unit Employee
CBA – Collective Bargaining Agreement
CBO – Community Based Organization
CEPO – Centralized Access Property Operations
CR – Civil Rights
CRES – Civil Rights Enterprise System
CRIA – Civil Rights Impact Analysis
CCD – Conflict Complaints Division
CTS – Client Technology Services
D&F – Determination and Findings
DRMD – Data Records and Management Division
EAD – Employment Adjudication Division
ECD – Employment Complaints Division
ECOA – Equal Credit Opportunity Act
EEO – Equal Employment Opportunity
EOA – Equal Employment Assistant
eOPF – Electronic Personnel Folder
EOS – Equal Employment Specialist
ERCD – Early Resolution and Conciliation Division
FAR – Federal Acquisition Regulations
FOIA – Freedom of Information Act
GAO – Government Accountability Office
GOE – Government-Owned Equipment
GPRA – Government Performance and Results Act
GS – General Schedule
GSA – General Service Administration
HR – Human Resources
IAA – Interagency Agreement
IAS – Integrated Acquisition System
IDP – Individual Development Plan
IT – Information Technology
LGBT – Lesbian Gay Bisexual and Transgender
LEP – Limited English Proficiency
NFC – National Finance Center
OA – Office of Adjudication
OASCR – Office of the Assistant Secretary for Civil Rights
OBPA – Office of Budget, Planning and Analysis
United States Department of Agriculture
2016 Presidential Transition
Office of the Assistant Secretary for Civil Rights (OASCR)

OCFO – Office of the Chief Financial Officer
OCIO – Office of the Chief Information Officer
OIG – Office of Inspector General
OCPTCT – Office of Compliance, Policy, Training, and Cultural Transformation
OCPTCT-PD – Policy Division
OCPTCT-CD – Compliance Division
OCPTCT-CD – Training and Cultural Transformation Division
OPM – Office of Personnel Management
PAD – Program Adjudication Division
PCD – Program Complaints Division
PIP – Performance Improvement Plan
POC – Point of Contact
PPAD – Program Planning and Accountability Division
PWS – Performance Work Statement
QSI – Quality Step Increase
SL – Senior Level
SME – Subject Matter Expert
SOL – Statute of Limitations
SOO -- Statement of Objectives
SOP – Standard Operating Procedures
SOW – Statement of Work
T&A – Time and Attendance
WGI – Within-grade Increase
Office of the Chief Economist (OCE) Fact Sheet

WHAT WE DO: OUR MISSION

The Office of the Chief Economist (OCE) advises the Secretary on the economic implications of Department policies, programs, and proposed legislation. It serves as the focal point for the Nation’s agricultural economic intelligence and projections related to agricultural commodity markets, risk and cost-benefit analysis related to international food and agriculture, energy issues related to the agricultural economy, sustainable development, agricultural labor, global climate change, and environmental markets. OCE coordinates, reviews, and clears all commodity and aggregate agricultural and food-related data used to develop Departmental outlook and situation material.

WHO WE ARE: OUR WORKFORCE

- 54 full-time, permanent employees
- All staff stationed at the USDA headquarters complex in Washington, DC
- Primarily senior-level economists, analysts, and meteorologists plus support staff

WHO WE SERVE: OUR CONSTITUENTS

- The Secretary of Agriculture and other senior USDA officials and Agencies,
- White House and other Federal Department and Agency officials
- Farmers and other participants in the food and fiber system

KEY UPCOMING DECISIONS

- USDA’s 93rd annual Agricultural Outlook Forum is February 23-24, 2017, with key roles to be decided for the Secretary and the Deputy Secretary during the opening session.
- A 2014 Farm Bill report on creating an Under Secretary for Trade and Foreign Affairs is pending completion; pending a decision by the new Secretary, $1 million is appropriated for OCE to contract with an outside organization for implementation assistance.
- Beginning February, the Secretary will attend the briefing and approve monthly releases of the World Agricultural Supply and Demand Estimates, or select a designee to do so.

BUDGET HIGHLIGHTS FY 2016

- Total budget authority $20.3 million:
  - $17.8 million discretionary
  - $932,000 mandatory
  - $1.6 million reimbursements
- Salaries and benefits account for approximately 44% of total budget
- Services from non-Federal sources, including policy research centers and Climate Hubs, account for approximately 39% of total budget

![FY 2016 Budget Authority Pie Chart]

- Immediate Office
- World Ag Outlook Board
- Risk Assessment & C-B Analysis
- Energy Policy & New Uses
- Climate Change Program
- Environmental Markets
- Mand & Reimb
I. **Organizational Overview**

**Agency’s Mission/Strategic Plan**

The mission of the Office of the Chief Economist (OCE) is to advise the Secretary of Agriculture on the economic implications of Department policies, programs and proposed legislation; to ensure the public has consistent, objective and reliable agricultural forecasts; to promote effective and efficient rules governing Departmental programs; to coordinate Departmental energy policy, programs, and strategies; coordinate Departmental climate change policy, programs, products, and strategies; and foster the development of environmental markets.

As a small staff office providing broad economic and analytical program and policy support to the Office of the Secretary, as well as serving as a coordinating office for many of the Department’s cross-agency initiatives and programs, OCE supports all USDA strategic goals. OCE has 6 specific strategic goals and strategic objectives that contribute to 3 of the Department’s Strategic Objectives within 2 of the Department’s Strategic Goals.

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

**Objective 1.2:** Increase agricultural opportunities by ensuring a robust safety net, creating new markets, and supporting a competitive agricultural system.

**Objective 1.3:** Contribute to the expansion of the bioeconomy by supporting development, production, and consumption of renewable energy and biobased products.

<table>
<thead>
<tr>
<th>Agency Strategic Goal</th>
<th>Agency Objectives</th>
</tr>
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<tbody>
<tr>
<td>Ensure the Secretary of Agriculture receives timely, independent, objective economic analyses on critical Departmental program and policy issues.</td>
<td>Provide economic intelligence and analysis to support Departmental policy and program decisions.</td>
</tr>
<tr>
<td>Improve the U.S. agricultural economy by facilitating efficient price discovery in agricultural markets.</td>
<td>Coordinate release of timely and objective agricultural commodity supply, demand, and price estimates.</td>
</tr>
<tr>
<td>Support Departmental efforts to develop environmental markets.</td>
<td>Support development of guidelines for establishing a market infrastructure that facilitates market-based approaches to agriculture, forest, and rangeland conservation; and develop national water quality technical metrics for agriculture.</td>
</tr>
<tr>
<td>Coordinate Departmental energy policy, programs, and strategies.</td>
<td>Analyze renewable energy, biobased chemicals and products, and bioeconomy policies, programs, and markets.</td>
</tr>
<tr>
<td>Significant and economically significant regulations affecting the public are based on sound, objective, and appropriate risk assessments and economic analysis.</td>
<td>Review and support regulatory impact analyses and risk assessments for significant and economically significant USDA rulemakings.</td>
</tr>
</tbody>
</table>
GOAL 2: Ensure our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing our water resources.
Objective 2.2: Lead efforts to mitigate and adapt to climate change, drought, and extreme weather in agriculture and forestry.

<table>
<thead>
<tr>
<th>Agency Strategic Goal</th>
<th>Agency Objectives</th>
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<tbody>
<tr>
<td>Coordinate Departmental climate change policy, programs, products, and strategies.</td>
<td>Coordinate USDA climate change policy, programs, and products. Develop regional climate change decision support tools.</td>
</tr>
</tbody>
</table>

In general, that mission is supported by a number of delegated authorities by the Secretary of Agriculture to the Chief Economist (see 7 CFR 2.29 at https://www.law.cornell.edu/cfr/text/7/2.29):

**Related to economic analysis.**

(i) Coordinate economic analyses of, and review Department decisions involving, policies and programs that have substantial economic implications.

(ii) Review and assess the economic impact of all significant regulations proposed by any agency of the Department.

(iii) Review economic data and analyses used in speeches and Congressional testimony by Department personnel and in materials prepared for release through the press, radio, and television.

**Related to risk assessment.**

(i) Responsible for assessing the risks to human health, human safety, or the environment, and for preparing cost-benefit analyses, with respect to proposed major regulations, and for publishing such assessments and analyses in the FEDERAL REGISTER as required by section 304 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 2204e).

(ii) Provide direction to Department agencies in the appropriate methods of risk assessment and cost-benefit analyses and coordinate and review all risk assessments and cost-benefit analyses prepared by any agency of the Department.

**Related to food and agriculture outlook and situation.**

(i) Coordinate and review all crop and commodity data used to develop outlook and situation material within the Department.

(ii) Oversee and clear for consistency analytical assumptions and results of all estimates and analyses which significantly relate to international and domestic commodity supply and demand, including such estimates and analyses prepared for public distribution by the Foreign Agricultural Service, the Economic Research Service, or by any other agency or office of the Department.
Related to weather and climate.

(i) Advise the Secretary on climate and weather activities, and coordinate the development of policy options on weather and climate.

(ii) Coordinate all weather and climate information and monitoring activities within the Department and provide a focal point in the Department for weather and climate information and impact assessment.

(iii) Arrange for appropriate representation to attend all meetings, hearings, and task forces held outside the Department which require such representation.

(iv) Designate the Executive Secretary of the USDA Weather and Climate Program Coordinating Committee.

Related to interagency commodity estimates committees.

(i) Establish Interagency Commodity Estimates Committees for Commodity Credit Corporation price-supported commodities, for major products thereof, and for commodities where a need for such a committee has been identified, in order to bring together estimates and supporting analyses from participating agencies, and to develop official estimates of supply, utilization, and prices for commodities, including the effects of new program proposals on acreage, yield, production, imports, domestic utilization, price, income, support programs, carryover, exports, and availabilities for export.

(ii) Designate the Chairman, who shall also act as Secretary, for all Interagency Commodity Estimates Committees.

(iii) Assure that all committee members have the basic assumptions, background data and other relevant data regarding the overall economy and market prospects for specific commodities.

(iv) Review for consistency of analytical assumptions and results all proposed decisions made by Commodity Estimates Committees prior to any release outside the Department.

Related to long-range commodity and agricultural-sector projections.

Establish committees of the agencies of the Department to coordinate the development of a set of analytical assumptions and long-range agricultural-sector projections (2 years and beyond) based on commodity projections consistent with these assumptions and coordinated through the Interagency Commodity Estimates Committees.

Related to energy.

(i) Advise the Secretary and other policy-level officials of the Department on energy policies and programs, including legislative and budget proposals.

(ii) Serve as or designate the Department representative at hearings, conferences, meetings and other contacts with respect to energy and energy-related matters, including liaison with the Department of Energy, the Environmental Protection Agency and other governmental agencies and departments.

(v) Provide Department leadership in:
(A) Analyzing and evaluating existing and proposed energy policies and strategies, including those regarding the allocation of scarce resources;

(B) Developing energy policies and strategies, including those regarding the allocation of scarce resources;

(C) Reviewing and evaluating Departmental energy and energy-related programs and programs progress;

(D) Developing agricultural and rural components of national energy policy plans; and

(E) Preparing reports on energy and energy-related policies and programs required under Acts of Congress and Executive orders, including those involving testimony and reports on legislative proposals.

(vi) Provide Departmental oversight and coordination with respect to resources available for energy and energy-related activities, including funds transferred to USDA from other departments or agencies of the Federal Government pursuant to interagency agreements.

*Related to climate change.*

(i) Coordinate policy analysis, long-range planning, research, and response strategies relating to climate change issues.

(ii) Provide liaison with other Federal agencies, through the Office of Science and Technology Policy, regarding climate change issues.

(iii) Inform the Department of scientific developments and policy issues relating to the effects of climate change on agriculture and forestry, including broader issues that affect the impact of climate change on the farms and forests of the United States.

(iv) Recommend to the Secretary alternative courses of action with which to respond to such scientific developments and policy issues.

(v) Ensure that recognition of the potential for climate change is fully integrated into the research, planning, and decision making processes of the Department.

(vi) Coordinate global climate change studies.

(vii) Coordinate the participation of the Department in interagency climate-related activities.

(viii) Consult with the National Academy of Sciences and private, academic, State, and local groups with respect to climate research and related activities.

(ix) Represent the Department to the Office of Science and Technology Policy on issues related to climate change.

(x) Represent the Department on the Intergovernmental Panel on Climate Change.

(xi) Review all Department budget items relating to climate change issues, including specifically the research budget to be submitted by the Secretary to the Office of Management and Budget.
Key mission delivery performance measures

Key Outcome: 12 monthly World Agriculture Supply and Demand Estimates (WASDE) reports issued.

Key Performance Measures and Targets:

Issue 12 monthly WASDE reports each year providing timely, comprehensive, objective agricultural commodity supply, demand, and price estimates and projections, providing a benchmark for U.S. and global markets to respond to expected changes in commodity supply and demand and thereby contributing to efficient price discovery in agricultural markets. The baseline and target performances are issuing 12 WASDE reports.

<table>
<thead>
<tr>
<th>Annual Performance Goals, Indicators, and Trends</th>
<th>Actual</th>
<th>Estimate/Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>WASDE reports issued</td>
<td>2011</td>
<td>12</td>
</tr>
<tr>
<td></td>
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</tr>
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<td>12</td>
</tr>
<tr>
<td></td>
<td>2016</td>
<td>12</td>
</tr>
</tbody>
</table>

Key Outcome: Make substantial progress in the development of technical water quality metrics and guidelines that can meet the needs of emerging environmental markets.

Key Performance Measures and Targets:

(1) Prepare technical reports on issues related to farmer and landowner participation in emerging environmental markets.

(2) Develop national water quality metrics for agriculture.

<table>
<thead>
<tr>
<th>Annual Performance Goals, Indicators, and Trends</th>
<th>Actual</th>
<th>Estimate/Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical reports completed on issues related to farmer and landowner participation in emerging environmental markets</td>
<td>New Program</td>
<td>Est. Baseline</td>
</tr>
<tr>
<td>Percentage completion of national water quality technical metrics for agriculture</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Key Outcome: Increased resilience to climate change and increased participation of farmers, ranchers, and forest landowners in GHG mitigations actions.

Key Performance Measures and Targets:

(1) The Secretary of Agriculture and other senior USDA leadership are satisfied with CCPO climate change policy analysis and coordination activities. Measurement of the performance of CCPO is qualitative and is provided by direct feedback from the Chief Economist and other senior USDA leadership. The baseline performance is providing excellent climate change policy analysis and coordination. The target performance is to continue to provide excellent climate change policy analysis and coordination.

(2) Percent completion of development of regional climate change decision support tools.

<table>
<thead>
<tr>
<th>Annual Performance Goals, Indicators, and Trends</th>
<th>Actual</th>
<th>Estimate/Target</th>
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</thead>
<tbody>
<tr>
<td>Percent completion of development of regional climate change decision support tools</td>
<td>N/A</td>
<td>N/A 10% 60% 85%</td>
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Organization’s History

OCE was created by the Secretary of Agriculture on October 20, 1994, under the authority of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Public Law 103-354. OCE consists of the Chief Economist and Immediate Staff, the Climate Change Program Office (CCPO), the Office of Energy Policy and New Uses (OEPNU), the Office of Environmental Markets (OEM), the Office of Risk Assessment and Cost-Benefit Analysis (ORACBA), and the World Agricultural Outlook Board (WAOB).

Prior to the reorganization, there was no OCE or Chief Economist. Instead, an Assistant Secretary for Economics reported directly to the Secretary and had administrative responsibilities for all USDA economics and statistic agencies, including the Economic Research Service (ERS), WAOB, the National Agricultural Statistics Service (NASS), the Office of Energy (OE), the Economics Management Service (EMS), and the Economic Analysis Staff (EAS). Under the reorganization, the Chief Economist replaced the Assistant Secretary for Economics and the OCE was established. ERS, NASS, OE, and EMS were transferred to the Under Secretary for Research, Education, and Economics.
OCE advises the Secretary of Agriculture on the economic implications of Department policies, programs and proposed legislation. OCE serves as a focal point for the Nation’s agricultural economic intelligence and projections; risk analysis; climate change issues; and cost-benefit analysis related to domestic and international food and agriculture. OCE also supports the development of technical guidelines that outline science-based methods to measure the environmental services benefits from conservation and land management activities; provides analysis for the Department’s renewable energy, bioenergy, and biobased product programs; and is responsible for coordination, review and clearance of all commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department.

The Immediate Office of the Chief Economist (IO) provides policy and program analyses and advice to the Secretary. The staff of the IO is unique in that it directly serves the economic and policy analyses needs of the Secretary, free of mission area program responsibilities. It informs the Secretary and the public on the economic consequences of major events affecting agriculture and rural America. Areas of major analyses include international trade agreements, risk-sharing institutions, crop insurance, commodity programs, developments in commodity markets, sustainable development, and agricultural labor. The IO plays a major role in reviewing and clearing regulatory analyses supporting significant rules issued by USDA. Because of its pivotal role in functions which cut across USDA agency responsibilities, OCE staff performs critical liaison and coordination, such as for sustainable development and agricultural labor.

The World Agricultural Outlook Board (WAOB) was created in 1977 to serve as the focal point for the Nation’s economic intelligence relative to the outlook for domestic and international food and agriculture. Prior to 1977, responsibility for USDA’s food and fiber outlook information system was fragmented among several agencies, lacking coherency. The WAOB was created to coordinate and assure the accuracy, timeliness, and objectivity of USDA’s agricultural outlook and situation analysis. The WAOB’s major reports include the Principal Economic Indicator (PEI) report known as the World Agricultural Supply and Demand Estimates (WASDE) which is produced in ‘lockup’ conditions due to its market sensitive nature and the widely referenced Weekly Weather and Crop Bulletin.

The Climate Change Program Office (CCPO) operates within the Office of the Chief Economist and functions as the Department-wide coordinator of agricultural, rural, and forestry-related climate change program and policy issues. The office was established by Statute in 1990 and placed in the Office of the Chief Economist in 1997. The CCPO ensures that USDA is a source of objective, analytical assessments of the effects of climate change and proposed response strategies. The CCPO also serves as USDA’s focal point for climate change issues and is responsible for coordinating activities with other Federal agencies, interacting with the legislative branch on climate change issues affecting agriculture and forestry, and representing USDA on U.S. delegations to international climate change discussions.

The Office of Environmental Markets (OEM) was established in 2010 in response to the Food, Conservation, and Energy Act of 2008, the 2008 Farm Bill. OEM develops the technical guidelines, science-based methods, and infrastructure necessary to facilitate participation of farmers, ranchers, and forest landowners in emerging environmental markets. OEM provides
support to the Department in ensuring that rules and regulations at the federal, state and local levels facilitate environmental markets for agriculture and rural lands; demonstrating and testing market-based approaches to conservation; developing guidance and tools to facilitate landowner participation in environmental markets; communicating the benefits of market-based conservation; assisting agencies in integrate environmental markets into USDA programs; and pursuing actions to encourage demand for environmental market credits.

The Office of Risk Assessment and Cost-Benefit Analysis (ORACBA) was statutorily created by Section 304 of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Public Law 103-354 and placed with OCE by the Secretary on October 20, 1994. ORACBA was created to ensure that regulatory analyses for the Department’s major proposed regulations which regulate issues of human health, human safety or the environment include a risk assessment and cost-benefit analysis that is performed consistently and uses reasonably obtainable and sound scientific, technical, economic, and other data. The risk assessment and cost-benefit requirement was included in the Act to “assure that USDA regulations dealing with health, the environment, or public safety will contain the information that the public needs to comprehend the risk; the costs of addressing it, and the benefits it will receive from these expenditures,” according to the bill’s sponsor.

The Office of Energy Policy and New Uses, and its predecessor office, Office of Energy and New Uses, mission has been to provide policy advice for the Office of the Secretary on energy matters, to coordinate energy-related activities within the Department, to serve as liaison with other Departments on energy issues, and to conduct a program of research on new uses of agricultural products. Prior to 1994, the Office reported to the Assistant Secretary for Economics. As a consequence of the 1994 Departmental reorganization, the office was functionally incorporated into the Economic Research Service.

Section 220 of the Agricultural Research, Extension, and Education Reform Act of 1998 states that "The Secretary shall establish for the Department in the Office of the Secretary, an Office of Energy Policy and New Uses." The report language accompanying the legislation states that "the Office of Energy and New Uses currently located within the Economic Research Service be moved to the Office of the Secretary ... policy direction for biofuels and new uses must come from the Secretary. Therefore, in order to give added emphasis to these key areas of agriculture, it is best to establish a more direct link between the Secretary and the Office of Energy and New Uses." The “new uses” of the office name initially focused on agricultural commodities that could be converted into new biofuels, but has broadened to include biobased products. The delegation of authority from the REE mission area, ERS to the Office of the Chief Economist was published in the Federal Register, Vol. 64, No. 144, July 28, 1999.
Organizational Chart

OCE advises the Secretary of Agriculture on the economic implications of Department policies, programs and proposed legislation. OCE serves as a focal point for the Nation’s agricultural economic intelligence and projections, providing coordination, review and clearance of all commodity and aggregate agricultural and food-related data used to develop outlook and situation material within the Department; risk assessments and cost-benefit analyses related to domestic and international food and agriculture; coordination, analysis, and research on global climate change issues; coordination, analysis, and research on renewable energy, bioenergy, and biobased product programs; support for the development of technical guidelines that outline science-based methods to measure the environmental services benefits from conservation and land management activities; coordination of sustainable development activities; and analysis of issues and developments affecting agricultural labor.
Biographies of career staff in key leadership positions

Robert Johansson  
Chief Economist  
202-720-4164, RJohansson@oce.usda.gov

Robert Johansson was selected as Chief Economist at the Department of Agriculture (USDA) in July 2015. As Chief Economist, he is responsible for the Department's agricultural forecasts and projections and for advising the Secretary of Agriculture on economic implications of alternative programs, regulations, and legislative proposals. He is responsible for the Office of the Chief Economist, the World Agricultural Outlook Board, the Office of Risk Assessment and Cost-Benefit analysis, the Climate Change Program Office, the Office of Environmental Markets, and the Office of Energy Policy and New Uses.

Since 2001, he has worked as an economist at USDA (both at the Economic Research Service and in the Office of the Chief Economist), in the Office of Information and Regulatory Affairs at the Office of Management and Budget, and at the Congressional Budget Office. In 2011, he was appointed senior economist for energy, environment, and agriculture on the President’s Council of Economic Advisers where he also participated on the White House Rural Council and the President’s Council on Jobs and Competitiveness. Dr. Johansson served as Deputy Chief Economist at the USDA from 2012 to 2014. Since 2015 he has been serving as USDA’s Chief Economist.

Dr. Johansson received B.A. in economics from Northwestern University and then served with the U.S. Peace Corps as an extension agent in several African countries from 1990 to 1995. After returning to his home State of Minnesota, he entered the graduate program in Agricultural Economics at the University of Minnesota at received his M.S. in 1997 and Ph.D. in 2000. His research has spanned a wide range of issues, including biofuels policy, water quality and quantity policies, regulatory economics, food security, and regional modeling of agricultural systems.

Warren Preston  
Deputy Chief Economist  
202-720-5955, WPreston@oce.usda.gov

Dr. Warren Preston serves as Deputy Chief Economist at the U.S. Department of Agriculture (USDA), advising the Chief Economist, the Secretary of Agriculture, and top policy officials on the economic implications of policies, programs, and legislative proposals affecting the U.S. food and fiber system and rural areas. He supports USDA policy decision making by evaluating policy options on complex domestic and global agricultural issues. After serving as USDA’s Acting Deputy Chief Economist beginning in February 2015, Dr. Preston transferred permanently to the Office of the Chief Economist as senior economist for agricultural policy in August 2015.
Prior to joining the Office of the Chief Economist, Dr. Preston served as an economist and associate deputy administrator for the Agricultural Marketing Service (AMS), analyzing and overseeing programs and policies across the full spectrum of marketing activities administered by the Livestock, Poultry, and Seed Program. From 1992 to 2001, he worked as an economist and branch chief in the Packers and Stockyards Programs of USDA’s Grain Inspection, Packers and Stockyards Administration, playing a key role in integrating economic analysis into investigative procedures and processes. From 1986 to 1992, he held a research and teaching position as an assistant professor in the Department of Agricultural Economics at Virginia Tech, focusing on agricultural marketing and the interface between public policies and food system performance.

Dr. Preston earned his bachelor’s degree in dairy science from The Ohio State University and his master’s and doctoral degrees in agricultural economics from Purdue University.

**Seth Meyer**  
**Chairperson, World Agricultural Outlook Board (WAOB)**  
202-720-6030, SMeyer@oce.usda.gov

Dr. Seth Meyer serves as the World Agricultural Outlook Board (WAOB) Chairman. Dr. Meyer is responsible for the monthly forecasts of the *World Agricultural Supply and Demand Estimates* (WASDE) report and the work of the Joint Agricultural Weather Facility.” Dr. Meyer will also serve as Program Chairman for USDA’s largest annual meeting, the Agricultural Outlook Forum.

Dr. Meyer joined USDA’s Office of the Chief Economist in 2013 as a Senior Economist for domestic agricultural policy. Prior to joining USDA, Dr. Meyer spent the previous 2 years as a part of the Food and Agriculture Organization (FAO) of the United Nations (UN) in the Global Perspectives Studies Unit, examining the long-term determinants of agriculture demand and the allocation of productive resources to meet that growing demand.

Dr. Meyer also spent 12 years as a researcher and faculty member with the University of Missouri’s Food and Agricultural Policy Research Institute (FAPRI), analyzing policies affecting grain and oilseed markets, cotton, biofuels, and agricultural commodity transportation. Meyer has authored numerous publications on these subjects, including several examining U.S. biofuel policy, and has spent time as an invited researcher at the International Rice Research Institute (IRRI) in the Philippines; the Japan International Research Center for Agricultural Sciences (JIRCAS) in Tsukuba, Japan; and the Food and Agriculture Organization of the United Nations (UN-FAO) in Rome, Italy. Dr. Meyer grew up in eastern Iowa and has a Bachelor’s and Master’s degree from Iowa State University and a Ph.D. in Agricultural Economics from the University of Missouri.
Linda Abbott
Director, Office of Risk Assessment and Cost-Benefit Analysis (ORACBA)
202-720-8022, LAbbott@oce.usda.gov

Linda Abbott serves as the Director of the Office of Risk Assessment and Cost-Benefit Analysis (ORACBA). In this role she coordinates the review of regulatory risk assessments and cost-benefit analyses for major USDA proposed rules affecting the environment, human health or human safety.

Prior to this position she served as a senior risk assessor on the ORACBA staff. While at ORACBA, she was also detailed to the USDA Office of Pest Management Policy to evaluate risk models used to assess human health exposure and ecological risk. She began her USDA career as an ecologist at the Animal and Plant Health Inspection Service where she developed risk assessments and environmental assessments required under the National Environmental Policy Act.

Dr. Abbott received her Ph.D. in biology-ecology from Utah State University, M.S. in environmental biology from George Mason University, a B.S. in biology from Florida Southern College and a J.D. from George Mason University School of Law.

William Hohenstein
Director, Climate Change Program Office (CCPO)
202-720-6698, whohenst@ose.usda.gov

Mr. Hohenstein serves as the Director of the Climate Change Program Office (CCPO), and is responsible for coordinating climate change research and program activities for the Department. The Climate Change Program Office provides coordination and policy development support for the Department’s climate change program. It serves as a focal point for support to the Secretary of Agriculture on the causes and consequences of climate change, as well as strategies for addressing climate change.

Before arriving at USDA, Mr. Hohenstein served as a Division Director in EPA’s National Center for Environmental Economics. Mr. Hohenstein has a B.S. in Natural Resource Management from Cook College, Rutgers University and a M.E.M. in Resource Economics from Duke University’s School of Forestry and Environmental Studies.

Harry Baumes
Director, Office of Energy Policy and New Uses (OEPNU)
202-401-0461, HBaumes@oce.usda.gov

Harry Baumes returned to the USDA in April 2006 serving as Associate Director of the Office of Energy Policy and New Uses. He served as the Acting Director of the Office of Energy Policy and New Uses (OEPNU) from January to November 2010. In December 2010, he was appointed Director by the Chief Economist Director of the Office. In addition to administrative responsibilities, Dr. Baumes’ activities focus on renewable energy policy and evaluation – particularly biofuels and feedstocks. Dr. Baumes has worked on the renewable fuel standard
(RFS) and coordinated USDA interaction and collaboration with the EPA on the proposed and final rule for implementing the RFS provisions of the Energy Independence and Security Act of 2007. He was responsible for the overall agenda and for the Agriculture, Forestry and Rural Development program for the ministerial level of the Washington International Renewable Energy Conference which had representation from over 120 countries and 100 minister level officials, and more than 5000 attended (March 2008).

Prior to returning to the USDA in April 2006, Dr. Baumes was Managing Director of Agricultural Services for Global Insight (G.I.). There he had management responsibilities for the Agricultural Group, including domestic and international agriculture sector forecasting and consulting services. While at G.I., Dr. Baumes led three proprietary studies that looked at biofuels and implications for U.S. agriculture. Baumes has more than 30 years of professional experience conducting and/or managing domestic and international agriculture sector studies.

Baumes holds a Bachelor of Science degree from Cornell University (1974), a Master of Science degree (1976), and a Doctorate of Philosophy degree (1978) in agricultural economics from Purdue University. Baumes’ graduate studies concentrated on quantitative methods.

Elise H. Golan
Director for Sustainable Development
202-720-2456, EGolan@oce.usda.gov

Elise H. Golan is the Director for Sustainable Development for USDA. In this role, she provides leadership in planning, coordinating, and analyzing the Department's various policies, programs and activities that impact and relate to sustainable agricultural, natural resource, and community development including food security. She plays a key role in coordinating food loss and waste reduction efforts within USDA and across the public and private sectors.

Prior to this position, Elise served as the Associate Director of the Food Economics Division at the Economic Research Service, USDA. She received her Ph.D. in agricultural economics from the University of California at Berkeley and completed a post-doctorate fellowship focusing on environmental economics at the University of Haifa, Israel. Before joining USDA, Elise did consulting work for, among others, the World Bank, the International Labour Organization, and the California Department of Finance. She served as a senior staff economist on the President's Council of Economic Advisers from 1998-99.

Dr. Golan’s research has spanned a wide range of sustainability issues, including land tenure and sustainable land management in the Sahel and West Africa; rice-straw burning and sustainable land management in California; regional and U.S. food-system modeling; food labeling and market development; food access, affordability, and security; and the distributional consequences of food policy.
Peter Feather
Agricultural Labor Affairs Coordinator
202-720-8148, PFeather@oce.usda.gov

Peter Feather serves as the Agricultural Labor Affairs Coordinator in the Office of the Chief Economist. He is responsible for analyzing the Department's various policies and activities that relate to agricultural labor, and he represents the USDA on immigration issues.

Dr. Feather has held this position since June, 2009. Prior to that, he held positions as the Fuel Economy Division Chief at the Department of Transportation, Senior Economist at the President's Council of Economic Advisers and Economist at the USDA Economic Research Service.

Dr. Feather received his Ph.D. in agricultural economics from the University of Minnesota in 1992. He also holds BS and MS degrees in agricultural economics from the University of Missouri.
United States Department of Agriculture  
2016 Presidential Transition  
Office of the Chief Economist (OCE)

Organizational Budget and Financial Management

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<th>Office of the Chief Economist</th>
<th>Budget Authority FY 2009-2016</th>
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<td>(Dollars in Thousands)</td>
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<td>1,000</td>
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<td>$17,714</td>
<td>$19,259</td>
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<td>$20,252</td>
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/1 In FY 2009, $810,000 was permanently transferred from OCE/OEPNU to DA as part of the transfer of the BioPreferred Program.

| Appropriation | 10651 |
| Transfer to DA (BioPreferred Program) | -810 |

15
Enterprise Workforce Data

Workforce FY 2009-FY 2016

GS Level Distribution

- GS 13- GS 15, 63%
- GS 8- GS 12, 22%
- ES/SES, 15%
OCE employs a workforce of 54 employees all of whom are all full-time
Of our total workforce, 19% are eligible to retire within the next year
Our headquarters is located in Washington, D.C., which houses 100% of our workforce
Through the end of 2016, OCE is hosting a visiting scholar from the University of Missouri
OCE is sponsoring a 2016-2017 White House Fellow

<table>
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<tr>
<th>Location</th>
<th>Number of Staff</th>
<th>Percentage of Staff</th>
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<tr>
<td>Headquarters*</td>
<td>54</td>
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<tr>
<td>Total Field Offices</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Total Staff</td>
<td>54</td>
<td>100%</td>
</tr>
</tbody>
</table>

**Workforce by Program Area**

- Immediate Office: 15%
- WAOB: 50%
- ORACBA: 11%
- OEPNU: 9%
- CCPO: 9%
- OEM: 0%
II. Policies and Regulations

Statutory Authorities

OCE was created by the Secretary of Agriculture on October 20, 1994, under the authority of the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Public Law 103-354. OCE is responsible for assessing the risks to human health, human safety, or the environment, and for preparing cost-benefit analyses, with respect to proposed major regulations as required by section 304 of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 2204e).

OCE has responsibilities related to agricultural labor affairs, exercising functions of the Secretary under the Immigration and Nationality Act (INA), as amended (8 U.S.C. 1101 et seq.). OCE provides consultation to the Attorney General and the Secretary of Labor concerning the question of the importation of aliens as nonimmigrant temporary agricultural workers, known as “H2A” workers, under 8 U.S.C. 1101(a)(15)(H)(ii)(a).

OCE serves as Chairman of the Capper-Volstead Act Committee to identify cases of undue price enhancement by associations of producers and issue complaints requiring such associations to show cause why an order should not be made directing them to cease and desist from monopolization or restraint of trade (7 U.S.C. 292).

OCE administers a competitive biodiesel fuel education grants program (7 U.S.C. 8106).

OCE coordinates implementation of section 1245 of the Food Security Act of 1985 regarding environmental services markets (16 U.S.C. 3845).

OCE enters into contracts, grants, and cooperative agreements to further research programs in the food and agricultural sciences (7 U.S.C. 3318), enters into cost-reimbursable agreements relating to agricultural research (7 U.S.C. 3319a), and makes competitive grants to, and enters into cooperative agreements with, agricultural and food policy research centers (7 U.S.C. 3155).

Important Policies and Regulations

While OCE is not a regulatory agency and does not promulgate regulations, OCE engages in a number of activities and reports related to policy and regulatory actions within and outside of USDA.

OEPNU works closely with and coordinates USDA interaction and collaboration with the U.S. Department of Energy and with the Environmental Protection Agency on various feedstock and renewable energy issues such as the renewable fuel standard (RFS), the proposed and final rule for implementing the RFS provisions of the Energy Independence and Security Act of 2007, and RFS waiver requests. OEPNU developed and managed the implementation of the Federal Biobased Product Procurement Program (BioPreferred Program) for USDA until the program became operational and a decision was made to
transfer it to Departmental Administration in FY 2009. Research and publications released by Office has informed USDA leadership, policymakers, and the public in many renewable energy and biobased product areas, such as:

2015 Energy Balance for the Corn-Ethanol Industry, Paul W. Gallagher, Ph.D., Associate Professor, Department of Economics, Iowa State University; Winnie C. Yee, Chemical Engineer, USDA, Agricultural Research Service, Crop Conversion Science and Engineering Research Unit; Harry S. Baumes, Ph.D., Director, USDA, OCE, OEPNU, February 2016


Factors Affecting the Adoption of Wind and Solar-Power Generating Systems on U.S. Farms: Experiences at the State Level. Irene M. Xiarchos, OEPNU, OCE, U.S. Department of Agriculture and William Lazarus, Professor and Extension Economist, Department of Applied Economics, University of Minnesota. July 2013

Biobased Economy Indicators: A Report to the U.S. Congress, Prepared jointly by the OCE, OEPNU, USDA and the Center for Industrial Research and Service of Iowa State University, 2010.

CCPO produces the following reports in support of climate change and actions:
- Annual US Greenhouse Gas Inventory (contributions) – United Nations Framework Convention on Climate Change (UNFCCC) (annual)
- Biennial Report on Climate Actions (contributions)—UNFCCC (biennial)
- United States Climate Action Report to the UNFCCC (contributions) -- UNFCCC (quadrennial)
- National Climate Assessment (contributions) – U.S. Global Change Research Program (USGCRP) and Congress (quadrennial)
- Strategic Plan of the US Global Change Research Program – Congress (decadal)
- Our Changing Planet, Annual Report of the USGCRP (contributions) – Congress (annual)
- USDA Climate Change Adaptation Plan – Secretary and OMB (updated annually)
- Progress reports on USDA Climate Actions to the Secretary (quarterly)

OEM also produces several reports in support of environmental markets:
- Federal Agency Report on the Chesapeake Bay
- Chesapeake Bay Environmental Markets Team Accomplishments Report (annual)
- Progress reports for the Secretary (quarterly)
Overview of the policy/regulation review process

OCE participates in the development of reviews, clears all regulatory impact and risk analyses of Departmental significant, economically significant, and major rules to ensure they are based on objective, appropriate, and sound economic and risk analyses. Specifically, ORACBA reviews and approves statutorily required risk assessments for all major USDA regulations. ORACBA is a focal point for Departmental activities related to risk analysis, including: inter-Departmental activities; risk communication; education on risk analysis methods; regulatory reviews to ensure clearance of cost-effective, less burdensome regulations; and the integration of economic analysis and risk assessment.

The World Agricultural Supply and Demand Estimates (WASDE) report is prepared monthly and includes forecasts for U.S. and world wheat, rice, and coarse grains (corn, barley, sorghum, and oats), oilseeds (soybeans, rapeseed, palm), and cotton. U.S. coverage is extended to sugar, meat, poultry, eggs, and milk. USDA World Agricultural Outlook Board analysts chair the Interagency Commodity Estimates Committees (ICECs) comprising representatives from several key USDA agencies. The nine ICECs- one for each commodity- compile and interpret information from USDA and other domestic and foreign official sources to produce the report.

The ICECs rely on Foreign Agricultural Service (FAS) attaché reports and analysis of foreign commodity developments, Economic Research Service (ERS) domestic and foreign regional assessments, and National Agricultural Statistics Service (NASS) U.S. crop and livestock estimates. For domestic policy and market information, the Board relies on the Farm Services Agency and the Agricultural Marketing Service. WAOB and FAS use weather analysis and satellite imagery to monitor crop conditions. Additional private and public information sources are considered.

To assure the highly market-sensitive information is released simultaneously to all end-users, and not prematurely to any one, the WASDE report is prepared under tight security in a specially designed area of USDA’s South Building. The morning of release, doors in the “lockup” area are secured, window shades are sealed, and telephone and Internet communications are blocked. Once analysts present their credentials to a guard, they enter the secured area to finalize the WASDE report. Communications with the outside world are suspended until the report is released at 12:00 noon Eastern Time.

GAO and OIG Audits

OCE has not been subject to GAO or OIG audits in the past 4 years.
III. Congressional Relations and Issues

Overview

- **Environmental Markets** - Over the past 25 years, Congressional interest in environmental markets and conservation finance has steadily grown. Through amendments to the Clean Air Act of 1990, Congress adopted a “cap-and-trade” system to address pollution from sulfur dioxide. The approach has resulted in substantial environmental and public health improvements, while providing more flexibility for businesses to comply with the law. Since 2008, market-based approaches under the Clean Water Act and Endangered Species Act have fostered several billion dollars of private investment in conservation and restoration annually, and protected more than 22 million acres in the U.S. Market-based approaches are widely seen as a voluntary means to achieve regulatory goals more efficiently.

- **Food loss and waste** - Congress has interest in the issue of food loss and waste and federal efforts to reduce it. Representative Chellie Pingree introduced a comprehensive food loss and waste reduction bill in December 2015 (HR 4184) that included a number of provisions affecting USDA. Rep Pingree and Senator Blumenthal introduced companion bills in 2016 calling for a single approach to date labeling on foods to reduce consumer confusion about the meaning of such labels and thereby reduce food waste at the consumer and retail level.

- **Trade** - Key trade issues of interest to Congress include: multilateral and free trade negotiations and agreements, trade enforcement and WTO dispute settlement cases, and addressing regulatory and other trade barriers that impede U.S. agricultural and food exports. The House and Senate Agricultural Committees are also focused on the creation of an Under Secretary for Trade and Foreign Agricultural Affairs, as mandated by the 2014 Farm Bill. OCE is developing a report on the costs and benefits of different reorganization options associated with the creation of this position. The report is scheduled to be finalized in December 2016.

OCE also briefs staff from the Agriculture and Trade Committees on the U.S. notification of domestic farm programs to the WTO to demonstrate compliance with U.S. commitments.

In September, Senators Charles Schumer and Tammy Baldwin wrote to Secretary Vilsack and U.S. Trade Representative Froman to express concerns with Canadian dairy policy and its effect on U.S. dairy exports to Canada. A separate letter was sent to President Obama from 22 Members of Congress on the same issue. Members signing this letter were: Senators Schumer and Gillibrand; Representatives Rangel, Higgins, Velazquez, Israel, Donovan, Serano, Stefanik, Slaughter, Hanna, Peter King, Clarke, Meng, Tonko, Meeks, Reed, Collins, Engel, Katko, Gibson, and Maloney.
Regulatory analyses - The establishment of the Office of Risk Assessment and Cost-Benefit Analysis was considered a major development in the field of regulatory reform by one of the bill’s co-sponsors. With this history as a backdrop, Congressional actions concerning analysis of regulatory actions and transparency are of particular interest to the Office. In the last Congress, several bills were proposed concerning regulatory reform but none were passed. Below are the top three of these bills. The last one was just proposed on September 27 and has not yet been considered.

The Regulatory Accountability Act of 2015, sponsored by Senator Portman (R-OH), would amend the Administrative Procedure Act to require agencies to consider reasonable alternatives to the rule for all rules and for rules having an annual cost to the economy of more than $100 million, also consider the potential costs and benefits associated with potential alternative rules. The bill also requires the Office of Information and Regulatory Affairs to establish and update guidance on analysis of costs and benefits of proposed and final rules and risk assessments relevant to rulemaking.

The Regulatory Integrity Act of 2015, passed by the House and received by the Senate, would require all agencies to post regulatory impact analyses along with their rulemakings on their webpages or in regulations.gov. The Act would also require comments on the regulatory impact analyses be posted on the website or regulations.gov.

The Commission on Evidence-Based Policymaking was introduced in Congress in 2016 and became a public law on March 30, 2016. This law establishes a 15 member commission to examine the data collected by the federal government and statistical resources to analyze the data to, among other things, make recommendations on incorporating the data into measurements of outcomes of programs.

Representative DeFazio recently introduced legislation to require the Administrator of the Office of Information and Regulatory Affairs and the head of each Federal agency to increase transparency in the regulatory review process, and for other purposes.

Renewable Fuels Standard - The Renewable Fuels Standard remains a Congressional (both the House and Senate) topic of concern or interest across multiple Committees/subcommittees. For example, The House Energy and Commerce Committee and the subcommittee on Energy and Power have continually expressed concerns on implementation of the RFS. The EPA was late in announcing RFS mandate levels for 2014 and 2015, for which the agency drew sharp criticism from the Hill and the industry. The House Oversight Subcommittees on Interior and Healthcare, Benefits and Administrative Rules; and the Senate Committee on Environment and Public Works are other examples of Hill committees/subcommittees that have taken an interest in the RFS – from implementation, benefits/costs of biofuels production such as indirect land-use, GHG emissions/reductions, EPA’s lack of providing required reports (impacts of biofuels), and management of the program.
Pundits of the RFS attack the GHG reduction benefits cited, the GREET model based methodology to compute GHG emissions, land-use, and often the inability to produce cellulosic (advanced biofuels) and the high Renewable Identification Number (RIN) values for the various renewable fuels. The OEPNU/OCE are asked to comment on proposed and rules setting the RFS levels, changes to the RFS program (such as the feedstock pathway approval process), research studies, papers, and articles typically refuting some elements of the RFS or USDA programs (i.e. conservation reserve program, conservation compliance), and bills proposed Congress.

The RFS is subject to much criticism and is a comprehensive and broad based program with regard to enacting fuel mandates but also in operating the program. Related “policy” issues or elements that have been discussed include:

- A production tax credit for biodiesel instead of a blenders’ tax credit – shifts the direct benefit in the supply chain.
- Moving the point of obligation from the producer of the biofuel (RIN generation) downstream to the Blender of the biofuel.
- Eligible feedstocks – assess waste gas streams from industrial processes
- The Blend Wall – how to get past the “10% ethanol saturation point”

Additional issues that could arise with regard to the RFS / biofuels production include:

- Food versus Fuel (an emotional hot spot that will remain)
- Pace at which cellulosic capacity comes on line
- Advancing biomass conversion technologies
- Advancements in life-cycle analysis
- Developing new coproducts
- Implementation of the Corporate Average Fuel Economy (requiring improvement in the automobile fleet to become more efficient)

- **The Defense Production Act (DPA) initiative (Advanced Drop-In Biofuels Production Program – ADBPP) and the USDA Farm to Fleet program** are both supported by Commodity Credit Corporation (CCC) funding. In March 2011, President Obama directed the Department of the Navy (DON), Department of Energy (DOE), and the Department of Agriculture (USDA) to work with private industry to investigate how they could work together to speed the development of domestic, competitively-priced, advanced drop-in biofuels that will power both the Department of Defense and private sector transportation throughout America. DOE, DON, and USDA initiated a cooperative effort to assist the development and support of a sustainable commercial biofuels industry and to foster mutual cooperation by each committing $170 million (reduced by sequestration to about $162 million for USDA). USDA funding was provided under CCC authority to expand/develop markets for agricultural commodities (feedstocks). In December 2013, Navy and USDA jointly announced "Farm-to-Fleet" program - DOD expanded its fuel solicitations to make biofuel blends part of regular, operational fuel purchase and use by the military and CCC funds committed under the DPA will assist the effort.
Representative Conaway (R-OK), Chairman, Committee on Agriculture, and he views USDA use of CCC funds to defray the Navy’s costs of non-competitive priced alternative fuels without Congressional authority to do so. USDA has received a letter from the Congressman requesting information of the Farm to Fleet program, and Harry Baumes, Director of the Office of Energy Policy and New Uses, brief Congressional staff on the USDA’s role in the program. As of this writing the Department is still responding to the request for information.

IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

- The market intelligence work of the WAOB, as summarized in the monthly WASDE report which is a PFEI, is used across USDA as the official outlook for US and foreign agricultural markets. The report is also widely used across the private sector in assessing current market conditions and thus is used by a broad range of sector participants from agricultural producers to exporters and processors both domestic and foreign. The release of the WASDE report has a direct and immediate effect on agricultural commodity markets. Similarly the work of the Joint Agricultural Weather Facility (JAWF) within the WAOB is widely used to assess current crop progress and development around the world by those same market participants.

Internal Agencies

- Domestic USDA agencies, such as the Farm Service Agency (FSA), the Risk Management Agency (RMA), the Economic Research Service (ERS), Rural Development (RD) offices, and the National Agricultural Statistics Service (NASS): OCE partners with them to provide analysis and inputs regarding U.S. farm programs and the U.S. farm economy for various trade-related activities and inter-agency projects.

- USDA Foreign Agricultural Service (FAS) is a key partner on trade policy work and analysis and OCE works closely with FAS on a number of trade and economic issues.

- Federal Crop Insurance Corporation - The Chief Economist is a statutory member of the Federal Crop Insurance Corporation Board of Directors. Dr. Johansson currently serves as the Chairman for the Board. That board is responsible for providing direction to the corporation to take action necessary to improve the actuarial soundness of Federal multiperil crop insurance coverage, and apply the system to all insured producers in a fair and consistent manner. The Code of Federal Regulations (CFR) that refer to the general administrative regulations of the FCIC are codified in 7 CFR Part 400. Regulations that pertain to private sector plans of insurance submissions are published in Subpart V, 7 CFR 400.700, et seq.

- Agricultural Research Service Office of Pest Management Policy: ORACBA partners to review and evaluate pesticide risk assessments, regulatory impact analyses and rulemakings sent to the Secretary of Agriculture under the Federal Insecticide, Fungicide and Rodenticide Act.
Environmental Markets Working Group: OCE-OEM coordinates ecosystem services and environmental markets-related activities for USDA. It is most engaged with the Natural Resources and Environment Mission Area, the Natural Resources Conservation Service, the Forest Service, the Economic Research Service, the Agricultural Research Service, the Farm Services Agency, Rural Development, and the Foreign Agricultural Service.

Bioeconomy Council Coordination Committee: This is an intra-agency working group which coordinates energy and biobased product-related activities among USDA agencies. It also serves as a forum for sharing information regarding energy and biobased product activities involving USDA agencies but occurring outside of USDA.

External Agencies

- U.S. Department of State – Within OCE, the Climate Change Program Office (CCPO) serves as the primary technical office for issues related to climate change and agriculture, forests, and land use. In particular, CCPO provides technical and staff support for the international climate negotiations under the United Nations Framework Convention on Climate Change. OCE also works together on trade issues.

- White House Council on Environmental Quality (CEQ) – Working with Federal departments, agencies, and White House offices, CEQ coordinates Federal environmental policies and initiatives. CCPO is working with CEQ on several topics, including climate change adaptation and resilience and reducing greenhouse gas emissions and increasing carbon sequestration. OEM also collaborates to promote the development of technical guidelines, science-based methods, and infrastructure necessary for environmental markets.

- U.S. Global Change Research Program (USGCRP) – The USGCRP coordinates research on the impacts, causes, and responses to climate change across the Federal government. The USGCRP organizes the National Climate Assessment; USDA contributes scientific and editorial input related to agriculture, forests, and land use. The Climate Change Program Office is the USGCRP’s primary point of contact within USDA.

- National Security Council and the Office of the Chief Statistician: on the refinement and implementation of the Sustainable Development Goals. The Sustainable Development Goals were adopted at the UN General Assembly/Sustainable Development Summit in September 2015. The 17 goals and 169 targets (and 235 indicators that were subsequently developed under the authority of the United Nations Statistical Commission) are meant to provide a comprehensive vision for development to 2030. The goals and targets of the SDGs are universal, meaning that developed countries are expected to work towards the goals domestically as well as internationally. USDA will have primary or supporting responsibility for meeting a large number of SDG goals and targets.

- Office of the U.S. Trade Representative (USTR) – OCE works closely on a number of trade initiatives, including WTO dispute settlement, Anti-Dumping and Countervailing Duty (AD/CVD) investigations involving agricultural products, and trade negotiations and enforcement actions.
United States Department of Agriculture  
2016 Presidential Transition  
Briefing Material Template – Agency Level

- Department of Commerce - OCE also works with other members of the trade inter-agency group, including the Department of Commerce.

- Army Corps of Engineers, Department of Transportation, and Department of Interior (including the Fish and Wildlife Service, the Geological Survey, and Bureau of Land Management) – Collaboration facilitates greater consistency across Departments and promotes the development of technical guidelines, science-based methods, and infrastructure necessary for environmental markets.

- Environmental Protection Agency (EPA):
  - OEM promotes the development of technical guidelines, science-based methods, and infrastructure necessary for environmental markets
  - OCE on issues related to food loss and waste. In September 2015, the two agencies announced the first national food loss and waste reduction goal, calling for a 50 percent reduction by 2030. EPA and USDA are collaborating on the 2030 Champions program, which recognizes those businesses that have adopted a goal of halving food loss and waste in their operations by 2030. They are also working together to establish the National Virtual Resource Center on Food Loss and Waste.
  - OEPNU/OCE are USDA point of contact for the Renewable Fuel Standards and other related fuel regulations to support the growth of ethanol and other renewable fuels in the U.S. OEPNU/OCE interacts primarily, although not exclusively, with the Office of Transportation and Air Quality (OTAQ). By Statute, The Administrator of EPA is supposed to Confer with the Secretaries of Agriculture and Energy when setting the RFS mandate levels.
    - Periodic calls between the Chief Economist (and OEPNU) staff with the leadership of OTAQ to discuss market developments (i.e., agricultural production, biofuels), pending USDA/EPA policy program implementation/decisions (i.e., Biofuels Infrastructure Partnership, REGS Rule (announced October 3)), potential issues, and to keep each agency informed.
    - Periodic calls between OEPNU and OTAQ staff on a range of topics including but not exhaustive: status of feedstock pathway decisions, need for information (USDA and/or EPA expertise), status/schedule for program announcements, etc. Again, this call is used to keep respective agencies informed.
    - Waiver analyses – twice EPA has been petitioned by states to waive the RFS standards. OEPNU/OCE was the point of contact and conducted the analyses (impact on the agricultural sector including commodity prices, food prices, farm income effects) and provided results to the EPA (information USDA provided included as part of the official docket). The analyses assessed the impact of a waiver versus implementation of the RFS.
    - EPA regularly asks for USDA data to be provided and validated and for USDA to provide staff expertise for various feedstock pathway analyses EPA is conducting. OEPNU has coordinated meetings identifying appropriate experts that should be included.
United States Department of Agriculture
2016 Presidential Transition
Briefing Material Template – Agency Level

- OEPNU/OCE typically interacts with OTAQ regarding “agriculture oriented” feedstock analyses – particularly with regard to life cycle analysis (LCA).
- OEPNU/OCE annually facilitates EPA’s request for agricultural cropland, grassland and wetland data for its aggregate compliance review. This is a posterior review of acreage use to determine if the RFS is resulting in additional lands being cultivated in the U.S.

- Department of Energy – EPA is required to confer with USDA and DOE in setting RFS mandates. This leads to a natural working relationship between the agencies, specifically DOE’s Bioenergy Technologies Office (BETO).
  - Section 9001 of the Food Conservation and Energy Act of 2008 (FCEA) and most recently reauthorized in the Agricultural Act of 2014, established the Biomass Research and Development Board (BRDB). The BRDB is co-chaired by the USDA and DOE with 6 other agencies servicing on the BRDB. The Biomass Research and Development Board (Board) coordinates research and development activities concerning biobased fuels, products, and power across federal agencies. The organizational structure of the BRDB includes an interagency Operations Committee (OpsCo) of which the Director of the OEPNU is the senior level, USDA, career civil servant on the OpsCo. In addition, there are several other interagency subcommittees organized by theme (Feedstocks, Feedstocks Production & Management, Feedstocks Production-Genetic Improvement, Conversion, Transport & Distribution, Algae, Analysis, and now Sustainability). Work that supporting the BRDB is coordinated by the OpsCo and carried out by the various subcommittees.

The BRDB has announced a Billion Ton Bioeconomy Vision earlier this year. The vision for the Billion Ton Bioeconomy is to sustainably reach the full potential of biomass-derived products as a way of expanding our nation’s economy. In doing so, the bioeconomy will provide multiple economic, environmental, and social benefits to the Nation. The premise is that DOE led studies generically referred to as the Billion Ton Reports and are resource inventories (2005, 2011, and 2016) indicate that the U.S. has over a billion tons of biomass that could be sustainably developed, harvested, and utilized by 2030. The goal of the Billion Ton Bioeconomy is to develop and provide innovative ways to remove barriers to expanding the sustainable use of Nation’s abundant biomass resources for biofuels, bioproducts, and biopower, while maximizing economic, social, and environmental outcomes.

OEPNU/OCE provides co-leadership (with BETO) to the Analysis subcommittee. And, the Director of OEPNU was a co-author on the article titled “An Assessment of the Potential Products and Economic and Environmental Impacts Resulting from a Billion Ton Bioeconomy” forthcoming in Biofuels, Bioproducts and Biorefining journal. OEPNU director serves on the Feedstock subcommittee as well.

- OEPNU/OCE is also working with DOE BETO National Renewable Energy Laboratory (NREL) on analysis of data being collected under the Farm Services Agency Biofuels Infrastructure Partnership. USDA-FAS and DOE-BETO (NREL) have signed an Memorandum of Understanding to collect, maintain, and conduct analysis of data (data should start to become available in October 2016).
United States Department of Agriculture  
2016 Presidential Transition  
Briefing Material Template – Agency Level

- Department of the Navy – USDA programs support the development of alternative jet fuels and OEPNU/OCE has provided technical support to USDA leadership in support of the Defense Production Act (DPA) Initiative described above and works closely on it with Department of Navy and DOE’s BETO. Quarterly meetings are held to discuss status of ADBPP awardees (Fulcrum Sierra Biofuels, Emerald Biofuels, and Red Rock Biofuels). A new solicitation will be forthcoming utilizing approximately $55 million in uncommitted Navy and DOE BETO funds (timing has not been finalized).

USDA has also worked closely with Navy on the Farm to Fleet program, also discussed above. OEPNU/OCE has provided USDA leads on the Farm to Fleet and DPA with Navy.

- Department of Transportation’s Federal Aviation Administration and others: OEPNU/OCE has provided leadership on interagency programs including Farm to Fly 2 (F2F2) – a Memorandum of Understanding between USDA and commercial airline interests. Goal of F2F2 is to enable commercially viable, sustainable bio-Jet Fuel supply chains in the U.S. that are able to support the goal of one billion gallons of bio-Jet Fuel production capacity and use for the Aviation Enterprise by 2018. OEPNU/OCE participates in the interagency working group Committee on Maritime Transportation with a goal of increasing biofuels use by the maritime industry (members include DOT, USCG, Navy, NOAA, DOE, EPA, USDA).

- The Organization for Economic Cooperation and Development (OECD) – Committee for Scientific and Technological Policy, Working Party on Biotechnology, Nanotechnology, and Convergent Technology (BNCT). BNCT is concerned with the confluence of disciplines such as the life sciences, the physical sciences, engineering and information sciences, and with technologies such as biotechnology, nanotechnology1 and, insofar as they are related to issues of convergence and the emergence of new technologies, electronics and information and communications technologies. Sectors covered by the BNCT are those most likely to influence or be affected by developments in these technologies, including the health sector, manufacturing, environmental protection, the marine, agriculture, etc. Policy issues of interest to the BNCT range across topics as diverse as: research and technological development; standards and regulations; best practice policy formulation and implementation; ethical, legal and social issues; public engagement; education, skills and training; and measurement and evaluation methods and tools etc. Bioeconomy and gene editing are two program areas of work. OEPNU’s Director is lead delegate to the BNCT. Next meeting December 2016.

- Interagency Risk Assessment Consortium: ORACBA partners with the other federal agencies members on topics of food safety risks.

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1 Nanotechnology is taken to include nano-scale science, engineering, and technology and also to refer to the use of nanotechnology in various applications and sectors.
• Chesapeake Bay Environmental Markets Team (EMT): Led by OCE-OEM and established by Executive Order 13508. The EMT is a collaboration of 12 federal agencies working to enable environmental markets to function effectively in the Chesapeake Bay Watershed.

• National Capital Area Chapter of the Society for Risk Analysis: ORACBA partners to provide training on risk assessment, risk management and risk communication.

Stakeholder group overview

• Academic community: The office augments its human capital resources through the use of cooperative agreements, a mechanism which enables the office to commission relevant research to help the office examine and evaluate issues. For example, FY16 had cooperative agreements with Cornell, Purdue, Penn State, Iowa State, Council on Food, Agriculture and Resource Economics, and the National Center for Food and Agriculture Policy, amongst others. Papers and findings have been released, are being finalized and/or are undergoing peer review for publication and workshops/conferences being planned or have held.

• USDA Global Change Task Force (GCTF) – The Director of CCPO serves as the chair of the GCTF, which coordinates Departmental activities and information related to climate change to ensure that all USDA agencies with a responsibility for climate change are kept informed of Departmental and Administrative priorities and are included in reviews, assessments, and communication efforts. The GCTF helps establish climate strategy for the USDA and integrate that strategy into research and programs. The GCTF meets monthly and includes representatives from more than 20 USDA agencies and offices.

• OCE-OEM is conducts extensive engagement with the public and private sector and has been a catalyst in generating relationships that result in innovative, science-based, practical solutions that ensure that the public’s interest is protected, and that the buyers, sellers and regulators are confident in the efficiency and credibility of market-based programs. In 2016, OCE-OEM partnered with:
  o The Nicholas Institute at Duke University to develop A Review of the Use of Early Action Incentives in U.S. Environmental Markets. The document highlights the tools and an approach used to encourage early action in environmental markets, and identifies how it can influence market development.
  o Virginia Tech to conduct an analysis of The Role of In-Lieu Fee Programs in Providing Off-Site Compensatory Mitigation. The analysis and supporting case studies suggest that In-Lieu Fee programs do not compete with mitigation banking but do provide mitigation opportunities in areas where mitigation banking alternatives are not available.
  o EPA in association with Forest Trends’ Ecosystem Marketplace to develop environmental markets data layers for EnviroAtlas, a Federally-managed environmental data platform. The newly developed layers show where markets for water, carbon, wetlands, and habitats occur on the U.S. landscape, provide information about the markets and enabling policies, and allow this information to be displayed in the context of existing environmental data. The tool allows
users to understand trends, gaps, and opportunities, as well as make inferences about demand and enabling or limiting conditions for environmental markets.

- The Council on Food, Agricultural and Resource Economics (C-FARE) to support USDA’s resource management agencies in evaluating opportunities for the valuation of carbon, water, and habitat benefits associated with USDA conservation programs.

- The University of Nebraska’s Water for Food Institute to collect water transfer and pricing data, and identify methodologies to facilitate future collection. The information will inform the development of additional resources to support and inform water transfer markets.

- The Texas Institute for Applied Environmental Research (TIAER) to support improvement of the Chesapeake Bay Nutrient Tracking Tool (CBNTT) for the quantification of edge of field nutrient loading.

- The Environmental Defense Fund to evaluate the effect of large transaction costs in agricultural carbon offset markets. OEM and EDF are drafting a paper that will provide an overview of the costs involved with getting an offset from the field to final purchase, and focus on high costs associated with verification. The larger effort aims to change voluntary and regulatory market protocols to work better for agricultural offset sellers.

- OCE-OEM serves on several environmental market advisory groups that meet regularly throughout the year, examples include: the Lake Erie Phosphorus Trading Advisory Group; the Lower Fox River Water Quality Trading Advisory Group; and, the Chesapeake Bay Water Quality Trading Advisory Group. Furthermore, OEM serves as the primary technical advisor to the National Network on Water Quality Trading. The group was founded to address the challenges associated with water quality trading programs and to develop the information resources needed to address them. The group’s members represent a diversity of agricultural operations, wastewater utilities, environmental groups, state regulatory agencies, and practitioners delivering trading programs.

- OCE has created a public-private partnership to support the development of the National Virtual Resource Center on Food Loss and Waste. The 12 partners, all of which have signed Memorandums of Understanding with USDA/OCE include the Academy of Nutrition and Dietetics, Feeding America, the Food Marketing Institute, the Grocery Manufacturers Association, the Innovation Center for U.S. Dairy, the National Consumers League, the National Restaurant Association, the Natural Resource Defense Council, Sustainable America, the EPA, the World Resources Institute and the World Wildlife Fund.

- OCE represents the United States on the Multi-sector Advisory Committee for the U.N. Sustainable Food Systems Program (SFSP).

- In conjunction with FAS and USTR, OCE has regular interaction with a broad range of U.S. agricultural groups and organizations regarding trade issues. Recent key issues and engagement on trade issues include:
• University of Maryland Joint Institute for Food Safety and Applied Nutrition (JIFSAN): ORACBA meets to discuss risk analysis training courses and risk-related databases housed on the JIFSAN website. JIFSAN is concerned with education and capacity building within the United States and abroad in risk assessment, risk communication risk management and regulatory analysis.

• National Capital Area Chapter of the Society for Risk Analysis: ORACBA meets to plan presentations on risk analysis and provide training opportunities for capacity building.

• Trade Associations:
  o The National Bioediesel Board (NBB) – expanding the biodiesel market
  o The Renewable Fuels Association (RFA) – expanding the ethanol market
  o The Biotechnology Innovation Organization (BIO) – advancing renewable chemicals, biobased products, technology and innovation, and the bioeconomy.

  Each group will schedule visits with OEPNU/OCE staff to discuss respective positions on issues/policies/pending legislations or papers/studies they have commissioned/released. Each has invited OEPNU/OCE staff to speak at and attend conferences and workshops that they sponsor.

• Biomass Research and Development Board (BRDB) - The OpsCo of BRDB convenes a weekly phone call to discuss ongoing projects and issues/concern relevant to setting the agenda for the next quarterly Biomass Research and Development Board meeting. Current example is the report, the second in a series of three, “The Billion Ton Bioeconomy Vision: Challenges and Opportunities” currently going through clearance. The third document currently being drafted will be an “implementation of a strategic plan” which is planned for completion end of 2016 or early 2017. OEPNU director is USDA’s senior career civil servant on the OpsCo and provides leadership.

• The partners of the Defense Production Act initiative, USDA, DOE-BETO, Navy, DLA-e Title III office old quarterly meeting to be briefed on the status of original award grantees. See item III.A. above. Each of the awardees (Emerald, Fulcrum Sierra, and Red Rock) is seeking to achieve financial close, the second of two milestones that must be achieved prior to awardee receiving a $70 million government grant to build a biorefinery. Red Rock and Fulcrum could achieve financial close within the next two/three months and begin construction before the end of the year. OEPNU director provides USDA technical support to for DPA initiative and keeps USDA senior leadership informed.

• OEPNU/OCE and Rural Development provide USDA leadership to the Farm to Fly 2 (F2F2) agreement. The Commercial Alternative Aviation Fuel Initiative coordinates a steering committee to carry out efforts to achieve the goals of the F2F2 memorandum of understanding - enable commercially viable, sustainable bio-Jet Fuel supply chains in the U.S. that are able to support the goal of one billion gallons of bio-Jet Fuel production.
capacity and use for the Aviation Enterprise by 2018. There are several projects at the state level that are able to take advantage of Rural Business Service programs.

Recent engagements with stakeholder group

- CCPO has been working with the State Department to prepare for the 22nd Conference of Parties under the United Nations Framework Convention on Climate Change, which was held in Marrakech, Morocco from November 7-18.
- CCPO has been working with CEQ to develop a strategy for deeply reducing greenhouse gas emissions by 2050. A key component to this “Mid-Century Strategy” is the use of biofuels and bioenergy to reduce greenhouse gas emissions and assertive forest management and tree planting to increase carbon sequestration.
- CCPO also plans to work with the State Department and CEQ to develop the next “Biennial Report,” which outlines actions that the United States is taking to reduce greenhouse gas emissions, including from the agriculture, forest, and land-use sectors.
- In September, 2015 the EPA and USDA co-sponsored a three-day workshop on water quality markets at the University of Nebraska - Lincoln. The workshop brought together more than 200 water resource professionals, including Federal, State and Local government representatives, NGOs, and agricultural and environmental stakeholders to discuss the current state of water quality markets in the United States and to identify opportunities for greater coordination and collaboration. In 2016, EPA and USDA released a report out from the workshop summarizing the primary obstacles to water quality trading and identifying seven actions that EPA and USDA would take to address them.
- Over the past year, OCE-OEM has engaged with the Association of Clean Water Administrators (ACWA) to provide outreach and support to State water quality agencies. In August, ACWA released a Water Quality Trading Toolkit to assist states in developing water quality trading programs. The Toolkit includes five water quality trading templates based upon the National Network on Water Quality Trading’s “Building a Water Quality Trading Program: Options and Considerations.” The toolkit will improve consistency across programs and reduce the costs associated with developing trading programs.
- In September 2016, OEM coordinated a roundtable on Water, Markets and Pricing at the USDA Fall Forum on Climate Variability, Water and Land Use to discuss the state of water transfer markets. The results will be incorporated into working papers currently in development.
- Recent engagements with stakeholder groups on key trade issues include:
  - Met with officials from U.S. Wheat Associates on September 23, 2016 to discuss China’s domestic support and tariff-rate quotas (TRQs) for wheat and other grains. Meeting included officials from FAS and OCE.
  - Meetings and phone calls with U.S. Grains Council officials and their legal counsel on the Chinese AD/CVD investigation of U.S. DDGS have been ongoing since December 2015.
In preparation of the documents “The Billion Ton Bioeconomy Vision: Challenges and Opportunities” five stakeholder listening sessions were held to gather information on whether it is feasible to develop the bioeconomy, identify needs and challenges, roles for the public sector, etc. The first was held in February 2016, in Washington, DC as a follow-on to the Advanced Bioeconomy Leadership Conference, and focused on CEOs and entrepreneurs. That was followed by the April sessions follow on at the International Biomass Conference & Expo in Charlotte with a focus on feedstocks and logistics (April 10), BIO World Congress on Industrial Biotechnology in San Diego (April 17) with a focus on the industrial bioenergy sector, and at the 38th Symposium on Biotechnology for Fuels and Chemicals in Baltimore (April 27) with a focus on research and development. A GoToWebinar session was hosted in DC (May 5) and focused on broad audience. OEPNU’S director led several of the listening sessions.

The National Biodiesel Board was in in September 16 to discuss its position on the biomass based diesel RFS mandate. NBB feels that EPA is setting the mandate to low and provided its rationale. NBB also offered to go over its analytical framework (model) at a separate time for OEPNU/OCE staff (an October date is being discussed but not finalized at this time).

Joint Institute for Food Safety and Applied Nutrition – presentation to students in the Summer Risk Analysis program in July and discussion in September about posting new data on food consumption on the website.

V. Top Issues

Hot Topics

• Trade – U.S. request for WTO consultations on China’s domestic support measures and potential formation of a dispute settlement panel. On September 13, Secretary Vilsack and U.S. Trade Representative Froman announced that the U.S. had made a formal request in the WTO for consultations with China regarding China’s domestic support measures for wheat, rice, and corn and compliance with their WTO commitments.

China’s determination of AD/CVD rates on U.S. exports of DDGS. On September 28, China made a preliminary determination of countervailing duty rates on U.S. DDG exports. Payments made under the federal crop insurance program and ARC/PLC program were found to be actionable and subject to a countervailing duty.

• Implementation and management of the Renewable Fuel Standard – the RFS remains a key driver in the use and expansion of renewable advanced biofuels. For the reasons cited above it will remain a priority topic. Key dates for RFS – November 30, 2016 final rule to set 2017 volumes and 2018 biomass based Diesel.

• Role of biofuels in meeting CAFE standards - The current standards call for fleet average fuel economy of 54.5 miles per gallon by 2025. Automakers have expressed a desire for higher-octane gasoline to allow for improved engine efficiency while meeting customer
demands for power output. Ethanol is an effective octane booster that is cost-competitive with gasoline and could be used to boost the overall octane of U.S. gasoline supply to as high as 100 RON, up from the present average of about 93 RON. Ongoing issue as CAFE standard implement

- **Growing the Billion Ton Bioeconomy.** This initiative is currently being championed by the Biomass Research and Development Board (co-chaired by USDA and DOE). A strategy for implementation of the plan to utilize 1 billion tons of biomass and be environmentally, economically, and socially sustainable is being prepared and should be ready by 2017q1. There are some who may not think we can produce food, fiber AND biofuels, biopower, renewable chemicals and bioproducts let alone realize environmental benefits like GHG reduction. Release date 2017q1.

- **Reducing GHG Emissions through Agriculture, Forests, and Land Use –** A major priority for the Climate Change Program Office (CCPO) is helping USDA support the Paris Agreement, through which the United States committed to reducing greenhouse gas (GHG) emissions by 26 to 28 percent below 2005 levels by 2025. A major pillar of USDA’s contribution to the Paris Agreement is the Building Blocks for Climate Smart Agriculture and Forestry. The building blocks leverage incentive-based conservation, forestry, and energy programs to reduce greenhouse gas emissions, increase carbon sequestration, and expand renewable energy production in the agricultural and forestry sectors. Through this initiative, USDA is committing to reducing greenhouse gas emissions and increasing carbon stored in forests and soils by over 120 million metric tons of carbon dioxide equivalent per year by 2025.

Another priority in the U.S. commitment to reduce emissions is through the Clean Power Plan (CPP). In particular, using biomass as a replacement for fossil fuels can reduce the GHG emissions of that electricity production. USDA is working with interested states to model the GHG impacts of biomass-based electricity production and provide support for states to include biomass as an option to comply with EPA’s requirements under the CPP.

Finally, there are opportunities to reduce transportation-based GHG emissions through the use of corn-based ethanol and other biofuels. A recent peer reviewed report by ICF International indicates that the life-cycle carbon intensity of corn-based ethanol is more than half that of gasoline and 45 percent less than the most recent estimates by EPA.

- **Coordinating Cross-cutting Responses to Climate Change –** In addition to coordinating USDA’s commitment to reduce GHG emissions and increase carbon sequestration, CCPO also works across the Department on a variety of other climate-related actions. To help USDA and its stakeholders respond to the impacts of climate change, the Department have developed adaption plans that provide detailed vulnerability assessments, reviews elements of USDA’s missions that are at risk from climate change, and provide specific actions and steps to build resilience.

Underlying USDA’s climate change mitigation and adaptation efforts are its science activities. Across the Department, agencies spent $83.5 million in FY 2016 to support
climate change research. CCPO is currently leading an effort update USDA’s strategic plan for climate change science, which will inform research priorities at agencies, land-grant universities, and other partners.

A key mechanism for coordinating USDA’s response to climate change is the regional Climate Hubs. Consisting of ten regional and sub-regional office, the Hubs deliver science-based knowledge, practical information and program support to farmers, ranchers, forest landowners, and resource managers to support climate-informed decision-making in light of the increased risks and vulnerabilities associated with a changing climate. The Hubs translate climate change research for farmers, ranchers, and forest landowners and provide feedback on what types of research and information is most useful to these stakeholders. Key partners include public and land grant universities; Cooperative Extension; USDA agencies; and a wide variety of other Federal, state, local, private, and non-profit organizations.

- **USDA Action Plan for the Sustainable Development Goals**

  At the end of September 2015, the Sustainable Development Goals (SDGs) were adopted at the UN General Assembly/Sustainable Development Summit. The 17 goals and 169 targets (and 235 indicators that were subsequently developed under the authority of the United Nations Statistical Commission) are meant to provide a comprehensive vision for development to 2030. The goals and targets of the SDGs are universal, meaning that developed countries are expected to work towards the goals domestically as well as internationally. USDA will have primary or supporting responsibility for meeting a large number of SDG goals and targets.

  At the end of 2015, the USDA Sustainable Development Council began development of a comprehensive plan for USDA to contribute to and report on relevant SDG goals and targets. The USDA Sustainable Development Council, which includes the Chiefs of Staff from each of the Mission Areas, is headed by the USDA Director for Sustainable Development (Elise Golan in the Office of the Chief Economist). The National Security Council (NSC) has been the lead agency in coordinating USG input into the development of and negotiations on the SDGs. NSC expects that the Domestic Policy Council will begin coordinating domestic action plans in 2017 if not sooner.

- **High profile issues for OCE-OEM which are likely to have significant impacts on program implementation and delivery in 2017:**
  - Several current proposals expanding the role of market-based approaches to conservation in the next Farm Bill;
  - Increasing USDA involvement in developing tools and resources to support water transfer markets;
  - The effects of large transaction costs in agricultural carbon offset markets; and,
  - Anticipated clarification of opportunities for mitigation on public lands.
• Regulatory Review issues:
  o Conducting regulatory reviews of current rulemakings
  o Identifying new regulatory actions by USDA agencies likely to be submitted for
    review
  o Identifying retrospective analyses of rules that could provide information to
    current rulemakings
  o Gathering data on labeling genetically modified foods
  o Providing training opportunities at the ORACBA Risk Forum to fill gaps in
    knowledge or analytical capacity at USDA agencies
  o Understanding the factors influencing the change in classification of several
    recent rules from not significant at the proposed stage to economically significant
    at the final stage
  o Identifying trends in food safety pathogen prevalence in meats, poultry and
    catfish
  o Identifying factors to be considered when using epidemiological data in risk
    assessments

Timeline

• Early 2017: Possibly formation of a WTO dispute settlement panel in the China
  domestic support case. Final determination in the China AD/CVD investigation of
  U.S. DDGS.
  coordinates the incoming Secretary and Staff participation in the Forum. The
  Secretary has traditionally played a leading role in the opening day at the Forum.
• April 11-13: OCE-OEM will co-host a workshop at The 2017 Water for Food Global
  Conference in Lincoln, Nebraska. The workshop will engage key stakeholder groups to
  discuss and review common elements and decisions inherent in market-based approaches to
  drought management, program design, and result in the preparation of a conference report
  on the use of water markets to support agricultural production and rural communities.
• May 30 - Proposed rule for 2018 RFS volumes
• Late 2017: The 11th WTO Ministerial Conference (MC11) will be held in Buenos
  Aires, Argentina in late 2017. Agricultural issues, in particular domestic support
  measures, will be part of the discussions for this meeting. There will be ongoing
  preparatory work; expected to intensify in mid-2017.
• Throughout – ORACBA reviews regulations put into clearance and distributed by the
  Office of Budget and Program Analysis. Reviews are not scheduled in advance and
  can’t be included on the timeline explicitly.
Appendix A: Acronyms

Provide a list of commonly used acronyms.

ADBPP  Advanced Drop-In Biofuels Production Program
AD/CVD  Anti-Dumping and Countervailing Duties
BCCC  Bioeconomy Council Coordination Committee
BETO  Bioenergy Technologies Office
BIO  Biotechnology Innovation Organization
BNCT  Working Party on Biotechnology, Nanotechnology, and Convergent Technology
BRDB  Biomass Research and Development Board
CAFE  Corporate Average Fuel Economy
CCC  Commodity Credit Corporation
CCPO  Climate Change Program Office
CEQ  Council on Environmental Quality
CPP  Clean Power Plan
DLA-E  Defense Logistics Agency - Energy
DDGS  Distiller’s Dried Grains with Solubles
DON  Department of the Navy
DPA  Defense Production Act initiative
ES  ecosystem services
EM  environmental markets
F2F2  Farm to Fly 2
GCTF  Global Change Task Force
GHG  greenhouse gas
GREET  Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation Model by Argonne National Laboratory
GWU  George Washington University
ICEC  Interagency Commodity Estimates Committee
ILUC  indirect land-use
JAWF  Joint Agricultural Weather Facility
JIFSAN  Joint Institute for Food Safety and Applied Nutrition
MC11  The 11th WTO Ministerial Conference
NBB  National Biodiesel Board
OCE  Office of the Chief Economist
OEM  Office of Environmental Markets
OECD  Organization for Economic Cooperation and Development
OEPNU  Office of Energy Policy and New Uses
OpsCo  Operations Committee (of the BRDB)
ORACBA  Office of Risk Assessment and Cost-Benefit Analysis
OTAQ  Office of Transportation and Air Quality
PFEI  Principal Federal Economic Indicator
RFA  Renewable Fuels Association
RFS  Renewable Fuel Standards
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>RIN</td>
<td>Renewable Identification Number</td>
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<tr>
<td>SDGs</td>
<td>U.N. Sustainable Development Goals</td>
</tr>
<tr>
<td>USGCRP</td>
<td>U.S. Global Change Research Program</td>
</tr>
<tr>
<td>WAOB</td>
<td>World Agricultural Outlook Board</td>
</tr>
<tr>
<td>WASDE</td>
<td>World Agricultural Supply and Demand Estimates</td>
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<tr>
<td>WTO</td>
<td>World Trade Organization</td>
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WHAT WE DO: OUR MISSION

The Chief Financial Officer serves as the principal advisor to the Secretary and Senior Officials on all matters related to financial management policies, systems, accounting, internal control, assessment, and training. OCFO operations are led by the Chief Financial Officer (CFO), who is assisted by the Deputy CFO, three Associate CFOs for: Shared Services, Financial Operations, Financial Policy and Planning, and the Director, National Finance Center (NFC).

WHO WE ARE: OUR WORKFORCE

OCFO have over 1,700 employees across the country with offices in Fort Worth, TX; Kansas City, MO; New Orleans, LA; and Washington, D.C.

WHO WE SERVE: OUR CONSTITUENTS

OCFO is responsible for the financial leadership of an enterprise that has nearly 100,000 employees, 14,000 offices and field locations, $209 billion in funding, and $143 billion in annual spending (data as of FY 2015).

KEY UPCOMING DECISIONS

The top three key upcoming policy decisions for OCFO for the first 30-60 days of the new administration are:

- Determine the funding levels for FY 2018 Departmental Shared Cost Programs and decide if portions the Federal Information Technology Acquisition Reform Act (FITARA), can be funded either through a Shared Cost Program or Working Capital Fund.
- Veterans Administration implementation into Momentum Shared Services.
- Award decision of the National Finance Center “Cloud” procurement so that essential hardware is in production to support critical applications such as payroll and human resources.

BUDGET HIGHLIGHTS FY 2016

Overall Budget Authority: $390,257,000

- FY 2016 Discretionary Appropriation is $6,028,000.
- Working Capital Fund Reimbursements is $384,229,000.
- There are no Mandatory or User Fees funds in OCFO.

FY 2016 Budget Authority

- Financial Policy & Planning
- National Finance Center
- Financial Management Services
- Administrative/Overhead
- Other/Capital Equipment
I. **Organizational Overview**

**Agency’s Mission/Strategic Plan**

The OCFO will shape an environment in which USDA officials have and use high quality financial and performance information to make and implement effective policy, management, stewardship, and program decisions.

**Key mission delivery performance measures**

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<tbody>
<tr>
<td>Improper Payments rate.</td>
<td>N/A</td>
<td>5.00%</td>
<td>5.36%</td>
<td>5.52%</td>
<td>5.70%</td>
<td>5.50%</td>
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<tr>
<td>Funds recovered through payment recapture auditing.</td>
<td>N/A</td>
<td>N/A</td>
<td>$100,000</td>
<td>$656,000</td>
<td>$2,049,605</td>
<td>$1,000,000</td>
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<tr>
<td>Increase in collection of delinquent debt.</td>
<td>N/A</td>
<td>$1.0 billion</td>
<td>$1.2 billion</td>
<td>$1.3 billion</td>
<td>$1.2 billion</td>
<td>$1.3 billion</td>
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<tr>
<td>Reduce Travel Card Misuse.</td>
<td>N/A</td>
<td>N/A</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
<td>5%</td>
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<tr>
<td>Reduction in conference spending from 2010 base.</td>
<td>15%</td>
<td>58%</td>
<td>51%</td>
<td>51%</td>
<td>40%</td>
<td>40%</td>
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<tr>
<td>Maintain the number of Anti-Deficiency Act violations to zero.</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>3</td>
<td>5</td>
<td>1</td>
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<tr>
<td>Meet Budget and Performance timelines for submission of data requirements.</td>
<td>N/A</td>
<td>N/A</td>
<td>98%</td>
<td>98%</td>
<td>100%</td>
<td>100%</td>
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Key Performance Measures

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<tbody>
<tr>
<td>Timely production of required Agency Financial Reports.</td>
<td>N/A</td>
<td>N/A</td>
<td>100%</td>
<td>100%</td>
<td>TBD</td>
<td>100%</td>
</tr>
<tr>
<td>Reduction of open audits.</td>
<td>N/A</td>
<td>N/A</td>
<td>5%</td>
<td>13%</td>
<td>3%</td>
<td>15%</td>
</tr>
<tr>
<td>Contract programs consistent with DATA Act requirements.</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Establish Baseline</td>
</tr>
</tbody>
</table>

Organization’s History

The Secretary established the Office of the Chief Financial Officer (OCFO) in 1995 to comply with the Chief Financial Officers Act of 1990. The Office is responsible for overall financial management activities for the 100,000+ employee Department of Agriculture (USDA) and for direct management of more than 1,700 employees in the Office of the Chief Financial Officer at Agriculture headquarters in Washington, D. C. and the National Finance Center (NFC) in New Orleans, Louisiana. The Office’s duties include accounting and reporting responsibilities for approximately $143 billion in program outlays. OCFO also has management oversight responsibility for nearly a third of all non-tax debt owed to the U. S. Government. In addition, the Office administers and manages the Department’s Working Capital Fund. The appropriation for the Office of the Chief Financial Officer is authorized by 7 USC 2201 and 32 USC 901ff, and the appropriation for the Departmental Working Capital Fund is authorized by 7 USC 2235.
Biographies of career staff in key leadership positions

John G. Brewer  
Deputy Chief Financial Officer  
202-720-5539, john.brewer@cfo.usda.gov

Mr. Brewer is the Deputy Chief Financial Officer for the United States Department of Agriculture (USDA). He joined the Office of the Chief Financial Officer in March of 2002. He has been a member of the Federal Accounting Standards Advisory Board’s (FASAB) Accounting and Auditing Policy Committee. He has co-chaired a government-wide committee for the CFO Council to improve financial reporting of the United States Government, which receives a disclaimer on its financial statements.

He is a recipient of the Government-wide Initiatives Excellence Award for Efficiency and Value Creation presented by the Bethesda Chapter of the Armed Forces Communication and Electronics Association (AFCEA). The AFCEA Bethesda Government-Wide Initiatives Excellence Awards recognizes individuals or groups whose contributions in information technology have significance beyond their organization. These contributions represent achievements that advance business and citizen interaction, leading to improved effectiveness, cost-savings and leadership that meet national priorities and serve as a model of excellence government-wide.

Mr. Brewer led USDA’s efforts to be named a Federal Shared Service Provider (FSSP) for financial management by the Office of Management and Budget (OMB) and the Department of Treasury in May of 2014. This achievement was a result of USDA’s successful implementation of a new core accounting system using SAP. Mr. Brewer was instrumental in the design of the new system known as FMMI, which was built incorporating his vision of becoming an FSSP.

Mr. Brewer has over 25 years of executive management experience with international market leaders such as Nestlé and Kimberly-Clark. He has lead teams with responsibilities for Finance, Information Technology, Strategic Planning and Logistics by utilizing best practices. While the Vice President of Logistics and Information Technology at the Safeskin Corporation in San Diego, California; the company was ranked as the #1 Best Small Company in America by Forbes magazine in 1996. His efforts to develop strategic supplier relationships resulting in significant savings to Nestlé USA were recognized by the Chairman and CEO in Business Week in 1993. Mr. Brewer led the medical supplies industry in supply chain management programs and electronic communications while at Kimberly-Clark as reported in EDI World in 1991. He has been a member of the Supply Chain Steering Committee for the healthcare industry, which published the Efficient Healthcare Consumer Response in 1996.

He graduated from the University of Tennessee in Knoxville. He became a licensed certified public accountant (CPA) in Georgia and has worked with Ernst & Young as a CPA.
United States Department of Agriculture
2016 Presidential Transition
Office of the Chief Financial Officer (OCFO)

Michael W. Clanton
Associate Chief Financial Officer
202-690-3068, mike.clanton@cfo.usda.gov

Mr. Clanton has over 25 years of federal service with USDA, working in both Information Technology infrastructure operations and financial systems operations. He led USDA’s successful bid to become the newest federal financial shared service provider in 2014, and in 2015 transferred the GSA’s financial shared service systems organization to USDA. He currently leads USDA’s corporate financial management system operation, servicing all USDA agencies, GSA, and over 35 small boards and commissions.

In August 2008, he was named ACFO for Financial Systems and led the successful USDA implementation of SAP for financial management, replacing 17 separate financial systems with a consolidated Web-based system across the department’s 15 agencies and 14 staff offices. He automated key financial management processes at USDA, lowering operational costs for the financial user community.

He began his career at the OCFO National Finance Center as a systems engineer, analyzing infrastructure performance and capacity utilization. He spent six years as the project leader for NFC’s primary infrastructure modernization acquisition and implementation teams before becoming a member of the OCFO NFC senior IT management team. In his seven years in datacenter operations, he led the systems administration and engineering staff, the database management staff, the NFC IT vulnerability management team, and the IT budget and planning staff. During Hurricane Katrina, he led the restoration of NFC data center operations at the Philadelphia, PA disaster recovery site.

Throughout his career, Mike has participated in department-wide software and hardware acquisitions, collaborating with his peers in USDA to leverage the full buying power of the department and lower USDA’s total cost of ownership for Information Technology.

Mike holds a Bachelor of Science degree from Tulane University and is a Certified Project Management Professional. He is also a graduate of the Harvard University Kennedy School’s Senior Manager in Government Program.

Lynn M. Moaney
Associate Chief Financial Officer, Financial Policy and Planning
202-720-0065, lynn.moaney@cfo.usda.gov

Ms. Moaney has over 25 years developing and maintaining financial standards across the Federal Government and a proven record of leading organizational initiatives. Experience includes budget formulation and execution, acquisitions, audit, risk management, policy development, help desk support and financial operations support.
In September 2014, she was selected as the Associate Chief Financial Officer over Financial Policy and Planning. In this role, she is responsible for Department-wide development and implementation of fiscal and travel policy. Ms. Moaney serves as the Controller of the Working Capital Fund (WCF) and Shared Cost programs (SCPs) which includes formulating the $813M WCF budget and $33M SCP budget; providing agency allocation amounts and monitoring budget execution. Her responsibility also includes establishing Departmental policy related to maintaining internal controls in compliance with OMB Circular No A-123, to achieve the objectives of effective and efficient operations, reliable financial reporting, and compliance with applicable laws and regulation. Her team was in the forefront of reviewing the Department’s maturity level towards adoption of an Enterprise Risk Management (ERM) framework in response to new ERM requirements. Furthermore, she is responsible for improper payment mitigation and reporting as well as debt management, audit follow-up and overall administrative support including Continuity of Operations planning and Emergency Preparedness for the Office of the Chief Financial Officer Headquarters location. She also serves as the Chair of the National Finance Center (NFC)/OCFO Diversity and Inclusion Council and is active on several Committees and Boards within and outside the federal government.

Prior to this position, Ms. Moaney served as the Deputy Chief Financial Officer at the Federal Communications Commission where she was responsible for the day-to-day management and development of financial systems, budget, audit findings and remediation, financial statements and new or proposed changes to policy and procedures that affect financial operations.

Ms. Moaney holds a Bachelor of Business Administration degree in Accounting from Howard University and is a graduate of the Federal Executive Institute. She returns to the OCFO family as she previously worked in Financial Operations and was instrumental in implementing the Department’s legacy Foundation Financial Information System (FFIS).

Calvin W. Turner Jr.
Acting Director, National Finance Center
504-426-0104, calvin.turner@nfc.usda.gov

Mr. Turner permanent position is the Deputy Director of the National Finance Center. Prior to joining NFC, Turner was the Head of Business Banking for Hancock | Whitney Bank where he directed the enterprise-wide strategic activities for advancing the marketing and communications, branding and positioning, sales performance, product development, customer servicing, and overall growth and profitability of the Business Banking Segment for more than 300 branches in five states. Turner’s previous leadership roles with Whitney Bank were Business Banking Product/Marketing Manager and IT Program Portfolio Manager. As the Business Banking Product/Marketing Manager, Turner provided overall leadership and accountability for the development and marketing of innovative products and services (deposit accounts, online banking and bill pay, credit and debit cards, payroll cards, lines of credit, electronic checks, various payment options, merchant services, etc.) specifically tailored for the Small Business Segment. And as the IT Program Portfolio Manager, Turner was charged with
directing the enterprise-wide activities for the identification and implementation of large scale technology solutions that provided new product lines, generated increased revenue opportunities, increased operational productivity and efficiency, reduced operational costs, and enhanced customer satisfaction.

Before his tenure with Whitney Bank, Mr. Turner was the Owner/President/CEO of Total Business Solutions, which was a small business that provided marketing, consulting, graphic design, shipping, printing, and various other services to small businesses. Turner has also held leadership positions with Hibernia National Bank (now Capital One Bank), the Federal Reserve Bank in New Orleans, and United Parcel Service, and he is currently an Associate Instructor in Business Management, Organizational Development, Leadership Development, and Political Science with the University of Phoenix at the New Orleans campus.

Mr. Turner is active in the community and frequently can be seen on television volunteering as on-air talent with WYES TV/Channel 12 Public Television to help with their pledge drives, annual Art Auction, and Showboat Auction fundraisers. Turner serves/has served on the boards of numerous organizations including Berean Bible Church, Junior Achievement of Greater New Orleans, the Algiers Charter School Association, the Algiers Economic Development Foundation, Crescent City Community Housing Corporation, Algiers Community Network, 100 Black Men of Metro New Orleans, Inc., and Our Lady of Holy Cross College Friends of the Library, and he has coached Little League baseball and football with the New Orleans Recreational Department. Turner has a Master’s degree in Public Administration, and an undergraduate degree in Business Management and Communications.

C.J. Staton
Director of Financial Systems
202-692-0187, christopher.j.staton@cfo.usda.gov

Mr. Staton has over 25 years’ experience designing, building, implementing, and supporting enterprise-wide financial management systems. Mr. Staton began his career in 1988 after graduating with a B.S in Computer Technology from Purdue University in Lafayette, IN. Mr. Staton also holds a M.S in Information Systems from George Mason University, is a certified PMP, and holds a certificate in Cloud Security Knowledge from the Cloud Security Alliance. Mr. Staton began his career as a technical specialist for American Management Systems (acquired by CACI in 2003), designing and developing CORE Foundation software that was the basis for over 6 commercial products serving the Federal, State, Local, and DoD markets.

Over the next 25 years, Mr. Staton rose through the technical ranks of AMS from developer to Vice President. During his tenure he was roles included Database expert, Program and Project Manager, Director of Consulting, and Vice President in charge of the Intelligence Financial Management Practice. He spent 2 years as the product manager for the Momentum product, a leading federal financial ERP, overseeing product direction, strategy, development and support with a staff of over 100 technical resources.
Mr. Staton personally led the on-time, on-budget implementation of enterprise wide financial systems at clients such as USDA, GSA, HUD, IRS, DFAS, and multiple Intelligence agencies. He designed and executed the first shared services structure in the Intelligence community, which ultimately resulted on four agencies using the exact same financial system and sharing resources to reduce cost.

Subsequent to his AMS/CACI career, Mr. Staton served in several executive positions for multiple small companies. He joined USDA as the Director of FMS in November 2015.

Mr. Staton has five children with Kris, his wife of 26 years, and is highly active in the Boy Scouts of America, and spends a great deal of his free time hiking and camping is USDA managed forests.

Stanley T. McMichael
Director of Administrative Management
202-720-0564, stanley.mcmichael@cfo.usda.gov

Stanley McMichael is the Director of the Administrative Management Division for the U.S. Department of Agriculture’s (USDA) Office of the Chief Financial Officer (OCFO). In this role, he provides leadership and direction for budget and finance, procurement, resource management, human capital management, and facilities management decisions relating to OCFO’s Financial Policy and Planning. In a dual role capacity, Mr. McMichael serves as the Chief of Staff for the Associate Chief Financial Officer for Financial Policy and Planning. His responsibilities include day-to-day management of significant issues such as: fiscal and travel policies, conference policy oversight, Shared Cost Programs (SCPs), Diversity and Inclusion programs, Strategic Planning, Continuity of Operations, and Emergency Preparedness.

Previously, Mr. McMichael served as USDA’s Departmental Management’s Chief for Space and Asset Management. In that capacity, he was responsible for oversight and leadership of USDA’s Washington, D.C. National Capital Region’s (NCR) real property portfolio. The inventory consisted of approximately 6 million square feet of government-owned and leased facilities housing over 12,000 employees.

Mr. McMichael temporarily served as the Acting Deputy Associate Director for Retirement Services at the Office of Personnel Management (OPM). In this role, he directed and provided leadership for the budget and finance management, human resource management, business services, and technology information management programs in administering the Civil Service and Federal Employees Retirement System with an annual disbursement of over $68 billion in benefits. During his tenure at OPM, he also served on OPM’s Diversity and Inclusion team, where he gained valuable insight contributing to the successful development of Retirement Services’ comprehensive Succession Plan.

Additionally, he was Senior Advisor to USDA’s Director of Procurement and Property Management and Senior Advisor to USDA’s Office of General Counsel’s Director of
Jon M. Holladay
Chief Financial Officer
202-720-5539, Jon.Holladay@cfo.usda.gov

Jon Holladay’s career with the Department of Agriculture (USDA) began in June 1992. Since that time he has worked in numerous capacities within the Office of the Chief Financial Officer (OCFO). Mr. Holladay has been instrumental in improving the Department’s financial systems and processes. In 2004 Mr. Holladay joined the executive ranks as one of the youngest executives. In 2008 he became the Deputy Chief Financial Officer. He was awarded by the President of the United States the Meritorious Executive Rank Award and the Distinguished Rank Award for his sustained leadership accomplishments in 2008 and 2010 respectively.

Under the Chief Financial Officer Act of 1990, he is responsible to “oversee all financial management activities relating to the programs and operations of the agency.” The Chief Financial Officer has direct management of approximately 1,700 of employees located at the Washington D.C headquarters and National Finance Center in New Orleans, LA, Fort Worth, TX, and Kansas City, MO.

The USDA is one of the largest civilian agencies in the federal government with over 100,000 employees and over one-third of the non-taxable debt. The financial organization of the agency accounts for over $150 billion in program level funds and over $100 billion in loans. These programs support the areas of forest maintenance and fire-fighting, farm commodity support, food safety, agriculture development, foreign agriculture trade, domestic and foreign nutrition services, rural development, and agriculture research. With the myriad of programs, the USDA’s financial organization relies on a vast amount of complex financial software to support production and reporting requirements.

In addition to the financial management of the programs of the USDA, the Chief Financial Officer is responsibility for the National Finance Center. National Finance Center (NFC) is a Payroll Services Center of Excellence and a Human Resources Center of Excellence for the Federal Government. Through its high quality, low cost approach, NFC annually processes
United States Department of Agriculture
2016 Presidential Transition
Office of the Chief Financial Officer (OCFO)

payroll for 132 federal organizations totaling $75 billion in salaries for 625,000 civilian federal employees. The NFC reconciles 32 million healthcare benefit records. In 2005, as New Orleans was devastated by Hurricane Katrina, the NFC successfully exercised an emergency deployment plan to relocate computer systems and personnel to five alternative worksites with no visible disruption to its federal payroll customers.

Prior to becoming the Chief Financial Officer, Mr. Holladay served as the Associate Chief Financial Officer (ACFO) in June 2004. As the Associate Chief Financial Officer for Financial Policy and Planning he has performed the following activities:

- Revised the Department’s travel policy to implement a zero tolerance policy related to abuse of the travel charge card, to limit the use of travel advances, and to proscribe required disciplinary action for violation of USDA policy;
- Improved the Department’s monitoring program to identify travel card usage and repayment trends to develop strategies and methodologies to reduce the Department’s volume of delinquent accounts.
- Improved accountability over the competitive sourcing program by providing additional oral and written direction to USDA agencies regarding preparation of an accurate cost benefit analysis prior to undertaking studies, communicating with employees and union officials, and evaluating the cost of alternative proposals.

Jon Holladay is a graduate of the George Mason University School of Business.

Stacey Brayboy
Chief of Staff
202-205-0018, stacey.brayboy@cfo.usda.gov

Stacey Brayboy serves as chief of staff to the Chief Financial Officer (CFO) at the U.S. Department of Agriculture (USDA) in Washington, D.C. The Office of Chief Financial has direct management of approximately 1,700 of employees located at the Washington, D.C. headquarters and National Finance Center in New Orleans, LA.

In this capacity, she serves as a member of the OCFO executive leadership team and as a primary advisor to the CFO. She manages the daily priorities of OCFO, working closely with senior department officials, leaders of stakeholder groups, other federal agencies. Her experience in all levels of government extends over 17 years.

Most recently, as the Chief of Staff for Food Nutrition Services (FNS) at USDA, where she helped with the day to management and administering of FNS 15 nutrition assistance programs and nutrition education efforts providing access to food and healthful diet.

Prior to joining FNS, Brayboy served as the Director of Economic and Community Development for Rural Development at USDA, she helped small communities across the country better meet their economic development challenges. She also served as a member of
the Know Your Farmer, Know Your Food task force, the Strike Force task force, the Promise Zone Initiative, and Work Life and Wellness Committee.

Brayboy also served on the transition team for President Obama and Vice President Biden. She was the Obama campaign's South Carolina and Virginia state director during the Presidential primaries and later served as deputy director in Indiana and Virginia during the general election campaign.

Prior to joining the Obama campaign, Brayboy was the Deputy Director for the Virginia Council on Human Rights for the Commonwealth of Virginia. While living in Atlanta, Brayboy worked for U.S. Sen. Sam Nunn and the City of Atlanta government. Brayboy holds a bachelor’s degree in political science from Francis Marion University in South Carolina and a master’s degree in public administration from Clark Atlanta University. She is also a graduate of the Federal Executive Institute (FEI) in Charlottesville, VA.
Organizational Budget and Financial Management

No significant budget items in recent years for the appropriated account.

The Working Capital Fund (WCF) is the financing vehicle for supporting the Office of the Chief Financial Officer’s participation in the Federal Shared Services Provider (FSSP) program. As a participant in FSSP, OCFO added a significant new business line to its service offerings – Pegasys Financial Services (PFS). Under this new initiative, USDA and the General Services Administration (GSA) cooperated in a “lift and shift” strategy to move GSA financial system applications to a USDA environment under the PFS business line. This action increased WCF total operating costs by $72.9 million in FY 2016, but provides operational efficiencies to GSA and cost efficiencies to USDA through shared overhead costs among a larger customer base. FSSP and similar shared services initiatives can be a fruitful avenue to expand services and achieve additional cost efficiencies. USDA is in negotiations with a potential major customer that could add an additional $9 million in revenue in FY 2017 under the FSSP effort while improving further the operational efficiencies of services and cost efficiencies to USDA agencies.
United States Department of Agriculture  
2016 Presidential Transition  
Office of the Chief Financial Officer (OCFO)

### Office of the Chief Financial Officer  
**Budget Authority FY 2009-2016**  
(Dollars in Thousands)

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<td>$5,954</td>
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<td>$5,767</td>
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<td>$6,028</td>
<td>$6,028</td>
<td>$6,028</td>
</tr>
<tr>
<td><strong>Discretionary Sub-total</strong></td>
<td>5,954</td>
<td>6,566</td>
<td>6,247</td>
<td>5,650</td>
<td>5,767</td>
<td>6,050</td>
<td>6,028</td>
<td>6,028</td>
<td></td>
</tr>
<tr>
<td><strong>Working Capital Fund:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Policy and Planning</td>
<td>3,500</td>
<td>3,053</td>
<td>2,224</td>
<td>11,041</td>
<td>6,270</td>
<td>8,337</td>
<td>9,076</td>
<td>9,353</td>
<td></td>
</tr>
<tr>
<td>National Finance Center</td>
<td>150,161</td>
<td>163,941</td>
<td>184,606</td>
<td>169,827</td>
<td>188,043</td>
<td>194,023</td>
<td>176,685</td>
<td>166,151</td>
<td></td>
</tr>
<tr>
<td>Financial Management Services</td>
<td>89,654</td>
<td>102,776</td>
<td>99,931</td>
<td>104,538</td>
<td>102,427</td>
<td>129,299</td>
<td>172,649</td>
<td>173,225</td>
<td></td>
</tr>
<tr>
<td><strong>Working Capital Fund Sub-total</strong></td>
<td>243,315</td>
<td>269,770</td>
<td>286,761</td>
<td>285,406</td>
<td>296,740</td>
<td>331,659</td>
<td>358,410</td>
<td>348,729</td>
<td></td>
</tr>
<tr>
<td><strong>Capital Investments - Working Capital Fund:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Policy and Planning</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>225</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>National Finance Center</td>
<td>200</td>
<td>6,383</td>
<td>9,007</td>
<td>9,304</td>
<td>8,894</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Financial Management Services</td>
<td>16,783</td>
<td>22,600</td>
<td>17,302</td>
<td>7,047</td>
<td>17,167</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Capital Investments Working Capital Fund Sub-total</strong></td>
<td>16,983</td>
<td>28,983</td>
<td>26,309</td>
<td>16,351</td>
<td>26,286</td>
<td>22,046</td>
<td>32,855</td>
<td>27,000</td>
<td></td>
</tr>
<tr>
<td>Purchase Card Rebate</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>9,747</td>
<td>1,888</td>
<td>8,500</td>
<td></td>
</tr>
<tr>
<td>Unobligated Balance Expense</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>16,669</td>
<td>6,723</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$266,252</td>
<td>$305,319</td>
<td>$319,317</td>
<td>$307,407</td>
<td>$328,793</td>
<td>$386,171</td>
<td>$405,904</td>
<td>$390,257</td>
<td></td>
</tr>
</tbody>
</table>
Enterprise Workforce Data

Workforce FY 2009-FY 2016

GS Level Distribution

- GS 8 - GS 12, 44%
- GS 13- GS 15, 32%
- GS 5 - GS 7, 23%
- ES/SES, 1%
- Total Staff

United States Department of Agriculture
2016 Presidential Transition
Office of the Chief Financial Officer (OCFO)
United States Department of Agriculture
2016 Presidential Transition
Office of the Chief Financial Officer (OCFO)

<table>
<thead>
<tr>
<th>Location</th>
<th>Number of Staff</th>
<th>Percentage of Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington DC (HQ)</td>
<td>197</td>
<td>12%</td>
</tr>
<tr>
<td>Louisiana</td>
<td>1,257</td>
<td>74%</td>
</tr>
<tr>
<td>Colorado</td>
<td>8</td>
<td>0%</td>
</tr>
<tr>
<td>Missouri</td>
<td>130</td>
<td>8%</td>
</tr>
<tr>
<td>Texas</td>
<td>106</td>
<td>6%</td>
</tr>
<tr>
<td>Massachusetts</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Minnesota</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td>Florida</td>
<td>1</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Field Offices</strong></td>
<td><strong>1,504</strong></td>
<td><strong>88%</strong></td>
</tr>
<tr>
<td><strong>Total Staff</strong></td>
<td><strong>1,701</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Workforce by Program Area

- FPP: 54%
- NFC: 40%
- FMS: 5%
- Administration /Overhead: 0%
- Other/Capital Equipment: 0%
OCFO employs a workforce of 1700 employees of which the following are full-time and part-time
  o Full-time: 1692 employees
  o Part-time: 8 employees
OCFO employs 19 temporary employees.
Of our total workforce, 25% are eligible to retire within the next year
Our headquarters is located in Washington, D.C. (state location if different than DC), which houses 12% of our workforce
OCFO have 3 main regional offices in New Orleans,, Kansas City, MO, and Fort Worth, TX working directly with our constituents. These employees are mostly Accounting and Information Technology position.
88% of the employees stationed in the field offices are administrative, financial, IT, and professionals:

- Accounting: (44%)
- Information Technology: (27%)
- Management/Program Analysis: (16%)
- Other (13%)
United States Department of Agriculture  
2016 Presidential Transition  
Office of the Chief Financial Officer (OCFO)  

II. Policies and Regulations  

Statutory Authorities  

Under the leadership of the Chief Financial Officer, employees within the agency ensures USDA agencies make sound financial decisions and are management by complying with several statutory authorities. They are listed below:

<table>
<thead>
<tr>
<th>Act</th>
<th>Acronym</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Privacy Act of 1974</td>
<td></td>
<td>Requires privacy safeguards for Governmental use of citizens’ personal data</td>
</tr>
<tr>
<td>Federal Managers’ Financial Integrity Act of 1982</td>
<td>FMFIA</td>
<td>Requires Federal agencies to meet standards of internal control and systems conformance</td>
</tr>
<tr>
<td>Prompt Payment Act of 1982</td>
<td></td>
<td>Requires accurate and timely payment for goods and services</td>
</tr>
<tr>
<td>Inspector General (IG) Act Amendments of 1988</td>
<td>IG</td>
<td>Requires biannual reports to Congress and action on IG recommendations</td>
</tr>
<tr>
<td>Chief Financial Officers’ Act of 1990</td>
<td>CFO Act</td>
<td>Establishes the role and responsibilities of the Chief Financial Officer</td>
</tr>
<tr>
<td>Federal Credit Reform Act 1990</td>
<td>Credit Reform</td>
<td>Specifies the accounting and budget standards for direct and guaranteed loan programs</td>
</tr>
<tr>
<td>Cash Management Improvement Act of 1990, as Amended</td>
<td>CMIA</td>
<td>Requires use of improved cash management techniques</td>
</tr>
<tr>
<td>Government Performance and Results Act of 1993</td>
<td>GPRA</td>
<td>Requires strategic and performance planning by all Federal agencies</td>
</tr>
<tr>
<td>Government Management Reform Act of 1994</td>
<td>GMRA</td>
<td>Requires annual audited financial statements</td>
</tr>
<tr>
<td>Information Technology Management Reform Act of 1996</td>
<td>Clinger-Cohen Act</td>
<td>Reaffirm the CFO’s responsibility for financial information systems</td>
</tr>
<tr>
<td>Federal Financial Managers’ Improvement Act of 1996</td>
<td>FFMIA</td>
<td>Requires adherence to specified accounting standards and implementation of financial information systems meeting Government-wide standards</td>
</tr>
<tr>
<td>Improper Payments Information Act of 2002</td>
<td>IPIA</td>
<td>Requires agencies to provide for estimates and reports of improper payments</td>
</tr>
<tr>
<td>Improper Payments Elimination and Recovery Act of 2010</td>
<td>IPERA</td>
<td>Directed agencies to review all programs and activities that the relevant agency head administers and identify all programs and activities that may be susceptible to significant improper payments.</td>
</tr>
<tr>
<td>Improper Payments Elimination and Recovery Improvement Act of 2012</td>
<td>IPERIA</td>
<td>Requires agencies to intensify efforts to identify, prevent, and recover payment error, waste, fraud, and abuse within Federal spending.</td>
</tr>
<tr>
<td>Debt Collection Improvement Act of 1996</td>
<td>DCIA</td>
<td>Specifies the use of new debt management techniques and requires electronic disbursement of all Federal payments</td>
</tr>
<tr>
<td>Single Audit Act Amendments of 1996</td>
<td></td>
<td>Requires effective internal controls with respect to Federal audits administered by non-Federal entities</td>
</tr>
</tbody>
</table>
### Important Policies and Regulations

<table>
<thead>
<tr>
<th>Number</th>
<th>Regulation Title</th>
<th>Date Issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>DR 2255-001</td>
<td>Indirect Cost Rates Applicable to USDA Federal Awards: Indirect costs on awards including sub awards made by USDA, NIFA funding under this program may not exceed the lesser of the institution's official negotiated indirect cost rate or the equivalent of 30% of the total Federal funds awarded.</td>
<td>8/5/2016</td>
</tr>
<tr>
<td>DR2300-005</td>
<td>Agriculture Travel Regulation (Update): The FTR is the regulation contained in 41 Code of Federal Regulations (CFR), Chapters 300 through 304, that implements statutory requirements and Executive branch policies for travel by federal civilian employees and others authorized to travel at government expense</td>
<td>12/8/2015</td>
</tr>
<tr>
<td>DR2520-001</td>
<td>Interest Rate on Delinquent Debts: The purpose of this regulation is to establish the minimum annual interest rate an agency must charge on delinquent debts owed to the United States.</td>
<td>11/27/2016</td>
</tr>
</tbody>
</table>
Overview of the policy/regulation review process

The Digital Accountability and Transparency Act of 2014 (DATA Act) is the nation’s first open data law. It directs the federal government to transform all spending information into open data. The DATA Act takes two basic steps. First, it requires the Treasury Department and the White House Office of Management and Budget to establish government-wide data standards for the spending information that agencies already report to Treasury, OMB, and the General Services Administration. All agencies must begin reporting standardized spending information by May 9, 2017. Second, the DATA Act requires Treasury and OMB to publish all of this spending information for free access and download on the government’s USASpending.gov website by May 9, 2018.

The USDA OCFO FMS and PFS operate under the Working Capital Fund (WCF), which was established in 1944 (7 U.S.C. 2235). The mission of the WCF is to provide an effective financing mechanism to support those services the Secretary, with the approval of the Director of the Office of Management and Budget, determines may be performed more effectively as central services making it unnecessary to maintain separate like services in the agencies of the Department. The WCF is used to finance services provided to USDA and non-USDA agencies on a centralized, fee-for-service basis. The WCF has not received and does not receive funds as an individual discretionary account; it serves as a financing mechanism for which costs of operations are 100 percent reimbursable. Services to non-USDA agencies reduce USDA’s share of fixed costs for WCF-supported services. Centrally-managed operations provide efficient, economical services through economies of scale, extensive management attention, and regular fund reviews.

GAO and OIG Audits

<table>
<thead>
<tr>
<th>OIG Number</th>
<th>OIG Name / Link</th>
</tr>
</thead>
<tbody>
<tr>
<td>11-401-0001-12</td>
<td>Statement on Standards for Attestation Engagement NO. 16 Report on Controls</td>
</tr>
<tr>
<td></td>
<td>Date released: 2015/09/29</td>
</tr>
<tr>
<td>11-401-0001-13</td>
<td>Agreed-Upon Procedures: employee Benefits, Withholdings, Contributions, and</td>
</tr>
<tr>
<td></td>
<td>Supplemental Semiannual</td>
</tr>
<tr>
<td></td>
<td>Date released: 2015/09/22</td>
</tr>
<tr>
<td>11-401-0003-11</td>
<td>Agreed-Upon Procedures: employee Benefits, Withholdings, Contributions, and</td>
</tr>
<tr>
<td></td>
<td>Supplemental Semiannual</td>
</tr>
<tr>
<td></td>
<td>Date released: 2012/09/25</td>
</tr>
<tr>
<td>11-401-0004-11</td>
<td>SSAE No. 16 Report on Controls at NFC</td>
</tr>
<tr>
<td></td>
<td>Date released: 2012/09/27</td>
</tr>
</tbody>
</table>
United States Department of Agriculture  
2016 Presidential Transition  
Office of the Chief Financial Officer (OCFO)

11-401-0005-11  
SSAE No. 16 Report on controls at NFC for October 1, 2012 to July 31, 2013  
Date released: 2013/09/27

11-401-0006-11  
Agreed-Upon Procedures: employee Benefits, Withholdings, Contributions, and Supplemental Semian  
Date Released: 2013/09/27

11-401-0007-11  
SSAE No. 16 Report on Controls at NFC for October 1, 2013 to July 31, 2014  
Date Released: 2014/09/25

11-401-0008-11  
Agreed-Upon Procedures: employee Benefits, Withholdings, Contributions, and Supplemental Semian  
Date Released: 2014/09/25

50401-0007-11  
Department of Agriculture’s Consolidated Financial Statements for Fiscal Year 2014  
Date released: 2015/12/01 (annual report)

<table>
<thead>
<tr>
<th>GAO Number</th>
<th>GAO Name /Link</th>
<th>Date issued</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAO-16-824R</td>
<td>DATA Act implementation</td>
<td>8/3/16</td>
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<tr>
<td>GAO-14-476</td>
<td>Data Transparency: Oversight Needed to Address Underreporting and Inconsistencies on Federal Award Website</td>
<td>08/01/14</td>
</tr>
<tr>
<td>GAO-13-518</td>
<td>Federal Managers Survey (Use of Performance Information)</td>
<td>06/26/13</td>
</tr>
<tr>
<td>GAO-13-519SP</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
III. **Congressional Relations and Issues**

OCFO Congressional Directives:

- **Shared Costs Report.** The Committee directs the production of the report required in Public Law 113-235 to identify areas of savings and efficiencies in Shared Cost Programs (SCPs). OCFO is in the process of completing the report and expects to have it in clearance before October 31, 2016. Although the SCP Budget has remained relatively flat at $32M for the last 4 years, USDA has identified cost avoidances and efficiencies which have been reflected in the report.

- **GSA Rent and DHS Costs.** Directs the CFO to establish a uniform estimate of charges for both appropriated and non-appropriated accounts and provide accurate estimates to the Committee for the current and future fiscal years. OCFO prepared the report and it is in the Enterprise Content Management (ECM) for final clearance. To summarize, OCFO is requiring all USDA agencies and staff offices to provide an updated OMB Circular A-11 Exhibit 54 that details their General Services Administration (GSA) rental payments and Department of Homeland Security (DHS) security payments on the second Monday of August each year for inclusion with the USDA Departmental Budget.
Estimate submission to OMB. Once submitted, this information will be reviewed at the Department-level for completeness and reasonableness and then provided to OMB. As the President’s Budget is finalized, the Department will provide to the Committees a comprehensive summary of the information with the public release of the budget each year.

- **Unachieved Savings.** On April 9, 2015, USDA’s OIG informed Congress of “480 open or unimplemented recommendations totaling over $885 million”. This included 39 open recommendations and 441 unimplemented audit recommendations. The Committee finds it counterproductive to the Secretary’s effort to reduce costs when these items are still pending. The Committee directs the Secretary to develop a plan of action to address them, by priority, and provide a plan to the Committees on Appropriations of the House and Senate.

The President’s Fiscal Year 2017 budget request recommended changes to the Working Capital Fund (WCF) authority to grant franchise authority which would allow the WCF to be more competitive with other agencies that charge customers for centralized services and would allow the WCF to expand its authority to reserve operating income from just the National Finance Center to the entire Fund.

High Dollar Report: The Secretary sends the Inspector General a quarterly report of all high dollar improper payments discovered by the Department.

Supplemental Reporting to OMB for SNAP, School Lunch, School Breakfast and Federal Crop Insurance programs. The supplemental information is posted on paymentaccuracy.gov by OMB

IPERA Noncompliance: Each of USDA’s high risk programs (18 in FY 2016) must comply with IPERA. If they don’t they are mandated to take the following actions for the first three years of noncompliance:

- First year: A corrective action plan must be developed and sent to Congress
- Second year: Requests to resolve the non-compliance should be added to USDA’s budget request and sent to OMB for review
- Third year: A reauthorization proposal or legislative change must be submitted to Congress. FNS and NRCS have programs noncompliant for three years and haven’t yet completed this requirement

IV. **Internal and External Stakeholders**

**Important relationships with other Federal Departments or organizations**

OCFO is a finance shared service provider, currently servicing all USDA agencies, the General Services Administration (GSA), and over 35 small boards and commissions. USDA has been selected to provide financial services to the Veteran’s Administration (VA) and has begun work to map VA business processes to the financial system configuration. USDA is in discussions with the
Department of Homeland Security’s Federal Emergency Management Agency to provide financial system services, including automated grant processing.

**Internal Stakeholders:**

- USDA Agencies: FMS provides financial management support to all USDA agencies.
- General Services Administration (GSA): Partner on migration of Financial Management Services (FMS) systems and resources; current Pegasys Financial Services (PFS) finance shared services customer

**External Stakeholders:**

- Unified Shared Services Management (USSM): Partner on review and approval of financial management shared services customer migration processes, from discovery to service provision and sustainment

Major WCF customers (estimated revenue in excess of $10 million) include:

- Department of Homeland Security
- Department of Justice
- Department of Treasury
- General Services Administration
- Veteran Administration

**Stakeholder group overview**

OCFO has governance models employed for decision making as it relates to Shared Costs Programs (SCP) and WCF activities. These committees are comprised of senior executives (generally chief financial officers, or equivalent) of the program mission areas of the Department that fund these programs.

Office of Management and Budget – provides implementation and enforcement of Presidential policy government-wide. Also, provides guidance and oversite of budget.

USSM: ACFO Shared Services works closely with USSM to support new customer migration and will adhere to the communications cadence required by USSM.
Recent engagements with stakeholder group

On September 23, 2016, USDA was designated by the Office of Management and Budget as a Federal Shared Services Provider (FSSP) of the Momentum software solution for Financial Management.

WCF and SCP committees meet in the Spring/Summer of each fiscal year to review budget plans for 2 years out. This year’s review was for FY 2018. For the SCPs, the committee recommended that FY 2018 amounts be held at the FY 2017 funding level provided for in the Secretary’s SCP Allowance Decision memo dated July 20, 2016. Once the new administration comes on board, the FY 2018 budgets can be revisited as part of the FY 2019 SCP budget review that will be conducted in the spring of 2017. The WCF committee met with all activity centers and are finalizing recommendations for FY 2018 funding levels which are due no later than November 15, 2016.

V. Top Issues

Hot Topics

USDA will be working with the Veterans Administration to determine the appropriate configuration for the VA’s financial system in the USDA shared service environment.

Timeline

March 2017 – Update cost estimates for the full implementation of the Veteran’s Administration into USDA shared financial service
Appendix A: Acronyms

ACFO: Associate Chief Financial Officer
FISMA: Federal Information Security Management Act
FITARA: Federal IT Acquisition Reform Act
FMS: Financial Management Services
GSA: General Services Administration
M3: Migration and Modernization Management
OCFO: Office of the Chief Financial Officer
OCIO: Office of the Chief Information Officer
PFS: Pegasys Financial Services
USSM: Unified Shared Services Management
WHAT WE DO: OUR MISSION

OGC provides legal services and legal oversight required by the Secretary of Agriculture and USDA to achieve the Department’s mission and deliver programs and services to the American People. We support USDA’s efforts to help rural America thrive, reduce hunger in the U.S. and abroad, promote agricultural production, and preserve our Nation’s natural resources by providing proactive, accurate, creative and prompt legal services. We are committed to serving our clients in a way that is inclusive, collaborative, transparent, innovative, knowledge-driven and technology-enabled.

WHO WE ARE: OUR WORKFORCE

- OGC employs approximately 274 attorneys and support staff.
- We are headquartered in Washington, DC, with an additional 12 offices across the country.

WHO WE SERVE: OUR CONSTITUENTS

OGC serves as the law office of USDA and provides legal services to the Secretary of Agriculture, officials at all levels of USDA, and agencies within USDA. OGC assists DOJ with litigation in federal court, as well as provides technical assistance to members of Congress concerning the programs and activities carried out by USDA.

KEY UPCOMING DECISIONS

1. Determination by OGC leadership to open Collective Bargaining Agreement for negotiations in March 2017 with AFGE Local 1106 that represents OGC employees.
2. Respond to efforts to downsize OGC space in the South Building basement, including the USDA Law Library, Training Room and office space, in light of the Department’s modernization and space consolidation plans.
3. Determine how to maintain level of quality and responsive legal services with current OGC staff levels and possibly increase staff to FY 2009 level with projected FY 2015 flat line budget.

BUDGET HIGHLIGHTS FY 2016

- OGC’s overall budget authority is $47,880,000
- Includes $44,483,000 appropriated and $3,497,000 reimbursement funds
- Reimbursement sources include Hazardous Materials Management, Forest Service, Equal Employment Opportunity, and User Fees
- All funding is used to provide legal services to USDA

FY 2016 Budget Authority

- Appropriated: 93%
- Reimbursable: 7%
I. Organizational Overview

Agency’s Mission/Strategic Plan

OGC MISSION STATEMENT:
OGC provides legal services and legal oversight required by the Secretary of Agriculture and USDA to achieve the Department’s mission and deliver programs and services to the American People.

OGC VISION STATEMENT:
OGC supports USDA’s efforts to help rural America thrive, reduce hunger in the U.S. and abroad, promote agricultural production, and preserve our Nation’s natural resources by providing proactive, accurate, creative and prompt legal services. OGC is committed to developing its employees and to serving its clients in a way that is inclusive, collaborative, transparent, innovative, knowledge-driven and technology-enabled.

OGC’s web site is available using the following link:

<table>
<thead>
<tr>
<th>Agency Strategic Goals</th>
<th>Agency Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>To provide effective legal services in support of all programs and activities of USDA, consistent with the strategic goals of USDA and the priorities of the Secretary of Agriculture.</td>
<td>Conduct litigation before courts and administrative forums, and provide litigation support services to the Department of Justice in connection with litigation arising out of USDA programs and activities.</td>
</tr>
<tr>
<td></td>
<td>Provide advice and counsel to USDA officials concerning legal issues arising out of USDA programs and activities.</td>
</tr>
<tr>
<td></td>
<td>Review all draft regulations submitted by USDA agencies, and provide advice to USDA officials as to the legal sufficiency of the draft regulations.</td>
</tr>
<tr>
<td></td>
<td>Prepare and review for legal sufficiency legal documents, memoranda, and correspondence.</td>
</tr>
<tr>
<td></td>
<td>Draft legislation, and review proposed legislation, reports, and testimony for legal sufficiency in connection with proposal to establish or amend USDA programs and activities.</td>
</tr>
</tbody>
</table>

Key mission delivery performance measures

OGC serves as the law office of USDA and provides legal services to officials at all levels of USDA, as well as provide technical assistance to members of Congress concerning the programs and activities carried out by USDA.
Between 2014-2016, OGC handled over 25,000 matters, including 208 cases we consider significant because of the associated monetary value over $5 million or potential to impact USDA’s program operations.

Key Performance Measures:

<table>
<thead>
<tr>
<th>Performance Measure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Litigation before administrative forums, including Equal Employment Opportunity Commission, Merit Systems Protection Board, USDA Administrative Law Judges and Judicial Officer, and other administrative bodies, conducted in an effective and timely manner.</td>
</tr>
<tr>
<td>Effective and timely provision of litigation assistance to Department of Justice and U.S. Attorneys in Federal courts.</td>
</tr>
<tr>
<td>Legal advice and counsel to USDA officials, offices and agencies provided timely and in an effective manner.</td>
</tr>
</tbody>
</table>

Organization’s History

By General Order of June 17, 1905, the Secretary of Agriculture established the position of Solicitor, thereby consolidating the legal activities of the Department. In 1956, Congress established the position of General Counsel of the Department of Agriculture as a Presidential appointee confirmed by the Senate (70 Stat. 742) (7 U.S.C. 2214).
Biographies of career staff in key leadership positions

Inga Bumbary-Langston
Deputy General Counsel, Office of the General Counsel (OGC)
202-690-2081, Inga.Bumbary-Langston@ogc.usda.gov

As the career Deputy General Counsel since November 2012, Ms. Bumbary-Langston has supervisory responsibility for the Office of Administration and Resource Management; Civil Rights, Labor, and Employment Law Division; the Central and Eastern Regions, and Law Library/Training. She works closely with the General Counsel, two Deputy General Counsels, and Senior Counselor to establish policy for the office and oversee operations. Ms. Bumbary-Langston joined OGC in July 2004, as Assistant General Counsel for the Civil Rights litigation section where she supervised attorneys who serve as agency counsel for high profile Equal Employment Opportunity Commission (EEOC) and U.S. Merit Systems Protection Board (MSPB) cases as well as provide support to US Department of Justice in employment and program discrimination cases filed in federal court, and provide advice and counsel to USDA senior officials. Before her tenure at USDA, Ms. Bumbary-Langston served as an Assistant U.S. Attorney and Chief of the Civil Division for the U.S. Attorney’s Office and interim U.S. Attorney for the Southern District of Iowa (Des Moines) between 1994 and 2004. Ms. Bumbary-Langston also served as an Assistant Attorney General for the State of Iowa; Executive Director, Iowa Civil Rights Commission; and was in private practice. Ms. Bumbary-Langston graduated from the University of Virginia School of Law and University of Virginia College of Arts and Sciences.

L. Benjamin Young, Jr. (Benny)
Associate General Counsel, General Law and Research Division
202-720-4814, Benjamin.Young@ogc.usda.gov

Mr. Young has been an attorney with USDA since 1991. His practice involves the supervision of 20 staff attorneys, one paralegal, and two support staff covering such diverse legal areas as the Freedom of Information Act, Federal Advisory Committee Act, government contracts, fiscal budget law, tort claims, Privacy Act, grants and agreements, appellate litigation, personal property, real property under the aegis of GSA, intellectual property, information technology, e-discovery, national security, cybersecurity, homeland security and emergency contingency planning, USDA appellate recommendations to DOJ in all cases, and the Research, Education, and Economics mission area programs of the USDA. From 2001-2002, Mr. Young was on detail to the minority staff of the Senate Agriculture Committee working on the 2002 farm bill. Mr. Young is a graduate of the University of Virginia and University of Virginia School of Law.
United States Department of Agriculture  
2016 Presidential Transition  
Briefing Material Template – Agency Level

Arlean Leland  
Associate General Counsel, Civil Rights, Labor and Employment Law Division  
202-720-1760, Arlean.Leland@ogc.usda.gov

Ms. Leland is a two-time Presidential Rank Award winner who has dedicated her federal career to promoting civil rights for all employees, applicants and recipients of programs at USDA. Ms. Leland supervises a staff of 21 attorneys in the litigation and enforcement of Equal Employment Opportunity (EEO) and program civil rights. She also advises USDA’s most senior-level management officials on EEO and program civil rights matters, and is the second highest ranking African American and female attorney in USDA’s Office of the General Counsel. A career public servant, she is a frequent lecturer and instructor in the area of EEO, federal sector personnel and labor law, and workplace disputes. Ms. Leland received her undergraduate degree in 1976 in American History from Brown University (Honors Program), and her law degree in 1979 from the George Washington University’s National Law Center. She has served on numerous boards, both local and national, is also Past President of the District of Columbia chapter of The National Coalition of 100 Black Women, and has been honored by the Royal Embassy of the Netherlands as one of their “People Who Make a Difference” for her work with pediatric AIDS and the HIV community.

Ralph Linden  
Associate General Counsel, Natural Resources and Environment  
202-720-6884, Ralph.Linden@ogc.usda.gov

Mr. Linden received his B.A. with Highest Distinction in 1979 from the University of Nebraska and his J.D. from the University of Notre Dame in 1982. He served in OGC from 1982 to 1989 as a staff attorney in the International Affairs and Commodity Programs Division (IACP); as a Deputy General Counsel, IACP, from 1989 to 1994; as Assistant General Counsel, IACP, from 1994 to 2008; as Associate General Counsel, International Affairs, Commodity Programs, and Food Assistance Programs from 2008 to 2012; and as the Associate General Counsel, Natural Resources and Environment since 2012. In this current capacity, Mr. Linden is responsible for the supervision of attorneys who provide legal advice on all aspects of natural resource and environmental law to officials of the Natural Resources and Conservation Service (NRCS), the Forest Service (FS) and senior Department of Agriculture officials overseeing these agencies. In addition, he supervises those attorneys who provide advice to all Departmental agencies with regard to statutes relating to hazardous waste and pollution control such as the Comprehensive Environmental Response, Compensation, and Liability Act. He has also served as the Associate General Counsel for the Commodity Credit Corporation since 2008 providing advice on the corporate governance activities of the Corporation, principally relating to the scope of the Corporation’s authority to act under the Commodity Credit Corporation Charter Act and with respect to the fiscal operations of the Corporation. Mr. Linden supervises an immediate staff of one Assistant General Counsel and 16 staff attorneys and works closely with the four Regional Attorneys to coordinate the provision of legal advice on NRCS and FS matters by attorneys in the twelve field offices of OGC.
Carrie F. Ricci  
Associate General Counsel, Marketing, Regulatory and Food Safety Programs Division (MRFSPD)  
202-720-3155, Carrie.Ricci@ogc.usda.gov

Ms. Ricci has supervisory responsibility for a team of 33 attorneys and professional support staff, providing legal services to USDA’s Agricultural Marketing Service, Animal Plant Health Inspection Service, Food Safety Inspection Service, and the Grain Inspection, Packers & Stockyards Administration. Ms. Ricci joined OGC in June of 2012 as the Assistant General Counsel for MRFSPD, and was appointed Associate General Counsel in October of 2013. Before her tenure at USDA, Ms. Ricci served as an Assistant General Counsel with the Department of Defense Education Activity (DoDEA), providing legal support to fourteen school districts world-wide, servicing 87,000 children in grades K-12. Before serving with DoDEA, Ms. Ricci served on active duty as an Army officer for 22 years, where she practiced criminal, fiscal, administrative, national security, and military personnel law. Ms. Ricci is a graduate of Georgetown University and the University of Maryland School of Law. She holds an LL.M. in Military Law from the Army Judge Advocate General’s Legal Center, and an LL.M. in Intellectual Property Law from the George Washington University School of Law.

David P. Grahn  
Associate General Counsel, Food Assistance, International, and Rural Division  
202-720-8063, David.Grahn@ogc.usda.gov

Mr. Grahn is responsible for the legal advice provided by the Office of the General Counsel to the Food and Nutrition Service, Farm Service Agency, Foreign Agricultural Service, Rural Housing Service, Rural Business-Cooperative Service, Rural Utilities Service, and the Federal Crop Insurance Corporation/Risk Management Agency. From 1996 to 2002, Mr. Grahn served as the Assistant General Counsel for Legislation and was responsible for the drafting and reviewing of legislation and the reviewing of Congressional testimony that affected agencies of the Department of Agriculture. Mr. Grahn was detailed to the Senate Committee on Agriculture, Forestry, and Nutrition during Congress’ consideration of the Federal Agriculture Improvement and Reform Act of 1996. From 1992 through 1995, Mr. Grahn served as a Confidential Assistant to the Administrator of the Farm Service Agency. Mr. Grahn is a graduate of the University of Minnesota Law School and Carleton College.

Andrea L. Foster  
Regional Attorney (Eastern Region)  
404-347-1090, Andrea.Foster@ogc.usda.gov

As the Regional Attorney for OGC’s Eastern Region since March 2006, Ms. Foster supervises the Atlanta Regional Office, headquarters for the Eastern Region, as well as branch offices located in Harrisburg, Pennsylvania, and Milwaukee, Wisconsin. The Eastern Region of OGC provides legal services to all the Agencies included in the umbrella of the U.S. Department of Agriculture with a particular focus on representing the Forest Service, Natural Resources Conservation Service, Rural Development, Farm Service Agency, Food and Nutrition Service, and Risk Management Agency. Work for the “Natural Resources” agencies focuses on a range
of issues including ecosystem management, endangered species protection, land use law, oil and gas mining, recreation, and wilderness management. Rural Development, Farm Service Agency, Food and Nutrition Service and Risk Management Agency work focuses primarily on commercial issues such as foreclosure laws, title issues, debt collection, bankruptcy, debarments from programs and crop insurance issues. In addition, Ms. Foster’s offices handle administrative tort claims, contract dispute litigation, civil rights and employment discrimination defense, as well as assisting the Justice Department and the U.S. Attorneys’ Offices in litigation in Federal Court. Prior to joining the USDA Office of the General Counsel, Ms. Foster was the Director of the Federal Trade Commission’s (FTC) Southeast Regional Office. As Regional Director, Ms. Foster supervised all of the enforcement, investigative, litigation and outreach activities of the FTC’s Consumer Protection Bureau throughout the southeastern United States. Ms. Foster graduated from the University of Oklahoma School of Law and University of Oklahoma College of Arts and Sciences.

**John Vos**  
**Regional Attorney (Central Region)**  
816-823-4675, John.Vos@ogc.usda.gov

Mr. Vos is the Regional Attorney for the Central Region, headquartered in Kansas City, Missouri, and also supervises two branch offices located in Little Rock Arkansas and Temple, Texas. The Central Region is comprised of thousands of communities categorized as "rural" and home to America's most productive farmland in 13 states: Iowa, Missouri, Kansas, Nebraska, Illinois, Indiana, Minnesota, Arkansas, Louisiana, Mississippi, Tennessee, Texas and Oklahoma. Mr. Vos supervises a staff of twenty attorneys and seven support professionals. The Central Region handles a wide variety of legal work in its geographic area. Mr. Vos began his legal career with OGC in 1991, in Washington, DC, in the Marketing, Regulatory and Food Safety Program Division (1991-1995) and later in the International Affairs, Food Assistance, Farm and Rural Programs Division (1996-2001). In late 2001, Mr. Vos moved to the Kansas City OGC Office, and he has been the Regional Attorney for the Central Region since 2011. Mr. Vos graduated from Calvin College and the University of Iowa College of Law, and is a native Iowan, growing up on a livestock and row-crop farm.

**Lisa Christian**  
**Regional Attorney (Mountain Region)**  
303-275-5536, Lisa.Christian@ogc.usda.gov

As Regional Attorney for OGC’s Mountain Region since 2011, Ms. Christian supervises OGC’s regional office in Denver, Colorado as well as field offices in Missoula, Montana and Albuquerque, New Mexico. The Mountain Region provides legal services to all USDA agencies in 10 states and is staffed by 24 attorneys and 7 support staff. Before joining OGC in 2011, Ms. Christian served as an Assistant U.S. Attorney for 19 years, including five years as Civil Chief for the U.S. Attorney’s Office for the District of Colorado. Previously, Ms. Christian was in private practice in Los Angeles. She graduated from Stanford Law School in 1986 and from Smith College in 1982.
Jeff Moulton
Regional Attorney (Pacific Region)
415-744-3166, Jeff.Moulton@ogc.usda.gov

As Regional Attorney for OGC’s Pacific Region, Mr. Moulton supervises OGC’s regional office in San Francisco, California, as well as the branch offices in Portland, Oregon, and Juneau, Alaska. The Pacific Region provides legal advice to USDA agencies and officials in California, Nevada, Hawaii, Oregon, Washington, Idaho, Alaska, Guam, American Samoa, Palau, the Federated States of Micronesia, and the Marshall Islands. Mr. Moulton has been an attorney with USDA since 1990. He became the Deputy Regional Attorney for the Pacific Region in 2005 and the Regional Attorney in 2008. Mr. Moulton and his team of more than 20 staff attorneys and seven members of the professional staff provide legal advice to the Forest Service, the Natural Resources Conservation Service, the Rural Development mission area, the Farm Service Agency, the Food and Nutrition Service, and other USDA agencies. Mr. Moulton received his undergraduate and law degrees from the University of California, Berkeley.

Charlene Buckner
Director, Administration and Resource Management
202-720-6324, Charlene.Buckner@ogc.usda.gov

Charlene Buckner was appointed Director of Administration and Resource Management for OGC in March 2008. Ms. Buckner is responsible for providing budget, personnel, and IT support services required by OGC. In her previous position, she served as the Finance and Budget Analyst for OGC for 18 years. Ms. Buckner has also worked as a Management Analyst and Budget Analyst in increasingly responsible positions at the Walter Reed Army Medical Center, the Defense Nuclear Agency, and the Internal Revenue Service. Ms. Buckner is a graduate of Howard University and has performed graduate work in Financial Management at American University.

Biographies of political staff in key leadership positions

Jeffrey M. Prieto
General Counsel
202-720-3351, Jeffrey.Prieto@ogc.usda.gov

On July 29, 2015, Jeffrey Prieto was confirmed as USDA’s General Counsel. Mr. Prieto joined the Office of General Counsel (OGC) in June 2014 as the Principal Deputy General Counsel. Mr. Prieto comes from the United States Department of Justice (DOJ) Environment and Natural Resources Division (ENRD) where he served since 1999. Most recently, he served as Deputy Executive Officer and General Counsel since 2012. He also served as Counsel to the Assistant Attorney General from 2010 to 2012. He joined ENRD as a Trial Attorney in 1999, after spending a year as an Attorney Advisor at the Environmental Protection Agency. During his tenure at DOJ, Mr. Prieto received multiple awards, including two DOJ Special Achievement Awards, the EPA Gold Medal for Exceptional Service, and the ENRD Assistant Attorney General Award for
Excellence in 2009 and 2011. From 1997 to 1998, Mr. Prieto was a White House Fellow assigned to the Secretary of Health and Human Services. Mr. Prieto earned a BA in history from the University of California, Santa Barbara in 1983; a J.D. from the University of California, Los Angeles School of Law in 1995, and a Masters in Public Affairs and Urban and Regional Planning from Princeton University in 1997.

Lee K. Fink
Principal Deputy General Counsel
202-205-4725, Lee.Fink@osec.usda.gov

Lee K. Fink became Principal Deputy General Counsel in May 2016. Mr. Fink first joined USDA as the Senior Counselor in the Office of the General Counsel in July 2013. He became Deputy General Counsel in October 2015. In 2012, Mr. Fink was the Voter Protection Director for the Obama campaign in Iowa, where he led the campaign’s voting rights efforts and coordinated over 700 volunteer lawyers. He previously served as the Director of Outreach and Intergovernmental Affairs at NASA, where he worked with Congress and state and local elected officials to advance the President’s agenda, and coordinated congressional visits to the final eight space shuttle launches. He has also worked in the White House Office of Presidential Personnel and on the 2008 Obama Campaign in Colorado. He has a B.A. in Political Science from the University of California, Berkeley, and earned his law degree from New York University, where he served as Editor-in-Chief/Chairperson of the Moot Court Board. After law school, Mr. Fink was a judicial clerk for the United States District Court for the Central District of California and was the statewide press secretary for now-Congressman John Garamendi’s 2002 campaign for Insurance Commissioner. From 2002-2008, Mr. Fink was a litigator in the Century City (Los Angeles) office of O’Melveny & Myers, where his practice covered the spectrum from Hollywood accounting to pro bono civil rights litigation. Lee grew up in Southern California and calls Redondo Beach his home, where he served on the planning commission and the local library foundation board.

Corey Then
Deputy General Counsel
202-720-2584, Corey.Then@ogc.usda.gov

Corey Then joined the Office of the General Counsel as a Deputy General Counsel in May 2015. Prior to joining OGC, Mr. Then served as the Special Assistant to the President for Presidential Personnel, Economics & Justice Team Lead, where he worked with economic departments and agencies across the Administration including Treasury, Commerce, Small Business Administration, Overseas Private Investment Corporation, Export-Import Bank, the U.S. Trade Representative, the General Services Administration, and independent regulatory bodies such as the Federal Reserve. Mr. Then previously served as Deputy Associate Counsel in the White House. Prior to working at the White House, Mr. Then was the Co-Founder, Managing Director and General Counsel of Renewable Capital Management, LLC, an entity that managed an economic development fund dedicated to renewable and clean tech projects. From 2006 to 2012, Mr. Then was an attorney at Williams & Connolly, LLP, where he primarily litigated cases arising from public policy disputes. Mr. Then is a graduate of Truman State University and Duke University School of Law.
Kellie Adesina  
Senior Counselor  
202-720-9240, Kellie.Adesina@ogc.usda.gov

Kellie Adesina joined the Office of the General Counsel in December 2015 as Senior Counselor. Prior to joining OGC, Ms. Adesina served as Legislative Director to Congresswoman Marcia L. Fudge where she was mainly responsible for developing and implementing the Congresswoman’s legislative agenda, as well as managing the legislative staff. In this role, Ms. Adesina also provided primary counsel to Congresswoman Fudge on an array of legislative issues, including agriculture, budget, poverty, and telecommunications. During her tenure, she guided the Congresswoman through the bipartisan Farm Bill Conference Committee negotiations. Prior to joining Congresswoman Fudge’s office, Ms. Adesina worked for Congresswoman Judy Chu as a Legislative Counsel and for Senator Robert Menendez in a variety of roles. Kellie earned her B.A. from Bethune-Cookman College, and her J.D. From The Ohio State University Moritz College of Law. She believes in service and giving back to her local community, so in her spare times she serves as a mentor, a member of Delta Sigma Theta Sorority, Incorporated, and a board member of the African American Women on the Hill Network.
Organizational Budget and Financial Management

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<th>Office of the General Counsel</th>
<th>Budget Authority FY 2009-2016</th>
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<td></td>
<td>(Dollars in Thousands)</td>
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<tr>
<td>Discretionary:</td>
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<td>Legal Services</td>
<td>$41,620</td>
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<td>Discretionary Sub-total</td>
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<td>Reimbursements:</td>
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<td>Hazardous Materials Management Program</td>
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<td>FS Non-Litigation Travel</td>
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<td>CCC/Farm Bill</td>
<td>250</td>
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<td>OCFO WCF</td>
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<td>Detail Support</td>
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<td>Ombudsperson</td>
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<td>Civil Rights Reimbursable</td>
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<td>AMS User Fees</td>
<td>586</td>
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<td>APHIS User Fees</td>
<td>471</td>
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<td>GIPSA User Fees</td>
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<td>FSA User Fees</td>
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<td>FSIS User Fees</td>
<td>27</td>
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<td>Total</td>
<td>$45,594</td>
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United States Department of Agriculture
2016 Presidential Transition
Briefing Material Template – Agency Level
Enterprise Workforce Data

Workforce FY 2009-FY 2016

GS Level Distribution

GS 13–GS 15, 65%
GS 8–GS 12, 26%
GS 5–GS 7, 3%
ES/SES, 7%

United States Department of Agriculture
2016 Presidential Transition
Briefing Material Template – Agency Level
United States Department of Agriculture
2016 Presidential Transition
Briefing Material Template – Agency Level

Current Workforce by Location

- Field Offices, 45%
- Washington DC (HQ), 55%

<table>
<thead>
<tr>
<th>Location</th>
<th>Number of Staff</th>
<th>Percentage of Staff</th>
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</thead>
<tbody>
<tr>
<td>Washington DC (HQ)</td>
<td>150</td>
<td>55%</td>
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<tr>
<td>Atlanta, GA</td>
<td>17</td>
<td>6%</td>
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<tr>
<td>Harrisburg, PA</td>
<td>8</td>
<td>3%</td>
</tr>
<tr>
<td>Milwaukee, WI</td>
<td>10</td>
<td>4%</td>
</tr>
<tr>
<td>Denver, CO</td>
<td>15</td>
<td>5%</td>
</tr>
<tr>
<td>Albuquerque, NM</td>
<td>8</td>
<td>3%</td>
</tr>
<tr>
<td>Missoula, MT</td>
<td>9</td>
<td>3%</td>
</tr>
<tr>
<td>Kansas City, MO</td>
<td>13</td>
<td>5%</td>
</tr>
<tr>
<td>Little Rock, AR</td>
<td>8</td>
<td>3%</td>
</tr>
<tr>
<td>Temple, TX</td>
<td>6</td>
<td>2%</td>
</tr>
<tr>
<td>San Fransisco, CA</td>
<td>15</td>
<td>5%</td>
</tr>
<tr>
<td>Juneau, AK</td>
<td>4</td>
<td>1%</td>
</tr>
<tr>
<td>Portland, OR</td>
<td>11</td>
<td>4%</td>
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<tr>
<td><strong>Total Field Offices</strong></td>
<td>124</td>
<td><strong>45%</strong></td>
</tr>
<tr>
<td><strong>Total Staff</strong></td>
<td><strong>274</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
OGC employs a workforce of 274 employees of which the following are full-time and part-time:
- Full-time: 269 employees
- Part-time: 5 employees
OGC employs 2 temporary employees
Of our total workforce, 28% are eligible to retire within the next year
Of our total workforce, 77.36% are bargaining union employees with membership in AFGE Local 1106
Our headquarters is located in Washington, D.C., which houses 55% of our workforce.
The remaining 45% of our workforce is located in our 12 field offices:
- Eastern Region:
  - Atlanta, GA
  - Harrisburg, PA
  - Milwaukee, WI
- Central Region
  - Kansas City, MO
  - Temple, TX
  - Little Rock, AR
- Mountain Region
  - Denver, CO
  - Missoula, MT
  - Albuquerque, NM
- Pacific Region
  - San Francisco, CA
  - Portland, OR
  - Juneau, AK

II. Policies and Regulations

Statutory Authorities
N/A

Important Policies and Regulations

The Collective Bargaining Agreement (CBA) between USDA’s Office of the General Counsel and American Federation of Government Employees (AFGE), Local 1106, became effective in July 2000. AFGE Local 1106 was one of the first nationwide unions comprised of attorneys and professional staff in the federal government. OGC’s bargaining unit includes all of its employees, except those employees who are excluded from coverage under the Federal Labor-Management Relations Statute (for example, managers, supervisors, confidential employees, and employees engaged in substantive personnel work). The CBA is comprised of 44 Articles and addresses a wide variety of matters affecting conditions of employment, including Equal Employment Opportunity, Partnership, Mid-Term Bargaining, Training and Career
Overview of the policy/regulation review process

OGC provides extensive legal assistance in the development and review of regulations, notices, and other legal documents. Specifically, OGC attorneys provide extensive drafting and technical assistance to the Department and Congress on legislative proposals, support the Department in briefing Congress in response to inquiries, and assist the Department in the development of both internal and external policies.

GAO and OIG Audits

N/A

III. Congressional Relations and Issues

Overview

N/A

IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

Department of Justice (DOJ) – DOJ is responsible for conducting most of the trial and appellate work in which the United States is a party. DOJ represents USDA in Federal court during the prosecution and defense of civil cases in which USDA is a party; the prosecution of criminal cases brought by USDA; and the collection of debts owed to USDA which are administratively uncollectible.

OGC appears before the entities below to litigate matters:

Equal Employment Opportunity Commission (EEOC) – The EEOC is responsible for enforcing federal laws that make it illegal to discriminate against a job applicant or an employee because of the person’s race, color, religion, sex (including pregnancy, gender identity, and sexual orientation), national origin, age (40 or older), disability or genetic information. The EEOC has the authority to investigate charges of discrimination against employers, including USDA.
Merit Services Protection Board (MSPB) – The MSPB is an independent, quasi-judicial agency that serves as the guardian of Federal merit systems. Federal employees can request MSPB to conduct a hearing if the employee has been separated from his or her position, or suspended for more than 14 days.

Federal Labor Relations Authority (FLRA) – The FLRA administers the labor-management relations program for non-Postal employees worldwide. Among other responsibilities, FLRA is charged with resolving disputes under, and ensuring compliance with, the Federal Service Labor-Management Relations Statute.

Foreign Service Grievance Board (FSGB) – The FSGB handles employee grievances in the foreign affairs agencies, including USDA.

On occasion, OGC may collaborate with the following entities on key policy activities:

U.S. Trade Representative (USTR) – The USTR negotiates directly with foreign governments to create trade agreements, to resolve disputes, and to participate in global trade policy organizations. USTR also meets with agencies to gather input on trade issues and to discuss the President’s trade policy positions.

World Trade Organization (WTO) – The WTO serves a forum for governments to negotiate trade agreements and settle international trade disputes.

Stakeholder group overview

N/A

Recent engagements with stakeholder group

N/A

V. Top Issues

Hot Topics

OGC is preparing a Transition Litigation Report in lieu of hot topics. Refer to Appendix B: Litigation Summary for more information located in the Department Book.

Timeline

N/A
# Appendix A: Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full name</th>
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<tbody>
<tr>
<td>ADA</td>
<td>Americans with Disabilities Act</td>
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<tr>
<td>AJ</td>
<td>Administrative Judge</td>
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<tr>
<td>AL</td>
<td>Annual Leave</td>
</tr>
<tr>
<td>ALJ</td>
<td>Administrative Law Judge</td>
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<tr>
<td>AMA</td>
<td>Agricultural Marketing Act</td>
</tr>
<tr>
<td>APA</td>
<td>Animal Protection Act</td>
</tr>
<tr>
<td>AWA</td>
<td>Animal Welfare Act</td>
</tr>
<tr>
<td>BCAP</td>
<td>Biomass Crop Assistance Program</td>
</tr>
<tr>
<td>BLM</td>
<td>Bureau of Land Management</td>
</tr>
<tr>
<td>CBA</td>
<td>Centrally Billed Account; Collective Bargaining Agreement</td>
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<td>CCC</td>
<td>Commodity Credit Corporation (USDA)</td>
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<tr>
<td>CERCLA</td>
<td>Comprehensive Environmental Response, Compensation &amp; Liability Act</td>
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<tr>
<td>CFC</td>
<td>Combined Federal Campaign</td>
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<tr>
<td>CFR</td>
<td>Code of Federal Regulations</td>
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<tr>
<td>COB</td>
<td>Close of Business</td>
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<tr>
<td>COOL</td>
<td>Country of Origin Labeling</td>
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<tr>
<td>COOP</td>
<td>Continuity of Operations Plan</td>
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<tr>
<td>CR</td>
<td>Continuing Resolution</td>
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<td>CREP</td>
<td>Conservation Reserve Enhancement Program</td>
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<td>CRLELD</td>
<td>Civil Rights, Labor and Employment Law Division (OGC)</td>
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<td>CRP</td>
<td>Conservation Reserve Program</td>
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<tr>
<td>DOB</td>
<td>Date of Birth</td>
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<td>DoD</td>
<td>Department of Defense</td>
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<td>DOE</td>
<td>Department of Energy</td>
</tr>
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<td>Department of Interior</td>
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<tr>
<td>DOJ</td>
<td>Department of Justice</td>
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<tr>
<td>DOL</td>
<td>Department of Labor</td>
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<tr>
<td>EAP</td>
<td>Employee Assistance Program</td>
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<td>EBT</td>
<td>Electronic Benefit Transfer</td>
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<td>ECM</td>
<td>Enterprise Content Management</td>
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<td>EEO</td>
<td>Equal Employment Opportunity</td>
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<td>EEOC</td>
<td>Equal Employment Opportunity Commission</td>
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<td>EFT</td>
<td>Electronic Funds Transfer</td>
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<td>EO</td>
<td>Executive Order</td>
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<td>eOPF</td>
<td>Electronic Official Personnel Folder</td>
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<td>Electronic Questionnaires for Investigations Processing</td>
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<td>Environmental Quality Incentives Program</td>
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<td>FAIR</td>
<td>Food Assistance, International and Rural Programs Division (OGC)</td>
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<td>FCIC</td>
<td>Federal Crop Insurance Corporation</td>
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<td>FERS</td>
<td>Federal Employees Retirement System</td>
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<td>FEVS</td>
<td>Federal Employee Viewpoint Survey</td>
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<td>FMLA</td>
<td>Family and Medical Leave Act</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<td>FOIA</td>
<td>Freedom of Information Act</td>
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<td>FR</td>
<td>Federal Register</td>
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<td>Foreign Service Grievance Board</td>
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<td>FTCA</td>
<td>Federal Tort Claims Act</td>
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<td>Federal Travel Regulations</td>
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<td>Fiscal Year</td>
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<td>GAO</td>
<td>Government Accountability Office</td>
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<td>GC</td>
<td>General Counsel</td>
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<td>GEO</td>
<td>Genetically Engineered Organism</td>
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<tr>
<td>GLRD</td>
<td>General Law and Research Division (OGC)</td>
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<td>GMO</td>
<td>Genetically Modified Organism</td>
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<tr>
<td>HPA</td>
<td>Horse Protection Act</td>
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<td>JO</td>
<td>Judicial Officer (USDA)</td>
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<td>MAP</td>
<td>Market Access Program</td>
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<td>M&amp;IE</td>
<td>Meals and Incidental Expenses</td>
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<td>MOA</td>
<td>Memorandum of Agreement</td>
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<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
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<td>MRFSP</td>
<td>Marketing, Regulatory, and Food Safety Programs Division (OGC)</td>
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<tr>
<td>MSPB</td>
<td>Merit Systems Protection Board</td>
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<td>NAD</td>
<td>National Appeals Division (USDA)</td>
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<tr>
<td>NAFTA</td>
<td>North American Free Trade Agreement</td>
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<tr>
<td>NEPA</td>
<td>National Environmental Policy Act</td>
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<td>NFC</td>
<td>National Finance Center (in New Orleans, LA)</td>
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<td>Natural Resources and Environment Division (OGC)</td>
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<td>NTE</td>
<td>Not to Exceed</td>
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<td>Office of the General Counsel (USDA)</td>
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<td>Office of Personnel Management</td>
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<td>OSC</td>
<td>Office of Special Counsel</td>
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<tr>
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<td>Position Description</td>
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<td>Plant Protection Act</td>
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<td>Packers and Stockyards Act</td>
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<td>Senior Executive Service</td>
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<td>Standard Form</td>
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<td>Supplemental Revenue Assistance Program</td>
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<td>Time &amp; Attendance</td>
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<td>United States Code Annotated</td>
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<td>USTR</td>
<td>United States Trade Representative</td>
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<td>WHO</td>
<td>World Health Organization</td>
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<td>WIC</td>
<td>Special Supplemental Nutrition Program for Women, Infants and Children</td>
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<tr>
<td>WRP</td>
<td>Wetlands Reserve Program</td>
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<tr>
<td>WTO</td>
<td>World Trade Organization</td>
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WHAT WE DO: OUR MISSION

The Office of Ethics (OE), reporting directly to USDA’s General Counsel, is the sole office implementing USDA’s Department-wide Ethics Program. OE conducts all ethics vetting and financial disclosure reviews for all incoming Presidential nominees and appointees. OE is the only office providing ethics services necessary to support all USDA employees and all USDA Staff Offices and Agencies. Amongst OE’s most important programs are: 1) Robust Ethics training for USDA employees; 2) Comprehensive reviews of approximately 15,000 annual financial reports; and 3) Individual ethics counseling for all employees.

WHO WE ARE: OUR WORKFORCE

- OE has a staff of 23 full time employees
- OE’s staff is primarily located in the DC Region, but we have remote employees in Illinois and Oregon

WHO WE SERVE: OUR CONSTITUENTS

OE enhances public confidence in the integrity and impartiality of USDA programs by providing ethics advice, training and guidance to all USDA employees, from its senior leadership to its junior staff, across the country and around the world.

KEY UPCOMING DECISIONS

Although OE does not have any pressing policy decisions upcoming, OE will be required to utilize INTEGRITY.GOV, the new mandatory electronic filing system, to process prospective Presidential nominees and incoming officials who may be unfamiliar with the myriad ethics requirements. OE staff will be required to work with the White House Counsel’s Office and the incoming nominees and appointees to prepare new entrant public financial disclosure reports, provide individual ethics counseling, conduct conflicts of interest analyses, and prepare ethics agreements and develop extensive compliance documentation.

BUDGET HIGHLIGHTS FY 2016

Total FY 2016 Budget Authority: $3.65 Million

FY 2016 Budget Authority

- USDA Ethics Program

100%
I. **Organizational Overview**

**Agency’s Mission/Strategic Plan**

The Office of Ethics is the sole office that operates USDA’s Department-wide Ethics Program and provides Program oversight, execution, policy development, and information to the Secretary and other senior policy officials to support the Department’s compliance with ethics laws and regulations. Additionally, the Office of Ethics serves the key functions of conducting all financial disclosure reviews, ethics training, Hatch Act training, and providing guidance to all employees of the Department. OE’s services raise employee awareness of, and compliance with the Ethics in Government Act, mandatory conflict of interest laws and the Hatch Act. USDA’s Ethics Program maintains the public’s confidence in the integrity of USDA’s workforce, programs, and initiatives.

**Key mission delivery performance measures**

The performance measures below track USDA’s Department-wide compliance with mandatory ethics training and financial disclosure filing requirements imposed by statutes and regulations. The results below are indicative of this department successfully meeting its baseline ethics requirements.

**Performance Measure 1:** Provide timely ethics training to USDA employees required to receive training.
- **Results:**
  - FY 2016: 99%
  - FY 2015: 99%
  - FY 2014: 99%
  - FY 2013: 99%
  - FY 2012: 95%

**Performance Measure 2:** Complete financial disclosure reviews within 60 days of filing.
- **Results:**
  - FY 2016: 98%
  - FY 2015: 98%
  - FY 2014: 95%
  - FY 2013: 95%
  - FY 2012: 75%

**Performance Measure 3:** Financial disclosure reports filed within regulatory time limits.
- **Results:**
  - FY 2016: 99%
  - FY 2015: 99%
  - FY 2014: 99%
  - FY 2013: 99%
  - FY 2012: 99%
Organization’s History

The Ethics in Government Act, 5 U.S.C. App 4 (the Act), established the ethics compliance requirements and infrastructure applicable throughout the Executive Branch. Under regulations implementing the Act, the head of each Executive Branch department or agency must exercise personal leadership in establishing, maintaining, and carrying out the agency’s ethics program and make available sufficient resources to ensure the agency’s ethics program can be implemented effectively (5 C.F.R. 2638.202).

The Office of Ethics (OE) is the centralized and consolidated office implementing USDA’s ethics program throughout the Department. As such, OE provides ethics services to the Secretary of Agriculture and employees at all levels of USDA concerning advice, training, and guidance about compliance with conflict of interest and impartiality rules. This includes complying with the requirements of the Stop Trading on Congressional Knowledge Act, Pub. L. No. 112-105 (2012) (The STOCK Act), Office of Government Ethics regulatory requirements (5 C.F.R. Parts 2634 through 2641) and the Hatch Act rules governing political activities (5 U.S.C. §§ 7321-7326).

In 2012, in order to highlight the importance of the USDA ethics program and to follow the best practice followed by every Cabinet-level Department, the Secretary of Agriculture ordered the realignment of the Office of Ethics from the Office of Human Resources Management to a stand-alone office reporting directly to the General Counsel (Secretary's Memorandum 1076-001, dated June 26, 2012). Oversight of all staff and ethics functions were transferred intact to the General Counsel, and the Office of Ethics and the Office of the General Counsel operate as separate organizational units.

OE consists of a Headquarters office and one Mission Areas Ethics Programs Support Branch. The current structure is the result of an organizational realignment that took place in early-2016 and combined the four branches that were previously in existence into one unified Mission Areas Ethics Programs Support Branch.

The 2016 reorganization provided a more effective and flexible structure for the Office of Ethics to utilize existing resources to successfully address the growing needs of the Department’s mission areas for ethics training, advice, and the review of over 15,000 financial disclosure reports. The realignment of the four branches into one combined branch eliminated structural barriers and enhanced the communication of information and the delivery of ethics services while also providing greater avenues for professional development and for the cross-utilization of employees. This effort aligned with the Department’s goal to improve business processes and modernize business operations.
United States Department of Agriculture
2016 Presidential Transition
Office of Ethics (OE)

Organizational Chart
Note: The Office of Ethics is a sub-office of the Office of the General Counsel

The General Counsel

Office of the General Counsel
- General Counsel
- Principal Deputy General Counsel [Political]
- Deputy General Counsel [Political]
- Deputy General Counsel [Career]
- Senior Counselor
- Office of Administration and Resource Management

Office of Ombudsperson

Office of Ethics
- Office of the Director (OE HQ)
  - Director
  - Deputy Director

Mission Area Ethics Programs Support Branch

Natural Resources and Environment Division
- International Affairs, Food Assistance, and Farm and Rural Programs Division

Marketing, Regulatory, and Food Safety Division

General Law and Research Division

Civil Rights, Labor and Employment Law Division

Litigation Section

Policy, Compliance, and Counsel Section

Eastern Region
- Atlanta, GA

Mountain Region
- Denver, CO
- Kansas City, MO

Central Region
- Little Rock, AR
- Dallas, TX

Pacific Region
- San Francisco, CA
- Honolulu, HI

The mission of the Office of the General Counsel is to provide legal services and legal oversight required by the Secretary of Agriculture and USDA to achieve the department's mission and deliver programs and services to the American people.

The mission of the Office of Ethics is to provide financial disclosure review, training, and counseling to support the department's compliance with and with and political activity rules.

Supersedes all previous charts.
United States Department of Agriculture  
2016 Presidential Transition  
Office of Ethics (OE)

Biographies of career staff in key leadership positions

Stuart Bender  
**Director and Designated Agency Ethics Official (DAEO)**  
202-720-2251, stuart.bender@oe.usda.gov

Mr. Bender serves as the Designated Agency Ethics Official (DAEO) and Director of the Office of Ethics at the Department of Agriculture (USDA). In this capacity, Mr. Bender is responsible for coordinating and managing the Department's Ethics Program, serving USDA employees across the country and around the globe. Mr. Bender reports directly to USDA's General Counsel.

Mr. Bender has been a public servant for more than 25 years. Before joining USDA in 2010, Mr. Bender was the Designated Agency Ethics Official and Assistant General Counsel at the Office of Management and Budget. From 1995 to 2004, he served as the Legal Counsel and Ethics Officer for the U.S. Holocaust Memorial Museum during its first decade. He has served as an attorney and ethics official in the Executive Office of the President and as a civilian attorney in the U.S. Navy.

Mr. Bender received his B.A. degree, cum laude, in political science from Brandeis University, and holds a J.D. degree, cum laude, from the George Washington University School of Law. Mr. Bender is a member of the Virginia and Maryland State Bars.

Andrew Tobin  
**Deputy Director and Alternate Designated Agency Ethics Official (ADAEO)**  
202-720-2251, andrew.tobin@oe.usda.gov

Mr. Tobin serves as the Alternate Designated Agency Ethics Official (DAEO) and Deputy Director of the Office of Ethics at the Department of Agriculture (USDA). Mr. Tobin has been with the Office of Ethics for more than 8 years. Prior to entering Federal service, Mr. Tobin worked for two years at the Office of Bar Counsel in Washington DC, assisting in the prosecution of attorney ethics violations.

Mr. Tobin received his B.A. degree, cum laude, in American Studies from Fairfield University in Fairfield, CT, and holds a J.D. degree from the Catholic University of America, Columbus School of Law. Mr. Tobin is a member of the Maryland State Bar.

Biographies of political staff in key leadership positions

Not Applicable
Organizational Budget and Financial Management

Please note that, prior to FY 2013, the Office of Ethics was funded by Departmental Administration so budget data for those years is not included.

Potential INTEGRITY.GOV System Costs: Since January 2016, the Office of Government has required that all agencies must use INTEGRITY.GOV, the new mandatory electronic filing system developed by the U.S. Office of Government Ethics (OGE) for financial disclosure reports. Additionally, starting in January of 2017, OGE will require that all incoming political appointees and new career SES must use OGE’s INTEGRITY.GOV system (current SES will continue to file their reports using the existing system.) Although access to INTEGRITY.GOV is currently offered to agencies and their employees at no cost, the Office of Government Ethics has indicated that they may seek to charge agencies for access in the future. If that change does come to fruition, it would lead to a cost increase at USDA.

<table>
<thead>
<tr>
<th>Office of Ethics</th>
<th>Budget Authority FY 2009-2016</th>
<th>(Dollars in Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discretionary:</td>
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<tr>
<td>Ethics Services</td>
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<td>-</td>
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<tr>
<td>Discretionary Sub-total</td>
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<td>-</td>
</tr>
<tr>
<td>Reimbursements</td>
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<tr>
<td>Total</td>
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* Prior to FY 2013, the Office of Ethics was funded by Departmental Administration
Enterprise Workforce Data

**Workforce FY 2009-2016**

- Washington DC (HQ)
- Field Offices
- Total Staff

**GS Level Distribution**
- GS 13-15, 70%
- GS 8-12, 22%
- GS 5-7, 4%
- ES/SES, 4%

6
The Office of Ethics employs a workforce of 23 employees of which the following are full-time and part-time:
  o Full-time: 23 employees
  o Part-time: 0 employees

Of our total workforce, 17% are eligible to retire within the next year

Our headquarters is located in Washington, D.C., which houses 91% of our workforce. The remaining 9% (two employees) work remotely from their homes in Chicago, IL and Portland, OR.

Approximately one-third of OE’s staff members are attorneys.
II. Policies and Regulations

Statutory Authorities

The Ethics in Government Act, 5 U.S.C. App 4 (the Act), established the ethics compliance requirements and infrastructure applicable throughout the Executive Branch. Under regulations implementing the Act, the head of each Executive Branch department or agency must exercise personal leadership in establishing, maintaining, and carrying out the agency’s ethics program and make available sufficient resources to ensure the agency’s ethics program can be implemented effectively (5 C.F.R. 2638.202). The Office of Ethics (OE) is the centralized and consolidated office implementing USDA’s ethics program throughout the Department. As such, OE provides ethics services to the Secretary of Agriculture and employees at all levels of USDA concerning advice, training, and guidance about compliance with conflict of interest and impartiality rules. This includes complying with the requirements of several government ethics laws and regulations, including the following:

- The Stop Trading on Congressional Knowledge Act, Pub. L. No. 112-105 (2012) (The STOCK Act), which institutes reporting requirements for the government's most senior officials. The STOCK Act requires: (1) periodic reports of employees' securities transactions; and (2) additional notifications to the Ethics Office for officials commencing negotiations for post government employment.
- Office of Government Ethics regulatory requirements (5 C.F.R. Parts 2634 through 2641), which include standards that govern the conduct of all executive branch employees. Additionally, the regulations contain guidance concerning the interpretation of certain civil and criminal conflict of interest laws, implement statutory provisions relating to financial disclosure, and describe responsibilities relating to the administration of the executive branch ethics program.
- The Hatch Act (5 U.S.C. §§ 7321-7326), which is the federal statute governing the partisan political activities of Federal employees.

Important Policies and Regulations

1) New external reporting requirements imposed on Federal ethics programs due to changes to 5 CFR 2638: On June 6, 2016, the U.S. Office of Government Ethics (OGE) published a rule proposing to amend its regulations that govern the executive branch ethics program, which are found at 5 C.F.R. Part 2638. This rule was published in the Federal Register at 81 Fed. Reg. 36193-36211.

The proposed amendment, which is the most comprehensive revision in more than 25 years, is informed by more than three decades of experience gained by OGE and agency ethics officials in administering the executive branch ethics program. The proposed rule completely overhauls Executive Branch ethics programs, delineates the responsibilities of various stakeholders, and enumerates new key executive branch ethics procedures. Most importantly, the proposed rule
mandates several brand new data collection, tracking, and prompt external reporting requirements by Executive Branch ethics programs.

2) Revisions to the Seeking Employment Rules: On July 26, 2016, the U.S. Office of Government Ethics (“OGE”) published a final rule amending the provisions of the Standards of Ethical Conduct for Employees of the Executive Branch (“Standards of Conduct”) that govern seeking other employment found at 5 C.F.R. 2635, Subpart F. This rule was published in the Federal Register at 81 Fed. Reg. 48,687.

The final rule is the first major revision to Subpart F since 1993. The amendments implement the statutory notification requirements under section 17 of the Stop Trading on Congressional Knowledge Act of 2012 (“STOCK Act”), incorporate past interpretive guidance, add and update regulatory examples, improve clarity, update citations, and make technical corrections. For the first time, the rules also apply the definition of “seeking employment” to an employee’s social media activities.

3) Revisions to the Outside Gift Rules: On November 27, 2015, the U.S. Office of Government Ethics (OGE) published a rule proposing to revise the provisions of the Standards of Ethical Conduct that govern the solicitation and acceptance of gifts from outside sources found at 5 C.F.R. 2635 Subpart B. This rule was published in the Federal Register at 80 Fed. Reg. 74004-74018. The public comment period closed on January 26, 2016 and the final rule has not yet been issued.

The proposed amendments would make substantial changes to the existing gift regulations to more effectively advance public confidence in the integrity of federal officials. Additionally, the amendments would incorporate past interpretive guidance, add and update regulatory examples, improve clarity, update citations and make technical corrections.

4) New OMB Reputational Risk Management Requirements: Various Administrations have emphasized the importance of having appropriate risk management processes and systems to identify challenges early, to bring them to the attention of Agency leadership, and to develop solutions. On July 15, 2016, The Office of Management and Budget (OMB) updated its OMB A-123 Circular to ensure Federal managers are effectively managing risks an Agency faces toward achieving its strategic objectives and arising from its activities and operations. These expanded responsibilities reinforce the purposes of the Federal Managers’ Financial Integrity Act (FMFIA) and the Government Performance and Results Act Modernization Act (GPRAMA).

The policy changes in the recently updated Circular modernize existing efforts by requiring agencies to implement an Enterprise Risk Management capability coordinated with the strategic planning and strategic review process established by GPRAMA, and the internal control processes required by FMFIA and Government Accountability Office (GAO)’s Green Book. This integrated governance structure will improve mission delivery, reduce costs, and focus corrective actions towards key risks, including the risk of ethical failure and reputational risk to the Department.
United States Department of Agriculture
2016 Presidential Transition
Office of Ethics (OE)

The Office of Ethics will play a key role in defining and mitigating ethics risks to USDA. The circular calls for the Designated Agency Ethics Official, the Director of the USDA Office of Ethics, to become part of USDA’s Senior Management Council (SMC), which will be an agency wide, joint risk management team. The circular also details various sources that the SMC may use to identify key risks and mitigate them. Much of the work-product and compliance work that OE completes would be needed by the SMC for identifying and mitigating ethics risks. These new responsibilities will require the office to provide advanced advisory and program assessment services to the SMC and USDA that are not currently being delivered.

Overview of the policy/regulation review process

Under 5 C.F.R. 2635.105, any proposed agency supplemental regulation which modifies or supplements the Standards of Ethical Conduct for Executive Branch Employees (5 C.F.R. Part 2635) can be effective only after concurrence and co-signature by the Office of Government Ethics and publication in the Federal Register. Supplemental ethics regulations applicable to USDA employees can be found at 5 C.F.R. 8301.

In addition, OE manages the following programs to support the Department’s compliance with ethics laws and regulations:

- Department-wide ethics training program
- Department-wide financial disclosure review program
- Department-wide outside activity and employment review program
- Department-wide non-Federal sponsored travel program
- Department-wide post-government employment program

GAO and OIG Audits

USDA’s Ethics Program was audited by the U.S. Office of Government Ethics (OGE) in 2012 and a follow-up audit was conducted in 2013. In the follow up audit, OGE stated that “OE’s staffing level had been reduced by 12 employees over the last several years, noting that OGE “will continue to monitor the ethics program at USDA.” (U.S. Office of Government Ethics, Follow Up Review Letter to USDA, March 27, 2013, Page 2). OGE has indicated that, pursuant to its usual audit schedule, it is expected that the USDA Ethics Program will be audited again in 2017.

Both recent audit reports are publicly available on OGE’s website:

2012 Audit Report:
https://oge.gov/Web/OGE.nsf/Program%20Review%20Reports/68B5781C3E6A58D185257EA40070E405/$FILE/50f77ad06d0f4e99a83d90b369c9773a4.pdf?open

2013 Follow-Up Report:
https://oge.gov/web/oge.nsf/Program%20Review%20Reports/A0CA423BDDAEAA7FC85257EA40070E412/$FILE/0d6f530b812644f797f8e36a5003585f3.pdf?open
III. Congressional Relations and Issues

Overview

Hatch Act: Congress has shown an interest in past years in the political activities of Federal employees, particularly as related to political travel and public statements made in support of active candidates.

Outside Employment Rules: USDA has received inquiries from Congressional offices in the past regarding the rules governing outside employment for USDA employees, including the USDA-specific supplemental agency ethics regulations agency-specific. At USDA, pursuant to supplemental ethics regulation, any employee who is required to file either a public or confidential financial disclosure report (OGE 278 or OGE Form 450), is required to obtain written approval before engaging in outside employment. See 5 CFR § 8301.102. Additionally, employees of the Farm Service Agency, the Food Safety Inspection Service, the Office of the Inspector General, the Office of the General Counsel and Rural Development, are required to seek advance approval before engaging in certain types of outside employments regardless of their status as a financial disclosure filer. See 5 CFR §§ 8301.103-107.

Post-Employment Restrictions: The criminal post-government employment restrictions are extremely complex, particularly for former senior officials. USDA has received inquiries in the past regarding the propriety of actions taken by former government officials in their post-government employment roles.

IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

The White House Counsel’s Office (WHCO) works with the USDA Office of Ethics and the Office of Government Ethics to vet Presidential nominees who require Senate confirmation for appointment. The USDA Office of Ethics is in regular contact with officials from WHCO and OGE throughout the nomination process to review the financial interests of Presidentially-appointed, Senate-confirmed nominees for possible conflicts of interest with their prospective duties. When such conflicts are found, the USDA Office of Ethics identifies remedies to resolve them so that the President’s appointees can carry out their duties free from those conflicts of interest.

The USDA Office of Ethics also works with WHCO to help prospective Presidential nominees to Senate-confirmed positions comply extensive financial disclosure requirements of the Ethics in Government Act. USDA ethics officials carefully evaluate the nominee’s financial disclosure report and work to prepare an individualized ethics agreement to avoid and resolve potential conflicts of interest before the nominee enters government service.

The US Office of Government Ethics (OGE) (www.oge.gov) oversees the executive branch ethics program and works with a community of ethics practitioners made up of over 4,500
ethics officials in more than 130 agencies to implement that program. As described above, the USDA Office of Ethics works closely with OGE and the White House Counsel’s Office to vet Presidential nominees who require Senate confirmation for appointment. OGE also conducts regular program reviews of executive branch ethics programs like USDA’s. OGE’s most recent review of USDA’s ethics program was conducted in 2012.

Additionally, the USDA Office of Ethics is required to report the following information to OGE:

- Annual Program Questionnaire, OGE’s executive branch-wide survey of agency ethics programs, containing a large amount of information about USDA’s ethics program including data on the staffing of USDA’s ethics program and the status of USDA’s financial disclosure and ethics training programs. The results of the questionnaire are published on OGE’s website on an annual basis.

The US Office of Special Counsel (OSC) (www.osc.gov) investigates and prosecutes violations of the Hatch Act, a federal law passed in 1939, which limits certain political activities of federal employees. The law’s purposes are to ensure that federal programs are administered in a nonpartisan fashion, to protect federal employees from political coercion in the workplace, and to ensure that federal employees are advanced based on merit and not based on political affiliation.

The USDA Office of Ethics provides training on the Hatch Act restrictions and is in regular contact with the OSC’s Hatch Act Unit regarding potential violations and updates to the interpretation of the political activity restrictions.

The Interagency Ethics Council (http://www.iecjournal.org/) is an organization of federal employees who work in the area of standards of conduct for government employees, often referred to as “ethics” for government employees. The IEC meets on a monthly basis to make presentations on ethics topics and to discuss pressing or emerging issues that impact the work of federal ethics officials. USDA officials regularly attend and present at these meetings.

Designated Agency Ethics Officials (DAEOs) at Other Executive Branch Agencies regularly interact with USDA’s DAEO, the Director of the Office of Ethics on novel or complex ethics issues they confront. Additionally, DAEOs from throughout the Executive Branch meet with the Director of the Office of Government Ethics on a quarterly basis to provide the Director with the opportunity to share the most up-to-date information on OGE plans and initiatives.

**Stakeholder group overview**

The Office of Ethics is charged with proactively working to prevent conflicts of interest in USDA programs and, therefore, its constituents are primarily USDA employees at all levels and in all office locations. In addition, the Office of Ethics provides ethics services (e.g. ethics training, advice on the application of the federal ethics rules, etc.) to USDA’s advisory
committees, which are composed of a combination of full-time Federal employees, Special Government Employees and representatives of outside constituent groups.

Recent engagements with stakeholder group

Not applicable.

V. Top Issues

Hot Topics

Ethics Vetting for Presidential Appointees: The USDA Office of Ethics and the Office of Government Ethics work with the White House to vet Presidential nominees who require Senate confirmation for appointment. The USDA Office of Ethics is in regular contact with officials from WHCO and OGE throughout the nomination process to review the financial interests of Presidentially-appointed, Senate-confirmed nominees for possible conflicts of interest with their prospective duties. When such conflicts are found, the USDA Office of Ethics identifies remedies to resolve them so that the President’s appointees can carry out their duties free from those conflicts of interest.

For those appointees that do not require Senate confirmation (e.g. Farm Service Agency State Executive Directors, Rural Development State Directors) the Office of Ethics will work with each new appointee to assist them in using Integrity.gov to submit their OGE 278 Public Financial Disclosure Reports as required by the Ethics in Government Act. USDA ethics officials will then carefully evaluate the appointees’ financial disclosure reports and work with them to avoid and resolve potential conflicts of interest.

Ethics and Intergovernmental Personnel Act (IPA) Detailees: The IPA program allows for the temporary assignment of personnel between the Federal Government and state and local governments, colleges and universities, Indian tribal governments, federally funded research and development centers, and other eligible non-Federal organizations. IPA detailees are frequently used at the beginning of Presidential administrations to secure input from non-Federal experts. Cost-sharing arrangements for mobility assignments are negotiated between the participating organizations. The Federal agency may agree to pay all, some, or none of the costs associated with an assignment.

Although assignees to Federal agencies remain employees of their non-Federal instructions during their assignments, they are subject to a number of provisions of law governing the ethical and other conduct of Federal employees, including the criminal conflict of interest statutes found in Title 18 of the United States Code. Since conflicts of interest, or the appearance thereof, may be inherent in the assignment of IPA employees, the Office of Ethics should be consulted in the early stages of the appointment process to help ensure that potential conflict of interest situations do not inadvertently arise during an assignment.
Timeline

New appointees at all levels will be brought on board during the first six months to one year of the new administration. For those requiring Senate confirmation, the USDA Office of Ethics will interface with the White House Counsel’s Office and the Office of Government Ethics throughout the nomination process, as described above. The USDA Office of Ethics will work with appointees at all levels to assist them in satisfying their financial disclosure requirements and resolving any potential conflicts of interest. The USDA Office of Ethics will also provide detailed ethics training to new appointees to assist them in navigating the complex ethics laws and regulations that will be applicable to them in their new roles.

Appendix A: Acronyms

DAEO: Designated Agency Ethics Official
WHCO: White House Counsel’s Office
OGE: US Office of Government Ethics
PAS: Presidential Appointee requiring Senate confirmation
OSC: US Office of Special Counsel
IPA: Intergovernmental Personnel Act
WHAT WE DO: OUR MISSION

The Office of Budget and Program Analysis (OBPA) provides analyses and information to the Office of the Secretary and other policy officials to support informed decision-making regarding the Department’s programs and policies, budget, legislative, and regulatory actions.

WHO WE ARE: OUR WORKFORCE

- OBPA currently employs 48 staff
- All staff are located at Headquarters in Washington, D.C.

WHO WE SERVE: OUR CONSTITUENTS

OBPA assists the Secretary, Deputy Secretary and other senior policy officials by providing analyses and information to support informed decision-making regarding the Department’s programs and policies, budget, legislative, and regulatory actions. In fulfilling its mission OBPA works with mission areas, agencies and staff offices. OBPA serves as a liaison with the Office of Management and Budget and the Appropriations Committees of Congress.

KEY UPCOMING DECISIONS

Development of the FY 2018 Budget — Immediate need to begin developing FY 2018 programmatic budget proposals based on guidance from OMB expected in late January. Budget release could be as early as the March/April 2017 timeframe;

Draft the next USDA Strategic Plan — Departments are statutorily required to develop a new Strategic Plan and release it with the FY 2019 budget. Submittal of a draft plan to OMB is expected by June 2017; and

Development of regulatory priorities — A review of recent regulatory actions and the development of rulemaking priorities will be needed within the first months of the Administration.

BUDGET HIGHLIGHTS FY 2016

- The total budget authority for OBPA for FY 2016 is $9 million
- All funding for OBPA is discretionary funding appropriated by Congress annually.
- There have not been any major budget changes in recent years.
I. **Organizational Overview**

**Agency’s Mission/Strategic Plan**

The mission of OBPA is to provide analyses and information to the Office of the Secretary and other policy officials to support informed decision-making regarding the Department’s programs and policies, budget, legislative, and regulatory actions. OBPA’s goals and objectives include:

Goal 1: Assist the Office of the Secretary and other policy officials in decision making and policy implementation by providing objective information and analyses regarding the Department’s programs and policies.

- Objective 1: Conduct policy and program analyses, and other reviews that provide timely, objective, and analytically sound information.

Goal 2: Ensure the Department’s budget is consistent with policy decisions and that resources are allocated to agencies considering priorities, performance, and applicable law.

- Objective 2: Coordinate the preparation and presentation of a Department-wide budget that integrates performance information into the process and monitor the allocation of resources to the agencies.

Goal 3: Ensure the Department’s legislative proposals and regulatory actions are analytically sound and consistent with Departmental and Administrative policy.

- Objective 3: Provide appropriate coordination and analysis of legislative and regulatory actions.

For more information and to receive a copy of OBPA’s strategic plan, contact Associate Director Don Bice at don.bice@obpa.usda.gov.

**Key mission delivery performance measures**

<table>
<thead>
<tr>
<th>Performance Indicators</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of legislative reports are reviewed and cleared within established timeframes.</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
<td>80%</td>
</tr>
<tr>
<td>Percent of regulatory reviews are completed within established timeframes.</td>
<td>98%</td>
<td>98%</td>
<td>98%</td>
<td>98%</td>
<td>98%</td>
</tr>
</tbody>
</table>
Organization’s History

The Office of Budget and Program Analysis (OBPA) was established in June 1981. Its predecessor organization was established on July 8, 1922 (Secretary’s Memorandum No. 389), under the provisions of the Budget and Accounting Act of 1921 (Pub. L. No. 67-13), which designated that a Budget Officer was to have charge of the preparation of estimates and other appropriations for the Department.
Michael Young  
**Director**  
202-720-3323, mike.young@obpa.usda.gov  

Michael Young was appointed Director of OBPA in October, 2010. Mr. Young has over thirty years’ experience in OBPA, previously having served as the Associate Director of OBPA since January, 2006. In that capacity, he shared with the Director the responsibility for overall management of the Office. Earlier, he served as Chief of the Budget Control and Analysis Division of OBPA since December, 1994. In that position, Mr. Young was responsible for managing the review of USDA agency budgets during formulation and execution of the budget.

Mr. Young previously served in a number of budget and program analysis positions within OBPA, including Program Analyst for Research, Education and Extension programs and Budget Analyst for Food and Nutrition Programs. Earlier in his career, Mr. Young held budget and program analyst positions at the Department of Commerce and the Department of Veterans Affairs.

Mr. Young holds a Bachelor of Science degree (Botany, Colorado State University) and a Master of Business Administration degree (George Washington University).

Donald Bice  
**Associate Director**  
202-720-5303, don.bice@obpa.usda.gov  

Donald Bice is the Associate Director of OBPA and the Department’s Performance Improvement Officer (PIO). Mr. Bice has over twenty five years’ experience in OBPA. As Associate Director, he shares with the Director the responsibility for overall management of the Office.

From June 2008 through his selection to this position, Mr. Bice served as the Deputy Director for Budget, Legislative and Regulatory Systems, and was responsible for managing the development and execution of the Department’s budget, managing the Department’s regulatory and legislative reporting process, and providing Department-wide leadership to implement performance activities. Prior to that, Mr. Bice was Director of the Budget Control and Analysis Division and was responsible for managing the review of USDA agency budgets during formulation and execution of the budget.

Mr. Bice previously served in a number of positions within OBPA, including Supervisory Analyst and Senior Program Analyst with responsibility for the Department’s natural resources and research agencies. Mr. Bice graduated from the University of Maryland with a degree in Government and Politics and holds a law degree from American University.
Christopher J. Zehren
Deputy Director for Program Analysis
202-720-3396, chris.zehren@obpa.usda.gov

Mr. Zehren began his career with OBPA 32 years ago and has held a range of positions responsible for the analysis of USDA budget, regulatory, and other programmatic issues. Mr. Zehren has served as the Deputy Director for Program Analysis within OBPA since 2005. Mr. Zehren provides overall leadership and management of program analysis functions that support policy and budget decision-making within USDA. Mr. Zehren advises Department policy officials, including the Office of the Secretary, on the full range of program issues as they impact the Department’s budget, legislative authorities, and regulations. Mr. Zehren’s broad management and leadership capabilities enabled him to coordinate several Department-wide efforts, including leadership transitions in the Office of the Secretary, implementation of the 2002, 2008 and 2014 Farm Bills, and evaluation of USDA’s budget and regulatory plans. Mr. Zehren plays a critical role in communicating the Department’s goals, priorities, and initiatives to the public, Congress, and other stakeholders.

Diem-Linh Jones
Deputy Director for Budget, Legislative and Regulatory Systems
202-720-6667, diem-linh.jones@obpa.usda.gov

Diem-Linh Jones is currently the Deputy Director for Budget, Legislative and Regulatory Systems in OBPA. In her current capacity, Ms. Jones is responsible for overseeing the Department’s budget process and legislative and regulatory tracking systems. She is also the Department’s principal liaison with the Appropriations Committees on technical budget matters. Ms. Jones joined OBPA in August 2002 as a staff chief and was selected to the Senior Executive Service in December 2005.

Prior to coming to the USDA, Ms. Jones supervised the Office of Planning and Budget at the U.S. Small Business Administration and acted as Budget Officer from June 2000 to July 2001. She started her government career in July 1991 at the U.S. Department of Transportation in the Department’s Management Training Program.

Diem-Linh Jones has a Bachelor’s Degree in Business Administration from the College of William and Mary and a Master’s Degree in Public Administration from George Mason University.
Nicole Pollard
Director for Budget Control and Analysis Division
202-720-2768, Nicole.pollard@obpa.usda.gov

Nicole Pollard is the Director of the Budget Control and Analysis Division in OBPA. Ms. Pollard has over twenty one years’ experience in OBPA, and in her current position she is responsible for managing the review of USDA agency budgets during formulation and execution of the budget.

Ms. Pollard previously served in a number of budget analysis positions within OBPA, including supervisory budget analyst for the Control Staff as well as various other mission areas within USDA. Ms. Pollard held a legislative analyst position at the Agricultural Marketing Service, USDA. In 2014, Ms. Pollard was detailed to the U.S. Senate Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies, Committee on Appropriations as a senior staff assistant position. She was responsible for the budgets of the four agencies comprising the Research, Education, and Economics Mission Area, the Natural Resources Conservation Service, and Departmental administrative offices all within USDA.

Ms. Pollard holds a Bachelor of Science degree in Business Administration from Salisbury State University.

Biographies of political staff in key leadership positions

OBPA does not have any political staff positions in its office.
Organizational Budget and Financial Management

OBPA has not experienced any major budget changes. The office’s funding is sourced entirely from discretionary appropriations provided through annual appropriations bills.

<table>
<thead>
<tr>
<th>Office of Budget and Program Analysis Budget Authority FY 2009-2016 (Dollars in Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discretionary:</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Discretionary Sub-total ..................................................</td>
</tr>
<tr>
<td>Total ..................................................................................</td>
</tr>
</tbody>
</table>
Enterprise Workforce Data

Workforce FY 2009-FY 2016

GS Level Distribution
- GS 5-GS 7, 4%
- GS 8-GS 12, 19%
- ES/SES, 11%
- GS 13-GS 15, 66%

Staff Years
- FY 2009
- FY 2010
- FY 2011
- FY 2012
- FY 2013
- FY 2014
- FY 2015
- FY 2016

Washington DC (HQ)
• OBPA employs a workforce of 48 employees of which the following are full-time and part-time:
  o Full-time: 47 employees
  o Part-time: 1 employee

• OBPA typically hires at least two interns during the year.

• Of the total OBPA workforce, 13% are eligible to retire within the next year.

• OBPA is located in the Whitten Building in Washington, D.C.

• None of the OBPA staff are unionized.

II. Policies and Regulations

Statutory Authorities

OBPA does not deliver programs that are authorized by statute, but manages its mission delivery by operating under statutory processes. These include adhering to a variety of budget related statutory requirements (e.g. Budget Control Act, the Anti-deficiency Act), regulatory process requirements (e.g. the Administrative Procedures Act and the Congressional Review Act), and strategic planning requirements (Government Performance and Results Act).
Important Policies and Regulations

- Annual Budget Data Calls
- Departmental Regulation 1260 (April 2002), *Legislative Reports and Proposals*
- Departmental Regulation 1512 (March 1997), *Regulatory Decision making Requirements*

Overview of the policy/regulation review process

OBPA develops objective analyses and other information products to assist policy officials in decision making as well as program oversight and coordination functions. OBPA’s responsibilities in managing Department-level budget, strategic planning and performance, legislative and regulatory analysis and coordination functions allow the office to provide support for policy actions covering the full range of USDA programs.

**Strategic Planning and Performance**

OBPA is responsible for key activities required under the Government Performance and Results Act of 1993 (GPRA) (Pub. L. No. 103-62) and for overseeing strategic planning and performance improvement activities. These responsibilities include working with agencies and the Office of the Secretary to develop the Department’s Strategic Plan, preparing the Annual Performance Plan, supporting the Deputy Secretary (Chief Operating Officer) by conducting quarterly data driven review meetings, preparing the Annual Performance Report, and focusing on ways to improve program delivery and effectiveness while operating within resource constraints. The Associate Director serves as the Department’s Performance Improvement Officer. OBPA serves as a liaison between the Department’s agencies and the Office of Management and Budget to ensure that USDA adheres to the Administration’s position on improving Government performance. OBPA carries out these responsibilities as an integral part of the other processes described below (i.e., Budget, Legislative, and Regulatory).

**Budget Process**

OBPA carries out an analytically based decision-making process with USDA policy officials to determine how best to allocate the resources of the Department among competing goals to achieve desired policy outcomes. Key stages of the budget process include formulation, presentation to the Congress and implementation of USDA’s budgets following Congressional action. Throughout the process, OBPA staff ensure budget materials support an informed decision making process and meet the technical requirements of OMB and the Congress.
In terms of budget formulation, OBPA develops guidance to be followed by USDA agencies in preparing detailed data to be submitted in support of the Administration’s and Department’s priorities. OBPA reviews agency budget proposals and prepares a set of analytical documents to assist the Secretary and Deputy Secretary in making decisions on agency budget and associated performance proposals spanning all mission areas and offices of the Department. Based on these policy decisions, OBPA works with agency budget and program staff to prepare the Department’s budget for submission to the Office of Management and Budget (OMB). After the Department’s Estimates are submitted to OMB, OBPA coordinates the discussions with OMB on its review and analysis of the budget documents and assists the Secretary and Deputy Secretary in final negotiations with OMB on the Budget. After final budget numbers are agreed to, OBPA works with the agencies to produce a set of detailed justification materials which are provided to the Appropriations Committees.

The President's Budget is due to Congress not later than the first Monday in February. At the time the budget is made public, the Department generally holds briefings for the media, Congressional staff and other interested stakeholders. OBPA develops briefing materials and budget overviews and works with the Office of Communications and the Assistant Secretary for Congressional Relations to coordinate these events. OBPA is also responsible for coordinating the preparation and review of witness statements, briefing books and other supporting materials prior to Congressional hearings on the budget and for managing the process of responding to written questions from members of the Appropriations Committees. The Secretary is generally asked to testify on the Budget before the House and Senate Appropriations Committees and is accompanied by the Budget Officer. Throughout the year, senior OBPA staff – in coordination with the Office of Congressional Relations – work closely with Appropriations Committee staff to ensure Committee requests for information are met consistent with Department policy and in a timely manner. OBPA provides updates to policy officers on significant Congressional actions involving the budget.

With regard to budget execution, OBPA is responsible for managing the Department's system of resource allocation, including funds and staff years. Key responsibilities include managing the process to request apportionment of funds by OMB and allocation of funds to agencies in order to implement programs and carry out policy decisions and program operations. OBPA provides analytical support to policy staff to assist in the decision process and to identify potential funding options to meet programmatic needs throughout the year. This may include the transfer of funds, reprogramming, or supplemental appropriations.

**Regulatory Process**

OBPA is responsible for providing analytic support to decision makers and managing the Departmentwide regulatory clearance process. A key aspect is the review of regulations for potential budgetary, performance and operational implications and working with policymakers to determine the necessary level of review for regulations, depending upon the significance of the action involved. OBPA is also often called upon to resolve
conflicts in the regulatory development process between and amongst the agencies and with OMB and other Departments. Such conflict resolution is necessary to ensure that USDA regulations are issued timely and address the needs of the entire Department and other Federal Departments. OBPA also manages the process to ensure all regulations to implement statutory requirements and establish program operating policies receive appropriate legal clearance and review by other staff offices prior to clearance by policy officers for submission to OMB and publication in the Federal Register. OBPA issues guidance to agencies covering preparation and clearance of regulations and works in close coordination with the Department’s Regulatory Policy Officer to prepare and submit the annual Regulatory Plan and Regulatory Agenda to OMB. OBPA also is responsible for coordinating requests from the Office of Management and Budget’s Office of Information and Regulatory Affairs to review other Departments’ regulatory actions.

**Legislative Process**

OBPA manages a process within the Department to ensure that legislative proposals developed to implement policy direction or to make technical changes to program authorities are reviewed and cleared by the appropriate policy officers prior to submission to OMB or the Congress. This process also ensures appropriate programmatic, legal and policy review of legislative proposals initiated by Congress or other Federal agencies which impact the Department’s activities. OBPA reviews these legislative proposals and reports and provides analytic support to policymakers regarding issues that are identified and to ensure Department policy positions are communicated to OMB. OBPA also manages a system to track and report on the status of legislative reports and proposals throughout USDA. OBPA’s management of this process ensures that all legislative proposals are developed in consideration of the resource and policy environment in which USDA operates.

**Correspondence and Other Document Review**

OBPA reviews most correspondence prepared for the Secretary’s signature and a wide range of other documents and reports to provide analyses and information to support informed decision-making.

**GAO and OIG Audits**


III. Congressional Relations and Issues

Overview

Throughout the year, senior OBPA staff – in coordination with the Office of Congressional Relations – work closely with Appropriations Committee staff to ensure Committee requests for information are met consistent with Department policy and in a timely manner. OBPA provides updates to policy officers on significant Congressional actions involving the budget.

IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

In support of the Office of the Secretary, OBPA works with every agency in the Department to create annual budgets, and review legislative proposals and regulatory items. Additionally, OBPA works with the Office of Management and Budget (OMB) regarding budget submissions and oversight matters.

OBPA receives IT support from OCIO, HR support from OHRM, accounting support from OCFO, and property and procurement activities from DM.

Stakeholder group overview

N/A

Recent engagements with stakeholder group

N/A
V. **Top Issues**

**Hot Topics**

**Development of the FY 2018 President’s Budget:** Because this year there is a Presidential Transition, the FY 2018 budget will most likely not be submitted the first Monday in February as the new President will have only been in office for a few days. The exact timeline and request for information will be subject to guidance from OMB. In previous Presidential transition years the new Administration has released a budget overview in early February, which outlines key policy priorities from the new Administration. A more detailed budget proposal will likely be submitted in spring, 2017 (historically April or May). Developing the details of the FY 2018 Budget will require significant input from incoming policy officials within a highly constrained time period.

At the time the budget is made public, the Department generally holds briefings for the media, Congressional staff and other interested stakeholders. OBPA develops briefing materials and budget overviews and works with the Office of Communications and the Assistant Secretary for Congressional Relations to coordinate these events. OBPA is also responsible for coordinating the preparation and review of witness statements, briefing books and other supporting materials prior to Congressional hearings on the budget and for managing the process of responding to written questions from members of the Appropriations Committees. The Secretary is generally asked to testify on the Budget before the House and Senate Appropriations Committees and is accompanied by the Budget Officer. The House Agriculture Appropriations Subcommittee generally holds a hearing with each Under Secretary and the House and Senate Interior Appropriations Subcommittees generally hold hearings with the Chief of the Forest Service.

**Development of a new USDA Strategic Plan:** The Government Performance and Results Act (GPRA) Modernization Act 2010 requires all Departments to produce a new Strategic Plan at the beginning of each new term of an Administration. An initial draft of the new USDA Strategic Plan FY2018 – 2022 is due to OMB June 2nd, 2017.

The Strategic Plan presents the long-term goals a Department hopes to accomplish by identifying long-term objectives, actions to be taken to realize those goals, key performance measures and challenges and risks that may hinder achieving results. The Department’s Strategic Plan provides the framework for agency level plans and for internally and externally reporting agency performance plans and accomplishments.

In addition, all Departments are required by GPRAMA to have a strategic performance review process. In USDA, quarterly performance meetings have been chaired by the Chief Operating Officer (the Deputy Secretary) and arranged and staffed by the Department’s Performance Improvement Officer (Associate Director of OBPA). These meetings are attended by Subcabinet and agency head level staff to discuss performance targets and accomplishments and other related issues.
Current Strategic Plan Summary

The current Strategic Plan has five strategic goals:

1. Assist rural communities to create prosperity so they are self-sustaining, re-populating, and economically thriving.
2. Ensure our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing our water resources.
3. Help America promote agricultural production and biotechnology exports as America works to increase food security.
4. Ensure that all of America’s children have access to safe, nutritious, and balanced meals.
5. Create a USDA for the 21st century that is high performing, efficient, and adaptable.

These goals contain 16 objectives that include the Department’s major programmatic efforts and cover the programs and services that USDA administers.


Development of USDA Regulatory Priorities: In recent Presidential transitions, the incoming Administration has issued guidance to all Federal Departments to suspend the review and issuance (publication in the Federal Register) of new regulations until the new Administration’s appointees have had the opportunity to review and approve their issuance. OBPA staff will be prepared to provide incoming policy officers a set of information on regulatory actions in the various stages of development.

The Federal-wide Spring Regulatory Agenda (agenda) will likely be released in May 2017 on the Office of Information and Regulatory Affairs’ (OIRA) Reginfo.gov. This twice-a-year (spring and fall) agenda provides a brief narrative summary of all the active/anticipated rulemakings that agencies/departments intend to publish during the 12 months following the public release of the agenda in May and December. OMB/OIRA initiates the Spring Agenda ‘cycle’ by sending out a data call to agencies/departments to begin work on their agendas in mid-February with a due date for submission to OMB/OIRA for review by mid-March. The agenda is authorized by Executive Order 12866, Regulatory Planning and Review, whereby agencies must prepare a regulatory “unified” agenda of all regulations under development or under review and a Regulatory Plan (fall only) of their most significant (Administration) regulatory priorities. In addition, the Regulatory Flexibility Act requires that agencies publish semiannual “regulatory flexibility agendas” describing regulatory actions they are developing that will have significant effects on small businesses and other small entities (5 U.S.C. 602).

Farm Bill Reauthorization: The Agricultural Act of 2014 (2014 Farm Bill) was enacted on February 7, 2014. While some provisions of the 2014 Farm Bill are permanent legislation many other provisions expire with the 2018 crop, calendar, or fiscal year and must be reauthorized or amended. The exact timeline for the development of the next Farm Bill will be determined by Congress. The Department will need to develop a strategy
for how it will engage with stakeholders and Congress, how it will govern the flow of information from agencies to the Committees, and whether to develop policy positions or legislative proposals. Historically, USDA has taken a broad range of approaches to Farm Bill development. Previous Administrations have held stakeholder listening sessions and published a highly detailed list of policy papers, while others have limited involvement to providing technical assistance to the Committees.

Timeline

While historically a detailed budget has not been released until April or May in an election year, the next administration will need to quickly determine major policy budget decisions within the first 30 days. The exact decision dates and due-out dates for the regulatory agenda are dependent on guidance released by the White House regarding taking inventory on regulations.

Other than the initial submission of the USDA Strategic Plan FY 2018-2022 on June 2, 2017 there are no set due dates for the other two items as they are dependent on further guidance from OMB and the White House. However, all three items will need action and consideration within the first 30-60-90 days of the next administration.

Appendix A: Acronyms

DM – Departmental Management
OBPA – Office of Budget and Program Analysis
OIRA – Office of Information and Regulatory Affairs
OMB – Office of Management and Budget
Office of Communications (OC) Fact Sheet

WHAT WE DO: OUR MISSION

The mission of the Office of Communications (OC) is to provide leadership, expertise, management and coordination, to develop successful communication strategies and products that advance the mission of USDA and priorities of the government, while serving and engaging the public in a fair, equal, transparent, and easily accessible manner. OC delivers information about USDA programs, policies and activities to the American people, through various media platforms and often directly to farmers, consumers, environmentalists, Congress, the business community, and other interest groups.

WHO WE ARE: OUR WORKFORCE

OC employs 72 people - - 54 Appropriated and 18 Working Capital Fund (WCF) - - located in the USDA headquarters in Washington, DC.

KEY UPCOMING DECISIONS

OC has no upcoming policy decisions for the first 30-60 days of a new administration.

WHO WE SERVE: OUR CONSTITUENTS

OC provides the highest level of support to the Secretary, Mission Areas and agencies for all their communications and outreach requirements through the implementation of cohesive strategic communications. OC’s Press Operations and Creative Development divisions help to coordinate and manage effective communications functions and materials across all of USDA’s agencies and staff offices.

BUDGET HIGHLIGHTS FY 2016

The Office of Communications is comprised of two budget entities:
- OC Appropriated
- OC Working Capital Fund (WCF)

From 2011 to 2016, USDA’s Office of Communications’ Appropriated budget experienced a 21% reduction, which has presented challenges in supporting the Department’s work in service to U.S. agriculture and rural Americans.

FY 2016 Budget Authority

- Personnel Compensation
- Administrative Costs
- Working Capital Fund Expenses
- Departmental Shared Cost Programs
- E-Gov (0.03%)
- Reimbursements
- Creative Media & Broadcasting Center

- 42.00%
- 40.99%
- 3.01%
- 11.34%
- 0.87%
- 0.03%
- 2.33%
United States Department of Agriculture
2016 Presidential Transition
Office of Communications (OC)

I. Organizational Overview

Agency’s Mission/Strategic Plan

OC’s mission is to provide leadership, expertise, management and coordination, to develop successful communication strategies and products that advance the mission of USDA and priorities of the government, while serving and engaging the public in a fair, equal, transparent and easily accessible manner. OC delivers information about USDA programs and policies to the American people, in service to U.S. farmers, ranchers, producers and rural Americans. To fulfill that mission, OC disseminates information concerning USDA’s programs, policies and activities through various media and directly to our stakeholders. The success of the Department's initiatives—and the success of U.S. agriculture, both domestically and abroad—is directly aided by adequately resourced communications and public education campaigns, and the ease with which the public can access information on the Department’s programs. In recent years, OC has also taken on an increasingly important role in coordinating USDA’s communications during emergencies or other incidents that potentially affect large segments of the public and the U.S. and global economies.

Key mission delivery performance measures

OC is divided into the following divisions: Digital Communications, Creative Media & Broadcast Center, Press Operations, Speechwriting, Information Technology, Branding Events Exhibits and Editorial Review, Printing, and Photography. These divisions help to coordinate and manage effective communications functions and materials across most of USDA’s 17 agencies and 18 offices, the state and county offices across the United States, and our 96 posts overseas. With OC’s leadership over the last six years, USDA has been supporting policies that have made agriculture one of the bright spots in the economy, positioning USDA to support its constituents in taking advantage of new opportunities.

In 2016 so far, USDA web/digital assets have received over 190 million page views. While historically, these numbers have remained consistent, our average session durations have increased by almost 30% compared to the previous year, which means users are spending more time reading the content on our websites. USDA.gov alone has received over 19 million page views, with over 12 million sessions logged so far this year. Compared to previous years, these numbers have remained steady, and we believe more users are finding information through our digital network of web and social media resources. Through our Digital Analytics Program, we are able track metrics of all major USDA websites through a common dashboard. USDA digital assets consistently rank in the top ten most visited Federal websites, according to the real-time data tracker at analytics.usa.gov.

Our major digital accomplishment this year has been the establishment and curating of Medium.com stories through our USDA Results Chapter series (usda.gov/medium). Through Medium, USDA published monthly chapters related to key successes over the
United States Department of Agriculture  
2016 Presidential Transition  
Office of Communications (OC)

past 8 years. Each chapter highlights a USDA mission area or core function, giving us an opportunity to target content to the general public and traditional stakeholders, and also to the customers and constituents important to each mission area’s function. According to Medium.com, we received 16K readers so far to July’s Food Safety chapter. We continue to see an increase in reads and recommends, putting us at an all-time high at 2700+ reads. Medium.com numbers may be under-reporting as Bit.Ly is recording the highest ever click-throughs at 38,734 to the Food Safety chapter. Each week, we distribute a digital newsletter In Case You Missed It (ICYMI), carrying content from the chapter to 190,000 recipients. In June, the newsletters focused on food safety received 120,000 opens in total. We believe many of these readers link to the Medium page. Overall, readership on Medium (as measured by Medium) has climbed from about 1,600 in January to more than 16.1K for June’s Chapter on Trade. Month-to-month, our numbers trend upwards.

USDA’s social media presence has grown significantly in the past several years. Unlike most other large Federal Agencies, USDA takes a more centralized approach to social media strategy under the OneUSDA vision. Through this strategy, USDA’s Office of Communications manages all USDA-wide social media accounts and platforms through a coordinated effort. OC, OCIO and OGC negotiate Terms of Service agreements with new social media technologies, and OC reviews and approves all new media request and strategic communications plans. USDA effectively uses most major social media platforms and realizes significant gains in followers and users across all of our channels year after year. Through earned media analytics (IQMedia), so far this year, we have over 1.04 million hits on various social media channels, including 653K hits on online news, and 208K hits through twitter.

Organization’s History

The Office of Communications (OC) was established on June 7, 1913, when the Secretary of Agriculture established an Office of Information. The purpose of this office was to act as a news service to communicate possible recommendations of USDA scientists and specialists to the widest audience possible. Section 7 CFR § 2.36 delegates authority for public affairs activities from the Secretary to the Director of OC. The activities of OC have expanded as new technology has become available and as additional segments of the public have become constituents. As traditional media has expanded into the digital realm, OC has met the expectations of our customers by providing information and resources through a network of official USDA websites, social media channels, blogs, and mobile applications. The basic purpose of the office, however, remains constant: to provide leadership, expertise, management, and coordination to develop successful communication strategies and products that advance the mission of USDA and priorities of the Administration, while serving and engaging the public in a fair, equal, transparent, and easily accessible manner.
Organizational Chart

United States Department of Agriculture
2016 Presidential Transition
Office of Communications (OC)

U.S. DEPARTMENT OF AGRICULTURE
OFFICE OF COMMUNICATIONS
Division Organization Chart (11-07-2014)

Office of the Director
13-01-00-0000

Creative Development
13-10-00-0000

Press Operations
13-05-00-0000

Press Secretary Office
13-05-10-0000

Speechwriting and Research Office
13-05-20-0000

Creative Media and Broadcast Center
13-10-10-0000

Digital Communications
13-10-20-0000

Brand, Events, Exhibits and Editorial Review
13-10-50-0000

Information Technology Management
13-10-30-0000

Photography Services
13-10-60-0000

Printing Services
13-10-70-0000

Supersedes Chart dated 12-07-2010
Biographies of career staff in key leadership positions

David Black
Deputy Director, Creative Development
202-720-3068, david.black@oc.usda.gov
David O. Black became Deputy Director of Communications in September 2010. In this capacity he oversees all of the creative development units and administration within the Office of Communications (OC). He is OC’s career Senior Executive. Mr. Black began his federal career with USDA in 1992 after a decade in the private sector. Mr. Black started as a video producer/director for the USDA Broadcast Media & Technology Center (BMTC), eventually becoming the Director in 2001. Over the years with USDA, Mr. Black, along with managing the staff, resources and budget of BMTC, produced and directed numerous award winning documentaries, informational videos, television feature stories and public service announcements for USDA and other federal agencies. His stories covered rural America, farmers, ranchers, Native Americans, nutrition, the environment, consumers, education, science and trade. His travels have taken him to all 50 states and across the world from Africa to Afghanistan. Mr. Black was born on the small Caribbean island nation of Jamaica. He came to the United States to attend college, graduating with honors with a degree in communication arts, specializing in radio, television and film. He resides in Fairfax, Virginia with his wife Sandy and has a son, Jason, who is a psychologist working in Wilmington, NC.

Peter Rhee
Digital Communications Division (DCD)
202-720-8138, peter.rhee@oc.usda.gov
Peter Rhee is the Director of Digital Communications. Peter leads web and social media strategies for USDA, coordinating the efforts of the Department's seven mission areas and 29 agencies and offices. He aligns the goals of all web components under the USDA umbrella with the Office of the Secretary, in support of the Secretary's "One USDA" vision. Peter is a seasoned graphic designer, web developer, and project manager and has helped lead major USDA technology investments and national campaigns. Prior to joining USDA's Office of Communications, he served as a web manager and designer for USDA's Food Safety Inspection Service. He has also managed the Department of Health and Human Services' campaigns for Women's Health Education and Promotion. Peter has a Secret Clearance, is a certified Project Management Professional (PMP), and Contracting Officer Representative (COR). He is married with two small children and lives in Springfield, VA.

Garth Clark
Creative Media & Broadcast Center (CMBC)
202-720-5376, garth.clark@oc.usda
Garth Clark is the Director of the Creative Media & Broadcast Center a Working Capital Fund (WCF) business unit within OC. Garth grew up on a family grains and cattle farm in Indiana. He attended Purdue University, graduating with a BS in Ag Economics and has a MS Management degree from Johns Hopkins University. Garth worked in broadcast television for ten years including positions as news director and anchor of a nationally
syndicated program AgDay. He joined the Office of Communications, Creative Media and Broadcast Center in 1988. Garth is married with 2 children and resides in Fairfax, VA.

Carolyn O’Connor  
**Brand, Events, Exhibits & Editorial Division (BEEERD)**  
202-720-2267, carolyn.oconnor@oc.usda.gov  
Carolyn O’Connor’s 11-year tenure in USDA’s Office of Communications includes leadership of the Departmental Branding, Government Printing Office, Photography Services, Editorial Review and Clearance, Events and Exhibits, and Constituent Affairs teams. As Branding Director, Carolyn leads a Secretarial Initiative that consolidated more than 100 different identifying symbols for the USDA’s 7 mission areas, 17 agencies and various Offices into the “One USDA” brand. She reviews and approves legal use of the brand, working closely with USDA’s Office of General Counsel, increasing USDA’s consistent identity in both domestic enterprises as well as the global marketplace, which enhances public awareness of the vast services provided by USDA. With over a decade of experience in visual design and organizational management, she has worked with numerous Federal customers in successful Working Capital Fund environments, including 13 years at the Department of Health and Human Services and 5 years at USDA before becoming Director of USDA’s Brand, Events, Exhibits and Editorial Review in 2010. Carolyn is known for envisioning and executing numerous successful initiatives across the Department and other Federal agencies.

Wayne Moore  
**Information Technology Management (ITM)**  
202-720-3989, wayne.moore@oc.usda.gov  
Daniel “Wayne” Moore has been the Chief Information Officer (CIO) for the Office of Communications for the past 12 years and has 37 years of experience at USDA. He has been a large proponent of Enterprise efforts and cost savings models during his tenure. His main goal is to provide tools that enable a customer centric approach for outreach to all internal and external stakeholders. Wayne actively participates in the CIO Council and has a wide knowledge and experience in administrative, budget, personnel, creative activities, web communications, working capital fund and appropriated activities. Currently, his staff handles all information technology and administrative activities.

Cynthia McNeill  
**Printing Services Division (PrSD)**  
202-720-8189, cynthia.mcneill@oc.usda.gov  
Cynthia McNeill is the Director of Printing Services. Her objective is to deliver exceptional service by leveraging her extensive knowledge, skills and expertise. Cynthia started at USDA in 1987 after a 12 year career at the Department of Labor, Bureau of Labor Statistics, as a Printing Assistant earning many honors and Certificates of Merit. She is responsible for the formulation, interpretation and administration of the Department’s information programs with respect to the medium of printing. She also develops policies and plans for the effective execution of the overall printing programs for the Department and its agencies. Cynthia graduated from Anacostia High School in Washington, DC and studied Computer Information System Science at the University of District Columbia completing 96 credit
Tom Witham
Photography Services Division (PhSD)
202-720-4339, thomas.witham@oc.usda.gov

Tom Witham is the Director of the Photography Services Division. He is a creative professional with an enthusiasm for photography and graphic design. He has 30 years of government service in which eight of those years were as a U.S. Navy combat cameraman and aerial photographer. As a manager, he has led Department of Defense organizations with the transition from conventional still photography to the digital age. He was an early proponent of Digital Asset Management systems within DOD and USDA. Tom has helped manage two successful Working Capital Fund graphic design business lines at Health and Human Services and USDA. Tom grew up on a working farm in rural Tennessee where he participated in various 4-H programs. His first photo award was from 4-H and he has been taking photographs ever since. Tom is an avid runner who enjoys early morning runs in the city. He likes to see the city come alive.

Biographies of political staff in key leadership positions

Matt Herrick
Director, Office of Communications
202-690-0060, matthew.herrick@oc.usda.gov

Matt Herrick has more than 16 years of communications experience with federal agencies, non-profits and media. Herrick was Spokesperson and Press Director for the U.S. Agency for International Development under former Administrator Dr. Rajiv Shah, and also served as Oxfam America's Director of Media and Public Relations. Between 2007 and 2012, Herrick served in a variety of leadership positions with USDA, including Press Secretary, specializing in agricultural production and trade, farm programs, economics, and global food security. He has a bachelor's degree from the College of the Holy Cross in Worcester, Mass., and a master's degree in journalism from Syracuse University's Newhouse School of Public Communications. Herrick lives in Bethesda with his wife and son.

Joanne Peters
Deputy Director, Press Operations
202-720-2971, joanne.peters@oc.usda.gov

Joanne Peters is the Deputy Director of Communications on the Press Operations side of OC. Joanne was formerly the national press secretary for HHS under Secretary Sebelius. Earlier in her career, Joanne served as press secretary for Congressman Bob Etheridge of NC—a strong proponent of agricultural issues in the US Congress—and as spokesperson for the Chairman of the Agriculture Subcommittee. Joanne is a Tar Heel.
United States Department of Agriculture  
2016 Presidential Transition  
Office of Communications (OC)

Organizational Budget and Financial Management

<table>
<thead>
<tr>
<th>Office of Communications Budget Authority FY 2009-2016 (Dollars in Thousands)</th>
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<tbody>
<tr>
<td>Actual</td>
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<tr>
<td>Discretionary:</td>
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<tr>
<td>Office of Communications.................</td>
</tr>
<tr>
<td>Discretionary Sub-total .................</td>
</tr>
<tr>
<td>Reimbursements ..........................</td>
</tr>
<tr>
<td>Working Capital Fund ....................</td>
</tr>
<tr>
<td>Total.....................................</td>
</tr>
</tbody>
</table>

The Office of Communications is comprised of two budget entities: 1) OC Appropriated, and 2) OC Working Capital Fund (WCF) Reimbursable/Core, within the Creative Broadcast & Media Center (CMBC). It is important to note that from 2011 to 2016, USDA’s Office of Communications’ appropriated budget experienced a 21% reduction, which has presented challenges in supporting the Department’s work in service to U.S. agriculture and rural America. Over 90% of OC’s budget is comprised of personnel salaries, so high impact savings must come from personnel reductions that negatively impact OC’s ability to provide leadership, expertise, counsel, and coordination for the development of communication strategies, which are vital to the overall formation, awareness and acceptance of USDA programs and policies. CMBC continues to achieve certain efficiencies that have resulted in cost savings and increased product/service quality for customers. These include utilization of Indefinite Delivery, Indefinite Quantity (IDIQ) contracts for services to streamline production processes, obtain discounts, provide predictable pricing, simplify and improve product quality.
Enterprise Workforce Data

Workforce FY 2009-FY 2016

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<td>77</td>
<td>76</td>
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</tr>
</tbody>
</table>

GS Level Distribution

- GS 5 - GS 7, 4%
- GS 8 - GS 12, 38%
- GS 13 - GS 15, 55%
- ES/SES, 3%
Office of Communications employs a workforce of 81 employees.
- OC Appropriated: 54 employees
- OC Working Capital Fund (WCF) Reimbursable/Core: 18 employees

OC WCF employees work in the Creative Media & Broadcast Center (CMBC) division of OC with some WCF Core positions located in the Digital Communications Division (DCD) and IT Management divisions. CMBC, within OC, provides a central resource of high-quality and cost-effective communications products and services. CMBC is an integral part of the OC strategic communications planning team, providing centralized communication strategies for the Secretary and agencies. CMBC’s combined capabilities, technology and collaboration support the Secretary’s goal of developing integrated and cost effective communications solutions while playing an essential role in providing immediate dissemination of communications for the Secretary, Deputy Secretary, and Sub-Cabinet. Its core communication services provide professional support in the areas of strategic communications coordination, Web and social media utilization and analytics all geared toward meeting the Secretary’s objectives of strengthening service and reducing costs. As a Working Capital Fund entity of USDA, CMBC strives to deliver the best balance of technology, creativity, quality and value in helping clients communicate effectively with their target audiences. The Digital Communications Division (DCD) maintains the USDA.gov web portal and Department
social media channels, and governs web and social media throughout USDA. DCD develops policies, standards, guidance associated with Digital Communications, including the coordination of work flow and content management with USDA agencies and offices. The DCD supports the institutionalization of an “OneUSDA” Digital Strategy. Continuously assessing the improvement of digital services and systems that are information-and customer-centric, DCD helps to ensure open data, content, responsive design, and web APIs are the new default, collaborating among the data, platform, and presentation layers to coordinate Digital Strategy activities across agency and functional lines, including IT, web and communication subject matter experts. As such, the Digital Communication Division, Office of the Chief Information Officer, as well as Agency web, communication and program offices make up the Department's digital strategy ecosystem.

- Of our total workforce, 20% are eligible to retire within the next year
- Our headquarters is located in Washington, D.C. and houses 100% of OC employees

II. Policies and Regulations

Statutory Authorities

7 USC 2201 is the basic authority establishing the Department. This authority states:

“There shall be at the seat of government a Department of Agriculture, the general design and duties of which shall be to acquire and to diffuse among the people of the United States useful information on subjects connected with agriculture, rural development, aquaculture, and human nutrition . . .”

OC helps the Department carry out this statutory duty “to diffuse among the people of the United States useful information on subjects connected with agriculture, rural development, aquaculture, and human nutrition . . .”

Important Policies and Regulations

7 CFR Part 2
OC recently updated its delegations (October 2011) to amend the delegation of authority from the Secretary of Agriculture to the Director of the Office of Communications to serve as the central information authority for emergency public information activities, having the authority to serve as the central authority for the Department and agency strategic communications plans as well as to serve as the central authority for the creation and use of logos/marks not otherwise provided for by specific laws and regulations, and excluding the Official USDA Seal and Official USDA Symbol.
III. Congress Relations and Issues

N/A

IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

OC has oversight and review protocols with all USDA agencies working through their agency leadership, Public Affairs Directors and communications staff. OC partners with and works with all Senior Leadership, inclusive of the Secretary, Deputy Secretary, the Sub-Cabinet, and the non-agency offices (i.e., OGC, OBPA, and OCR).

OC relies on Department Management’s OHRM team for all HR services, the OCFO’s office for support and assistance with financial and budgetary functions and is supported by the Department’s OCIO for all IT network and desktop support.

Stakeholder group overview

The Office of Communications works with all media entities, both nationally and internationally, across diverse media platforms, to reach the widest audience possible, inclusive of the general public, rural America, farmers, ranchers and members of Congress.

Recent engagements with stakeholder group

N/A

V. Top Issues

Hot Topics

OC will work with the incoming Administration to cover any issue or communicate any and all new proposed initiatives.

Timeline

OC will be collaborating with the Office of the Secretary to do an event to introduce the new Secretary to the Department, utilizing all our communication tools and media platforms.

Depending on when the new Secretary arrives at the Department, it is possible that the first large public event that OC would cover with the Secretary is the annual USDA Outlook Forum, February 23-24 http://www.usda.gov/oce/forum/.
WHAT WE DO: OUR MISSION

The Office of Congressional Relations’ (OCR) primary role is to facilitate communication between USDA and Congress, ensuring that both the Administration’s and the Secretary’s positions and goals are accurately, effectively, and consistently represented on Capitol Hill. The Office of External and Intergovernmental Affairs (EIA) is located within OCR and is the Departmental liaison for State and local governments. OCR’s website can be found here: http://www.usda.gov/wps/portal/usda/usdahome?navid=OCR

WHO WE ARE: OUR WORKFORCE

- Assistant Secretary
- Deputy Assistant Secretary
- Legislative Analyst and Leg. Director
- Intergovernmental & Confidential Ast.
- 3 Administrative Staff

WHO WE SERVE: OUR CONSTITUENTS

OCR provides information about USDA policies and activities to Members and staff in Congress as well as state and local officials through briefings, meetings, and notifications. We also work with Committees in preparation for hearings in which USDA officials testify.

KEY UPCOMING DECISIONS

- FY17 Budget – Ensure the Department’s priorities are included when Congress acts on a full year CR or omnibus appropriations.
- Child Nutrition Reauthorization – Congress pass a reauthorization of Child Nutrition Programs. Current authorization was extended through September 2016.
- Fire Fix – Work with Congress to address the ever increasing resources necessary to fight fires.
- Work with incoming administration on confirmation of new appointees

BUDGET HIGHLIGHTS FY 2016

As a staff Office of the Secretary, OCR’s budget ($3.9 million) is part of the larger appropriations for the Office of the Secretary. The appropriations support staffing in the office of Congressional Relations and Intergovernmental ($2.4 million) while a significant portion is transferred directly to the agencies ($1.5 million) to fund their Congressional Relations costs as well.
I. Organizational Overview

Agency’s Mission/Strategic Plan

The Office of Congressional Relations’ (OCR) primary role is to facilitate communication between USDA and Congress, ensuring that both the Administration’s and the Secretary’s positions and goals are accurately, effectively, and consistently represented on Capitol Hill. The Office of External and Intergovernmental Affairs (EIA) is located within OCR and is the Departmental liaison for State and local governments.

Key mission delivery performance measures

During the most recent calendar year (CY) USDA has had:

- 44 Hearings in CY16 (as of September 7th)
  - 15 Senate
  - 29 House

While the hearing total is relatively consistent with 2015, it does mark an increase from previous years. Oversight requests have also markedly increased since 2015.

Organization’s History

N/A
Biographies of career staff in key leadership positions

N/A

Biographies of political staff in key leadership positions

Todd Batta
Assistant Secretary for Congressional Relations
202-720-7095, todd.batta@osec.usda.gov

Todd Batta was confirmed as Assistant Secretary for Congressional Relations at the U.S. Department of Agriculture on June 17, 2014. Previously he served as Senior Advisor to the Secretary of Agriculture (USDA), a position he held since 2012. In this role, he was responsible for providing strategic advice and guidance to the Secretary regarding USDA’s budget, legislative, and regulatory agenda. From September 2011 to April 2012, Mr. Batta served as Special Assistant in the Congressional Relations office at USDA. Prior to his work at USDA, Mr. Batta served as a Legislative Assistant to U.S. Senator Herb Kohl from 2009 to 2011; as a
Professional Staff Member of the U.S. Senate's Agriculture, Nutrition and Forestry Committee from 2005 to 2009; and as a member of U.S. Senator Tom Harkin's staff from 2001 to 2005. Mr. Batta received a B.A. from Winona State University in 2001.

Reece Rushing
Acting Deputy Assistant Secretary for Congressional Relations
202-720-7095, Reece.Rushing@osec.usda.gov

Reece Rushing joined the Department in October 2015 as Senior Legislative Analyst and Director of Oversight before taking on the role of Acting Deputy Assistant Secretary in October 2016. Previously, Reece served as director of oversight and investigations for the House Natural Resources Committee Democrats, and as director of government reform, among other roles, during a seven-year tenure at the Center for American Progress. Reece began his career working on regulatory and information policy issues at OMB Watch. He received his degree in journalism from the University of Missouri.

Sarah Scanlon
Director, Intergovernmental Affairs
202-720-6643, Sarah.Scanlon@osec.usda.gov

Sarah Scanlon served as Deputy Director of External and Intergovernmental Affairs and Labor Advisor since August 2013 before becoming the Director in 2015. Before that, she began her appointment as the Chief of Staff for the Natural Resources and Environment (NRE) mission area in October 2010. She began her career 19 years ago when she worked for the American Federation of State, County and Municipal Employees (AFSCME) CSEA Local 1000 in upstate New York as a Marketing and Communications Specialist, where she negotiated benefits into state and local government's collective bargaining agreements across the state. During her tenure at CSEA, Sarah took a leave of absence to serve on Hillary Clinton's advance team in 2000 for Clinton's Senate campaign. In 2003, Sarah came to Washington, D.C. to work for the Democratic Governors' Association (DGA) serving as the Political Assistant designated to the Kentucky, Mississippi, and Louisiana gubernatorial races. After the November elections, she became a national lead advance staffer for General Wesley K. Clark's presidential campaign from until 2004. In February 2004, Sarah returned to Washington, D.C. and for two years, worked for the nonprofit organization, Democratic Grassroots Action Institute and Network (Democratic GAIN), where she was Executive Director and placed political operatives on campaign jobs at the local, state, and national level, including the Presidential election. Prior to working for the Administration, Sarah held the position of Deputy Political Director for the United Food and Commercial Workers International Union (UFCW) where she managed the political staff and campaigns for the 1.2 million union members from 2005-2010.
OCR’s budget falls into two distinct categories – appropriations retained in the Office of Congressional Relations and Intergovernmental Affairs and funds transferred to agencies to help cover costs of their congressional relations work. The attached budget chart outlines the breakdown of these funds since 2009.

Each fiscal year, the Office of the Secretary appropriation provides funding for the Office of the Assistant Secretary for Congressional Relations. Of the amounts provided for OCR activities, the Department is able to transfer funding to the agencies to maintain a portion of related personnel within the agencies. Such transfers are currently limited to occur only after a notification is provided to the Appropriations Committees as to the allocation of funding to be transferred.
OCR’s current staff levels include 15 total personnel including,
- Assistant Secretary (Senate Confirmed)
- Deputy Assistant Secretary
- Director of Intergovernmental
- Legislative Director
- Director of Oversight
- 5 Legislative Analysts
- 2 Intergovernmental Staff
- 3 Administrative Support (Career)

All excepting the 3 Administrative Support staff are political appointees

While the current staffing consists as listed above, the set up and organization of the office, including staffing numbers and assignments, are fully at the discretion of the Assistant Secretary as long as they remain within our annual budget.

All staff are based in the D.C. Office.
II. Policies and Regulations

Statutory Authorities

N/A

Important Policies and Regulations

N/A

Overview of the policy/regulation review process

OCR manages and coordinates the Department’s interactions with Congress and Congressional staff. In this role, OCR works with agency leg offices to identify incoming requests and provide responses, proactively notify member offices of funding announcements in their districts or states, and coordinates – with OBPA – notifications to appropriators when taking actions requiring notifications by annual appropriations. This coordination typically comes in the form of weekly meetings with agency, biweekly legislative director meetings, and weekly congressional interaction reports prepared by the agencies. In these processes, OCR is responsible for balancing the full scope of the Department’s priorities against the priorities of individual agencies to best fulfill the mission of the Department. Further, it is the responsibility of OCR to report on these interactions to the Office of the Secretary and the Office of the Deputy Secretary.

GAO and OIG Audits

N/A

III. Congressional Relations and Issues

Overview

OCR works closely with members and staffs of various House and Senate Committees to communicate USDA’s legislative agenda and budget proposals. USDA’s principal authorizing committees are the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry. In particular, these committees exercise oversight over USDA’s implementation of the 2014 Agricultural Act (commonly known as the Farm Bill) and will begin work on the Act’s reauthorization in the next Congress.

The House Natural Resources Committee and the Senate Energy and Natural Resources Committee have jurisdiction over public lands, including land managed by the Forest Service. Both committees have been actively engaged on wildfire suppression funding issues and have jurisdiction over the Secure Rural Schools Act, which helps fund public schools and roads located in counties with national forest land. The Act must now be reauthorized for payments to continue.
In the House, OCR also regularly works with the Financial Services Committee, which has jurisdiction over USDA’s Rural Housing Service, and the Education and Workforce Committee, which is responsible for reauthorization of the now-expired Healthy, Hunger-Free Kids Act of 2010. The Education and Workforce Committee has differed from the Senate Agriculture Committee in its approach to reauthorization, advancing legislation that would dilute nutrition standards and cut free meals for students in high-poverty schools.

The House and Senate Appropriations Committees provide funding for USDA agencies, offices and programs. The House and Senate Subcommittees on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies have jurisdiction over USDA funding except for the Forest Service. The Subcommittees on Interior, Environment, and Related Agencies have jurisdiction over the Forest Service. Committee members not only determine what USDA can do in terms of resources; they also sometimes attach policy riders to must-pass appropriations bills that are designed to block regulatory or other executive actions. As described below, USDA will be publishing a number of proposed or final rules over the next several months that could be targets of appropriations riders.

OCR can provide upon request biographies for the key Congressional staff that serve on the committees which mostly closely work with the USDA.

IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

USDA’s Office of External and Intergovernmental Affairs (EIA) works with all USDA mission areas to coordinate with agencies on press releases, notifications on principal travel and communicating the Department’s initiatives and policies. USDA’s EIA office works closely with the White House’s Intergovernmental Affairs (WH IGA) and the Office of Public Engagement (WH OPE). Both offices communicate and bring together all federal entities each week for conference call or in person meetings for updates and any news or policy to be shared between all agencies. EIA also works closely with DOI, EPA, HHS, USTR, and CNCS.

EIA had an agreement with USDA’s OCIO for CON EIN that expires 12/31/2016 to help maintain our stakeholder database. This database holds all of our national and local stakeholders’ emails and contact information. The link is: https://collaboration.usda.gov/ein. Permission is needed through EAuth for access.

Stakeholder group overview

USDA’s Office of External and Intergovernmental Affairs (EIA) serves as the Department’s liaison to state, local, and tribal governments and non-governmental organizations. EIA facilitates communication between the Department and these stakeholders regarding USDA’s initiatives and policies. An important stakeholder to USDA is the National Association of State Departmental of
Agriculture (NASDA). NASDA and USDA host monthly calls to discuss hot topics or issues in states with the State Agriculture Commissioners, Secretaries, and Directors. The Deputy Secretary hosts these calls on behalf of USDA and in the room are staff or experts from each USDA agency in the room for questions. Outreach to Mayors and State Legislators across the country, both rural and urban is important to highlight USDA policies and initiatives. EIA’s database has more than 1,600 external stakeholders including but not limited to these key partners: National Association of State Departments of Agriculture (NASDA), National Association of County Commissioners (NACo), National Governors Association (NGA), National Conference of State Legislatures (NCSL), United States Conference of Mayors (USCM), Council of Government (CSG).

**Recent engagements with stakeholder group**

- Our office’s role is to support all agencies on programs, initiatives and/or campaigns at the Department daily:
- Work closely with Governors and staff; EIA is the point of contact for OSEC when a governor wants to speak or meet with USDA officials.
- Host webinar series and meetings for rural and urban Mayors to educate on USDA programs across the Department.
- Host webinars and meetings to rural State Legislators on USDA programs or initiatives.
- Host Fall Forums across the country to our external stakeholders and elected officials on subjects of land tenure and next generation of farmers and ranchers, trade, and climate. These platforms are for sharing policies and practices that are essential to supporting USDA programs.
- EIA is responsible for establishing briefings for the Agriculture Secretary to elected officials and external stakeholders:
  - Farm Bill – During Farm Bill implementation
  - Budgets – often held February each year.
United States Department of Agriculture  
2016 Presidential Transition  
Office of Congressional Relations (OCR)

V. Top Issues

Hot Topics

New Regulations

USDA agencies adopted a number of significant final and proposed regulations toward the end of the Obama Administration. These regulations are likely targets of appropriations riders and/or congressional oversight requests. They include:

• **Farmer Fair Practices Rules.** In October 2016, the Grain Inspection, Packers and Stockyards Administration (GIPSA) issued an interim final rule and two proposed rules to clarify that it is not necessary to find harm to competition in order to find that a packer, swine contractor, or live poultry dealer has engaged in an unfair, unjustly discriminatory, or deceptive practice or device or has given an undue or unreasonable preference or advantage. GIPSA had been precluded from working on these regulations since passage of the FY 2012 appropriations act. However, the 2016 Consolidated Appropriations Act did not include the prohibition, allowing GIPSA to move forward.

• **Organic Livestock and Poultry Practices.** In April 2016, the Agricultural Marketing Service issued a proposed rule to ensure consistent application of USDA regulations for organic livestock and poultry operations and maintain confidence in organically labeled products. A group of 13 senators, including the Agriculture Committee Chairman and Ranking Member as well as Majority Leader McConnell, sent a letter to Secretary Vilsack on July 26, 2015, objecting to the proposed rule, which is expected to be finalized by the end of 2016.

• **Supplemental Nutrition Assistance Program (SNAP) Retailer Eligibility Standards Rule.** The Agricultural Act of 2014 included statutory changes that require SNAP-eligible stores to maintain at least seven different varieties of foods in each staple category with perishable products to be included in at least three of the four staple food categories. In February 2016, the Food and Nutrition Service (FNS) published a proposed rule that codified the statutorily-required provisions, and made a number of other changes to reflect the intent of Congress that staple foods are those foods used primarily for home preparation and consumption that provide the main sources of nutrition intake for households. Congressional appropriators, led by Congressman Robert Aderholt, who chairs the House Appropriations Agriculture Subcommittee, inserted language in the FY 17 agriculture appropriations bill limiting the FNS’s ability to implement the proposed rule as written. The final rule is scheduled to be published by the end of 2016, with an effective date one year after publication.
• **Argentine Lemon Imports.** In 2013, Argentina requested consultations with the United States through the World Trade Organization (WTO) regarding market access for Argentine lemons. In May 2016, USDA’s Animal and Plant Health Inspection Service (APHIS) published a proposed rule that would allow the importation of lemons from Northwest Argentina if requirements are met to mitigate plant pest risks to the United States. Representatives of lemon-producing states (California and Arizona) have opposed the rule, and both the House and Senate Appropriations Committee’s approved language requiring APHIS site visits as part of the rulemaking process.

In September 2016, APHIS conducted a site visit during peak growing season that verified Argentina had implemented the proposed mitigation measures. The Obama Administration believes this rule is necessary to strengthen the trade relationship with Argentina and avoid issues with the WTO. If the Office of Management and Budget (OMB) designates the rule not significant, APHIS intends to publish a final rule in November 2016. If it is deemed significant, APHIS would aim for January 2017.

• **Biotechnology Regulations.** APHIS protects plant health from genetically engineered (GE) crops that pose a plant pest risk—such as causing disease or damage to other crops or plant products in the United States. APHIS has developed a proposal to update its biotechnology regulations under the Plant Protection Act and 7 CFR part 340. This proposal, which would be the first comprehensive change to the regulations since 1987, would help APHIS focus its resources on regulating GE organisms that may pose plant pest or noxious weed risks, and will enhance regulatory flexibilities that foster innovation and provide regulatory relief. In September 2016, USDA sent the proposed rule to the Office of Management and Budget (OMB) for review. Once OMB’s review is complete, USDA intends to publish the proposed rule for public comment. Congress has not been actively engaged to this point, as APHIS is still in the deliberative process. However, publication of the proposed rule will likely bring scrutiny given general interest in the regulation of GE organisms.

• **Horse Protection Act Rule.** APHIS administers the Horse Protection Act (HPA) and is charged with ending the abusive practice of horse soring and restoring fair competition within the walking horse industry. Horses have typically been sored through the application of caustic chemicals or foreign substances, often in concert with mechanical equipment known as action devices (“chains” and performance package “pads”) to intensify pain and cause a higher gait. While many observers believe that soring remains a major and pervasive problem, the industry and its supporters, including powerful members of Congress such as House
Appropriations Committee Chairman Hal Rogers (R-KY), believe that the practice has been substantially curtailed. In July 2016, APHIS published a proposed rule that would give APHIS responsibility for training and licensing horse show inspectors—which is currently overseen by the industry itself—and block the use of action devices. The comment period on the proposed rule ended in late October, and the agency expects to complete a final rule by the end of the Obama administration.

Wildfire Suppression Budget Fix

In fiscal year (FY) 2016, the Forest Service’s appropriated fire budget (including the FLAME account) is $3.2 billion, which is more than 56 percent of the agency’s discretionary budget, up from 16 percent of the agency’s budget in 1995. Unless changes are made, fire suppression will consume more than 70 percent of the agency’s budget by 2020.

Since the early 1990s, the Forest Service has been using the 10-year rolling average as a basis for fire suppression budgeting, which has rarely provided enough to fund the total cost of fire suppression. The Forest Service consequently has been forced to transfer large amounts from other Forest Service budget accounts. The House passed legislation in the 114th Congress that would require full funding of the 10-year average. However, fully funding the 10-year average in a constrained budget also erodes the ability to fund other critical Forest Service programs like forest restoration, recreation and services to the public.

The Obama Administration proposed a different way of funding wildland fire suppression. This proposal fixes the “up front” budgeting issue by requiring the Forest Service to budget for only 70% of the 10-year average. It also negates the need for disruptive transfers by allowing the agency to draw on funding from a cap adjustment for certain kinds of large fires and when suppression funding is exhausted. Getting a fire budget fix remains one of USDA’s top legislative priorities.

Child Nutrition Reauthorization

The Healthy, Hunger-Free Kids Act of 2010 (HHFKA) expired on September 30, 2015, and is currently operating under a continuing resolution. Though reauthorization is not required for HHFKA programs to continue, both the Senate Agriculture Committee and the House Education and the Workforce Committee have approved versions of Child Nutrition Reauthorization. The Senate version would largely protect the nutrition standards passed in HHFKA, but the House version, which has been met with bipartisan opposition, would dilute the nutrition standards and cut the availability of free meals for students in high-poverty schools. Neither of these bills have seen floor action.
United States Department of Agriculture
2016 Presidential Transition
Office of Congressional Relations (OCR)

2018 Farm Bill

The Agricultural Act of 2014 (known as the Farm Bill) is the primary authority for agencies and programs across USDA. OCR will be responsible for developing and implementing legislative strategy for reauthorization of the Act, which expires in September 2018. That work will need to begin immediately in the new administration, as Congress will hold hearings and begin work on reauthorization in early 2017. Among the major issues are:

- **Dairy Margin Protection Program.** The 2014 Farm Bill created the Margin Protection Program for Dairy Producers (MPP-Dairy). This Farm Service Agency (FSA) program offers dairy producers catastrophic coverage, at no cost to the producer, other than an annual $100 administrative fee, and various levels of buy-up coverage. Members of Congress representing dairy states, however, have argued the Margin Protection Program has not worked as well as anticipated, as dairy farmers are being challenged by lower dairy prices, driven by increased milk supplies and inventories, slower demand and competition from abroad. In particular, Senators Patrick Leahy (D-VT) and Kirsten Gillibrand (D-NY), among others, have expressed concerns that the Margin Protection Program does not accurately reflect regional feed costs. However, regional feed costs are calculated by a statute formula, and USDA does not have the discretion to change it.

- **Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC).** FSA relies on county-level survey data from USDA’s National Agricultural Statistics Service (NASS) in administering the ARC and PLC programs, which provide revenue and price loss payments to eligible producers for the 2014 through 2018 crop years. However, NASS publishes yields at a county level only if enough surveys are returned. Given the wide swath of counties and number of covered commodities, data for many counties has been lacking. When NASS county-level yields are not available, FSA has worked with the Risk Management Agency (RMA) to aggregate unpublished yield data for crop insurance participants and used this RMA data if there were sufficient results (at least 25% of reported acreage and at least 5 farms). These two sets of county-level yield data only provided about 43,000 yields, but represent an area such that about 90% of the base acres are in counties that had NASS or RMA county-level yields.

If the county-level data was not available, NASS district-level data (aggregate data covering a group of counties) has been used, with discretion for the FSA state committee to be able to adjust them based on knowledge of the county relative to the others in the district. If none of these data sets were available, the state committee was delegated responsibility for setting the appropriate yield using whatever sources or expert opinion it could find. The limited data available and lack of county specific data explains why for some less common crops in a state, there may be a group of counties with the same yield (e.g., a district yield) or even the same yield for the entire state in cases where there was not even district-level data.

Senators John Hoeven (R-ND) and Heidi Heitkamp (D-ND) have called into question both the order of data used (NASS, then RMA, then discretion to the state committee)
United States Department of Agriculture  
2016 Presidential Transition  
Office of Congressional Relations (OCR)

and the accuracy of the yield data. FSA is coordinating an interagency group to check the data sources for any county data that is called into question and correct when any errors are discovered. To date, there have been very minor changes to the data primarily based on input errors (typos), but there has not yet been issues found with the quality of the data used. NASS and RMA investigated the yields in question and found that no errors were made in developing the estimates from survey data (NASS) or insurance records (RMA). Senator Hoeven included a $5 million pilot in the FY 2017 Appropriations Bill that uses alternate data sets to establish new payment rates. This pilot will not be nationwide.

- **Conservation Reserve Program (CRP) Acres.** The Conservation Reserve Program pays a yearly rental payment in exchange for farmers removing environmentally sensitive land from agricultural production and planting species that will improve environmental quality. Over the last several years, USDA has experienced a record demand from farmers and ranchers interested in participating in this voluntary program. However, the 2014 Farm Bill capped the total number of acres that may be enrolled in CRP at 24 million for FY 2017 and FY 2018. Because of the competitive sign-up, a lower percentage of applications is being accepted, and some members of Congress, such as Senator John Thune (R-SD), have expressed frustration about low enrollment numbers in their states.

- **Cotton Oilseed and Stacked Income Protection Program (STAX).** The National Cotton Council has requested that USDA recognize cottonseed as a minor oilseed and thus a covered commodity for purposes of triggering ARC/PLC payments. House Agriculture Committee Chairman Conaway and other members representing cotton-producing states also have urged USDA to take this action. As part of the Farm Bill process, however, cotton was explicitly removed from commodity programs and STAX was created to meet the needs of the cotton industry. STAX is a new crop insurance product (administered by RMA) that is available for over 99 percent of cotton acreage nationwide. USDA nonetheless recognized the difficulties facing cotton producers and the cotton industry, and in June 2016, leveraged Commodity Credit Corporation authority to provide $300 million in one-time assistance to the cotton industry through the Cotton Ginning Cost Share Program.

- **SNAP Waivers.** The 1996 welfare reform legislation limited SNAP benefits for Able Bodied Adults Without Dependents (ABAWDS) to three months over a three-year time period. However, States have the option to request waivers of the time limit for areas, or the entire State, due to high unemployment. Congress has been very critical of the waiver requests. The issue is expected to be a major discussion item in the next Farm Bill, and some expect an attempt to eliminate the ability of States to request waivers, and add additional work requirements on SNAP recipients. Along with the ABAWD waivers, the next Farm Bill will closely look at waivers approved and denied by USDA, in recent years, on issues related to restrictions on SNAP purchases, photo Electronic Benefit Transfer (EBT), and drug testing of SNAP recipients as a condition of eligibility. States that have been denied approval to move forward with these efforts are engaging both
House and Senate Leadership in the hopes of gaining support for more State flexibilities in the next Farm Bill.

- **Undersecretary for Trade.** The 2014 Farm Bill required USDA to create an Under Secretary for Trade. Subsequent appropriation bills reinforced this directive, and the Department contracted an independent study by the National Academy of Public Administration (NAPA) to evaluate options for implementation. The NAPA report was completed and sent to Congress in October 2015, and USDA is now working on its own report, as required by the Farm Bill. This report, which is expected to be completed at that end of 2016, may include some of the NAPA report recommendations. However, the NAPA report left several key questions and issues unaddressed, including cost-benefit analysis of various options. The FY 16 omnibus appropriations bill also included $1 million for the Office of the Chief Economist to contract with an independent organization to provide implementation assistance once USDA completes the report.

**Secure Rural Schools**

The Secure Rural Schools and Community Self-Determination Act (SRS) Act, which was originally enacted in 2000 and substantially amended in 2008, provides compensation to local governments for the tax-exempt status of national forests. Under the Act, the Forest Service shares 25 percent of gross receipts from national forests with States to help fund public schools and roads located in counties with national forest land. The receipts, on which the 25 percent payments are based, are derived from timber sales, grazing, minerals, recreation and other land use fees, deposits, and credits.

In April 2015, the SRS Act received a two-year reauthorization, allowing for two annual payments to be made, with the last authorized payment made in FY 2016. Over $272 million in Forest Service authorized SRS funding for the FY 2016 payment year will benefit 41 states and the Commonwealth of Puerto Rico in support of local schools and roads and for other purposes. No further SRS payments may be made unless the SRS Act is reauthorized.

USDA has supported renewing SRS to ensure communities can provide critical services to their citizens. Without SRS payments, many rural counties would be forced to reduce teacher and road personnel funding. The President’s FY 2017 budget proposed a mandatory reauthorization and a four-year phase-out of the SRS Act through 2019.

**Timeline**

N/A
# Appendix A: Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMS</td>
<td>Agricultural Marketing Service</td>
</tr>
<tr>
<td>APHIS</td>
<td>Animal and Plant Health Inspection Service</td>
</tr>
<tr>
<td>ARS</td>
<td>Agricultural Research Service</td>
</tr>
<tr>
<td>ASCR</td>
<td>Assistant Secretary for Civil Rights</td>
</tr>
<tr>
<td>CNPP</td>
<td>Center for Nutrition and Policy Promotion</td>
</tr>
<tr>
<td>CR</td>
<td>Civil Rights</td>
</tr>
<tr>
<td>DM</td>
<td>Departmental Management</td>
</tr>
<tr>
<td>EIA</td>
<td>External and Intergovernmental Affairs</td>
</tr>
<tr>
<td>ERS</td>
<td>Economic Research Service</td>
</tr>
<tr>
<td>FAS</td>
<td>Foreign Agricultural Service</td>
</tr>
<tr>
<td>FBCI</td>
<td>Faith Based and Community Initiatives</td>
</tr>
<tr>
<td>FFAS</td>
<td>Farm and Foreign Agricultural Services</td>
</tr>
<tr>
<td>FNS</td>
<td>Food and Nutrition Service</td>
</tr>
<tr>
<td>FNCS</td>
<td>Food, Nutrition, and Consumer Services</td>
</tr>
<tr>
<td>FSA</td>
<td>Farm Service Agency</td>
</tr>
<tr>
<td>FSIS</td>
<td>Food Safety and Inspection Service</td>
</tr>
<tr>
<td>GIPSA</td>
<td>Grain Inspection, Packers and Stockyards Administration</td>
</tr>
<tr>
<td>MRP</td>
<td>Marketing and Regulatory Programs</td>
</tr>
<tr>
<td>MS</td>
<td>Management Services</td>
</tr>
<tr>
<td>NAD</td>
<td>National Appeals Division</td>
</tr>
<tr>
<td>NRE</td>
<td>Natural Resources and Environment</td>
</tr>
<tr>
<td>NRCS</td>
<td>Natural Resources Conservation Service</td>
</tr>
<tr>
<td>NASS</td>
<td>National Agricultural Statistics Service</td>
</tr>
<tr>
<td>NIFA</td>
<td>National Institute for Food and Agriculture</td>
</tr>
<tr>
<td>OALJ</td>
<td>Office of the Administrative Law Judge</td>
</tr>
<tr>
<td>OASCR</td>
<td>Office of the Assistant Secretary for Civil rights</td>
</tr>
<tr>
<td>OAO</td>
<td>Office of Advocacy and Outreach</td>
</tr>
<tr>
<td>OBPA</td>
<td>Office of Budget and Program Analysis</td>
</tr>
<tr>
<td>OC</td>
<td>Office of Communications</td>
</tr>
<tr>
<td>OCE</td>
<td>Office of the Chief Economist</td>
</tr>
<tr>
<td>OCFO</td>
<td>Office of the Chief Financial Officer</td>
</tr>
<tr>
<td>OCIO</td>
<td>Office of the Chief Information Officer</td>
</tr>
<tr>
<td>OCR</td>
<td>Office of Congressional Relations</td>
</tr>
<tr>
<td>OES</td>
<td>Office of the Executive Secretariat</td>
</tr>
<tr>
<td>OFS</td>
<td>Office of Food Safety</td>
</tr>
<tr>
<td>OGC</td>
<td>Office of the General Council</td>
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<tr>
<td>OHRM</td>
<td>Office of Human Resources Management</td>
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<tr>
<td>OHSEC</td>
<td>Office of Homeland Security and Emergency Coordination</td>
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<tr>
<td>OIG</td>
<td>Office of the Inspector General</td>
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<tr>
<td>OO</td>
<td>Office of Operations</td>
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<tr>
<td>OMB</td>
<td>Office of Management and Budget (White House)</td>
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<tr>
<td>OPM</td>
<td>Office of Personnel Management</td>
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<tr>
<td>OPPM</td>
<td>Office of Procurement and Property Management</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>---------</td>
<td>---------------------------------------</td>
</tr>
<tr>
<td>OSDBU</td>
<td>Office of Small and Disadvantaged Business Utilities</td>
</tr>
<tr>
<td>OSEC</td>
<td>Office of the Secretary</td>
</tr>
<tr>
<td>OTR</td>
<td>Office of Tribal Relations</td>
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<tr>
<td>RBS</td>
<td>Rural Business Cooperative Service</td>
</tr>
<tr>
<td>RD</td>
<td>Rural Development</td>
</tr>
<tr>
<td>REE</td>
<td>Research, Education, and Economics</td>
</tr>
<tr>
<td>RHS</td>
<td>Rural Housing Service</td>
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<tr>
<td>RMA</td>
<td>Risk Management Agency</td>
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<tr>
<td>RUS</td>
<td>Rural Utility Service</td>
</tr>
<tr>
<td>WHL</td>
<td>White House Liaison</td>
</tr>
</tbody>
</table>
WHAT WE DO: OUR MISSION

The Office of Hearings and Appeals (OHA) is a new USDA Agency that consolidates the three previously separate entities of the National Appeals Division (NAD), the Office of the Administrative Law Judges (OALJ), and the Office of the Judicial Officer (OJO). The mission of OHA is to plan, coordinate, and provide administrative support for NAD, OALJ, and OJO. OHA promotes fairness, transparency, and consistency in NAD, OALJ, and OJO proceedings through the planning, coordination, and administration of office-wide activities and initiatives.

WHO WE ARE: OUR WORKFORCE

- **NAD**: 83 employees—geographically dispersed with three regions. 41 adjudicators and 42 administrative and legal support employees.
- **OALJ**: 12 employees in Washington DC, including three Administrative Law Judges (ALJ’s) and nine legal and administrative support employees.
- **OJO**: Two employees in Washington DC. Includes the Judicial Officer.

KEY UPCOMING DECISIONS

- If all the administrative steps have not been completed to consolidate NAD, OALJ, and OJO by the time of transition, when will the new OHA be effective in FY ’17?
- Should NAD, OALJ, and OJO issue a new procedural rule that incorporates common practices of the proceedings of the three offices?
- When the FY ’17 lease expires in Park Center, Alexandria, where will NAD move its Headquarters, and will the OJO, and OALJ consolidate space with NAD?

WHO WE SERVE: OUR CONSTITUENTS

OHA serves USDA participants, farmers, and ranchers who appeal agency program decisions. OHA also serves USDA agencies and impacted parties involved in rulemaking, regulatory, and other proceedings for USDA programs.

BUDGET HIGHLIGHTS FY 2016

As a newly formed consolidated entity, OHA has no appropriation history. The budget information following this fact sheet shows the separate budget histories and highlights of the three entities for FY 2016.

FY 2016 Budget Authority

- **NAD**: $13,317,000
- **OALJ**: $1,418,000
- **OJO**: $351,000

Graph showing budget authority distribution.
I. Organizational Overview

Agency’s Mission/Strategic Plan

The Office of Hearings and Appeals (OHA) is a new USDA Agency that consolidates the three previously separate entities of the National Appeals Division (NAD), the Office of the Administrative Law Judges (OALJ), and the Office of the Judicial Officer (OJO). Previously, OALJ and OJO were offices under Departmental Administration, and NAD was an independent agency that reports to the USDA Secretary. The new mission of OHA is to plan, coordinate, and provide administrative support for NAD, OALJ, and OJO. OHA promotes fairness, transparency, and consistency in NAD, OALJ, and OJO proceedings through the planning, coordination, and administration of office-wide activities and initiatives.

This reorganization consolidates administrative support for the three USDA entities that adjudicate first- and second-level hearings and appeals at USDA. After consolidation, NAD, OALJ, and OJO will still conduct proceedings under their respective legal authorities. Their separate mission statements follow:

The mission of the National Appeals Division (NAD) is to conduct fair and impartial administrative appeal hearings and reviews of adverse decisions by certain agencies within USDA, and to issue determinations in an expeditious manner that reflect a thorough consideration of factual information that reach a proper conclusion.

The mission of the Office of Administrative Law Judges is to conduct rulemaking and adjudicatory hearings throughout the country in proceedings under approximately 50 statutes administered by USDA agencies and to issue timely, fair, and legally correct orders and initial decisions.

The Judicial Officer is delegated authority to act as final deciding officer for the United States Department of Agriculture in adjudicatory proceedings listed in 7 C.F.R. § 2.35.

Strategic Plan

As a prospective agency, the Office of Hearings and Appeals has not yet developed an integrated strategic plan.

Information about OJO and OALJ can be found on the USDA Departmental Management Website at http://www.dm.usda.gov/

NAD’s strategic plan is based upon the core values of transparency, listening and learning, fairness, reaching the right decision for the right reason, judicial independence, accountability, and excellence: https://www.nad.usda.gov/about_stratplan.html.
Goals and Objectives

Through proceedings conducted by NAD, OALJ, and OJO, the OHA goals and objectives are to issue timely, fair, clear, and well-reasoned final United States Department of Agriculture decisions that are consistent with law and United States Department of Agriculture policy. All three offices emphasize the timeliness and quality of proceedings and written decisions. As it becomes operational in FY ‘17, OHA will develop consolidated goals and objectives that will be integrated into a strategic plan.

As a separate organization, NAD has established the following goals in its strategic plan:

Goal 1: Conduct hearings and issue determinations within applicable statutorily mandated time frames.

Objective 1: Meet the performance measurement of 85% of determinations issued within time frames.

Goal 2: Issue quality written determinations.

Objective 1: Establish and maintain writing standards for evaluating written determinations.

Initiatives:

Initiative 1: Engage employees to transform NAD.

Initiative 2: Provide Civil Rights services to NAD employees and customers.

Initiative 3: Expand outreach efforts to underrepresented farmers and ranchers to increase access to NAD services.

Initiative 4: Level NAD human resources to recruit and hire skilled, diverse employees.

Initiative 5: Optimize information technology policy and applications.
Key mission delivery performance measures

In FY ’17, OHA will develop performance measures that track goals, indicators, and trends.

The following performance measures target the timeliness and quality of NAD hearings and appeal determinations. These measures are driven both by statutory guidelines and the needs of farmers and ranchers to receive thoughtful, legally correct, and timely decisions to make risk-based decisions about their farming enterprises.

<table>
<thead>
<tr>
<th>Annual Performance Goals, Indicators, and Trends</th>
<th>Actual</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of hearings held and determinations issued within applicable timeframes.</td>
<td>2011</td>
<td>85%</td>
</tr>
<tr>
<td>Determinations found to be 1.0 standard deviation of excellence according to group evaluations.</td>
<td>2011</td>
<td>100%</td>
</tr>
</tbody>
</table>

Organization’s History

OHA:

In FY 2016, the USDA Secretary proposed the realignment and consolidation of NAD, OALJ, and OJO, the three offices that conduct two-step administrative adjudications at USDA. This reorganization would remove OALJ and OJO from Departmental Administration and consolidate with NAD under a new administrative umbrella, which would establish OHA. The new Headquarters of OHA would provide administrative support, including budget, personnel, information technology, and strategic planning for the three entities. USDA will implement the consolidation in FY ’17.

The entities that will be consolidated have independent organizational histories, mainly derived from the origins of their statutory authorities or USDA delegations:

OALJ:

OALJ conducts formal regulatory and rule making hearings under the Administrative Procedure Act (APA)¹ and under specific delegation of authority from the Secretary of Agriculture, set forth at 7 C.F.R. §2.27. ALJs are granted adjudicatory independence by the APA and are appointed after rigorous testing by the Office of Personnel Management (OPM). Although USDA’s ALJs are employees of the

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Department, they are not subject to performance reviews, cannot be assigned duties inconsistent with their position, and may be removed only for cause.

NAD:
NAD was established by the Secretary of Agriculture on October 20, 1994 by Secretary's Memorandum 1010-1, pursuant to the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (P. L. 103-354, section 271 et seq. (October 13, 1994). The Act consolidated the appellate functions and staffs of several USDA Agencies to provide for independent hearings and reviews of adverse Agency decisions. NAD's organizational structure was approved by the Secretary on May 14, 1996, and interim final regulations governing NAD appeals were published on December 29, 1995.

OJO:
The history of the Judicial Officer (JO) traces back to the The Schwellenbach Act, 54 Stat. 81 (1940) (now codified at 7 U.S.C. §450c–450g), which authorized the Secretary to delegate "regulatory functions." The delegation of the JO’s authority was initially established within the Office of the Secretary under the title of the Assistant to the Secretary. The title was changed to Judicial Officer in a Departmental reorganization in November of 1945. The specific delegation of authority is found in 7 C.F.R. §2.35.
Biographies of career staff in key leadership positions

Office of Hearings and Appeals

Steven C. Silverman
Director
703-305-2708, steven.silverman@nad.usda.gov

(Also serves as the NAD Director)

Steven C. Silverman began his legal career as an Honors Lawyer at the Environmental Enforcement Section of the U.S. Department of Justice in 1987. He served as a law clerk in the United States District Court for the Central District of California after graduating with Distinction from Stanford Law School. Mr. Silverman earned his undergraduate degree from Princeton University, where he graduated summa cum laude with a major in public policy from the Woodrow Wilson School of Public and International Affairs. Mr. Silverman is a native of Des Moines, Iowa.

Mr. Silverman was appointed as Director of the National Appeals Division in September of 2014. (By statute, the National Appeals Division Director serves a six-year term of office and is eligible for reappointment.) Mr. Silverman has spent his entire career in public service. Prior to being named Director of the National Appeals Division, Mr. Silverman served for two and a half years as the Deputy Assistant Attorney General at the Environment and Natural Resources Division of the United States Department of Justice.

National Appeals Division

Steven C. Silverman (see biography above)
Director

James Murray
Deputy Director
703-305-1164, James.Murray@nad.usda.gov

Jim Murray has been involved in the field of administrative hearings and appeals since 1979. He came to the National Appeals Division in July of 2011 from the Maryland Office of Administrative Hearings (OAH). While at the OAH, ALJ Murray served as a line administrative law judge, a mentor, a team leader, Deputy Director of Operations, and Director of Operations. Mr. Murray was principle author of the OAH Rules of Procedure in 1993. Mr. Murray also conducted hearings in nearly every type of administrative case a state might be responsible for, including cases requiring the application of federal law. In addition to holding hearings and deciding appeals, he provided mediation services and gave lectures on the appeals process and other matters to agency and customer groups, practicing attorneys, and law students. He was on the faculty of the Maryland Institute for Continuing Professional Education for Lawyers, and was an adjunct faculty member of the Johns Hopkins University.
Other Key NAD Leadership

**Steven Placek**  
*Director of Administration and Management*  
703-305-1153, Steven.Placek@nad.usda.gov

**Jerry Jobe**  
*Deputy Director, Planning, Training, Quality Control*  
703-305-2514, Jerry.Jobe@nad.usda.gov

**Regional Directors:**

- **East (Indianapolis, IN):** Duane Sinclair; Duane.Sinclair@nad.usda.gov; 1-800-541-0457
- **South (Memphis, TN):** Mark Kooker; Mark.Kooker@nad.usda.gov; 1-800-552-5377
- **West: (Denver, CO):** Patricia Leslie; Patricia.Leslie@nad.usda.gov; 1-800-541-0483

**Key Vacancies:** None

**Office of Administrative Law Judges**

**Bobbie J. McCartney**  
*Chief Judge*  
202-690-4643, bobbie.mccartney@dm.usda.gov

Chief Judge Bobbie J. McCartney joined the United States Department of Agriculture's Office of Administrative Law Judges (USDA OALJ) in April of 2016. Prior to joining USDA, Judge McCartney served as the Deputy Chief Judge with the Federal Energy Regulatory Commission (FERC), where she adjudicated some of the most complex cases referred to the FERC for hearing under the Federal Power Act, the Natural Gas Act, the Interstate Commerce Act and the Energy Policy Act of 2005. Prior to joining FERC, Judge McCartney served as the Deputy Chief Judge of the Office of Hearings and Appeals for the Social Security Administration (SSA), sharing full responsibilities with the Chief Administrative Law Judge for managing its nationwide operation of over 1100 ALJ's in 140 Hearing Offices throughout the United States. Prior to her appointment to that position, Judge McCartney served as the Hearing Office Chief Judge of the Billings, Montana Hearing Office and later as the Hearing Office Chief Judge of the New Orleans, LA Hearing Office.

Judge McCartney also has extensive and diverse litigation experience having served as a senior trial attorney with the United States Department of Labor's Office of the Solicitor's Regional Office in Dallas, Texas for almost 15 years where she received numerous Exceptional Achievement Awards for her work. In addition, she served in that office as the Counsel for Employment Standards Administration, a supervisory trial attorney position, before becoming a United States Administrative Law Judge in 1994.
Judge McCartney obtained her BA from Lamar University in Beaumont, Texas, her JD from the University of Houston and her LLM from Southern Methodist University. She has also attended classes at the Universities of Oxford and London. She is a member of the Texas and Colorado Bars and has been admitted to practice before numerous state and federal courts as well as the United States Supreme Court.

Other Key OALJ Personnel

**Judge Jill S. Clifton**  
202-720-8162, jill.clifton@dm.usda.gov.

**Judge Channing D. Strother**  
202-720-8423, channing.strother@dm.usda.gov.

**Renee Leach-Carlos**  
Hearing Clerk  
202-720-2773, Renee.Leach-Carlos@dm.usda.gov

**Office of the Judicial Officer**

**William G. Jenson**  
Judicial Officer  
202-720-4764, william.jenson@dm.usda.gov.

Mr. Jenson is a career employee who has been employed by the United States Department of Agriculture for over 40 years. Mr. Jenson was employed in the Office of the General Counsel for 20 years and then in the Office of the Judicial Officer. Prior to his employment with the United States Department of Agriculture, Mr. Jenson served in the United States Army.

**Biographies of political staff in key leadership positions**

N/A
Organizational Budget and Financial Management

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<th>Office of Hearings and Appeals</th>
<th>Budget Authority FY 2009-2016</th>
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<tr>
<td>Discretionary:</td>
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<tr>
<td>National Appeals Division</td>
<td>$14,711</td>
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<tr>
<td>Office of Administrative Law Judges*</td>
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<td>Office of the Judicial Officer*</td>
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<tr>
<td>Total</td>
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<td>$14,501</td>
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</tbody>
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*Budget figures for The Office of Administrative Law Judges (OALJ) and the Office of the Judicial Officer (OJO) reflect FY expenditures through FY 2016. OALJ and OJO received allocations from Departmental Administration through FY 2016. Congress will provide budget authority to the new Office of Hearings and Appeals beginning FY 2018.

Budget Highlights:

- Although NAD receives budget authority from Congress, OJO and OALJ receive allocations from appropriations to Departmental Administration. It will not be until FY ’18 that budget authority is provided to the new Office of Hearings and Appeals.
- Excluding the years affected by sequestration, budgets and expenditures for NAD, OALJ, and OJO have been relatively flat.
- Over 85% of funding for the combined entities is for personnel-related costs.
- In FY ’17, OALJ will be fully staffed for ALJ’s and legal and administrative support personnel, which will increase budget requirements from previous years by approximately 18%.

Enterprise Workforce Data

*Includes combined HQ’s of OJO, OALJ, and NAD. OJO and OALJ have no field offices.
The OHA workforce data below reflects the three separate entities. After consolidation becomes effective, eight administrative employees from NAD will move to the OHA Headquarters to perform administrative duties for the new combined entity.

**NAD**
- NAD employs a workforce of 83 permanent full-time employees.
- During the summer months, NAD employs two or three law students as summer interns.
- Of the total NAD workforce, 34 percent are eligible to retire within the next year.
- Seventy-nine percent of NAD employees are union eligible.
- NAD’s headquarters is located in Alexandria, VA, which houses 30% of the NAD workforce.
- NAD has three regional offices. The offices are located in Indianapolis, IN, Cordova, TN and Lakewood, CO.
- There are 34 Administrative Judges located in field offices throughout the United States that adjudicate first-level appeals.
- There are eight employees on the Director’s review staff who review administrative judge determinations and draft second-level Director Review Determinations.
- There are 41 administrative employees that perform general administrative duties, as well as legal administration of case docketing and processing.

**OALJ**
- OALJ employs a full-time staff of 12 in Washington DC.
- The Chief Judge’s Office is comprised of three Administrative Law Judges, an attorney-advisor, an Executive Assistant to the Chief Judge, and a Legal Assistant to the Judges.
- The Hearing Clerk’s Office is comprised of the Hearing Clerk, an Assistant Hearing Clerk and 4 legal tech positions.

**OJO**
- The Office of the Judicial Officer has two employees: the Judicial Officer and a legal assistant in Washington DC.

**II. Policies and Regulations**

NAD, OALJ, and OJO perform administrative adjudication functions for the Secretary. OALJ and the OJO primarily adjudicate regulatory matters, whereas the National Appeals Division handles eligibility and/or entitlement to benefit issues. The procedures of all three are governed by the provisions of the APA, and currently each has its own Rules of Practice, with those of OALJ and the OJO being found at 7 C.F.R. §1.130, *et seq.* and those of NAD at 7 C.F.R. §11.1 *et seq.* Most decisions of the OALJ are reviewed by the Judicial Officer (JO). The decisions of the Administrative Judges within NAD are reviewed by the NAD Director. The decisions of the
JO and the NAD Director are judicially reviewable by Federal Courts. Depending upon the statute involved, appeals of the JO’s decisions may be to either a United States District Court or a United States Court of Appeals for one of the Circuits. Those from the Director of NAD are reviewed by the District Courts of the United States.

As the consolidation removes OALJ and OJO from Departmental Administration, the new Office of Hearings and Appeals will require a revision to the Secretary’s delegated authority from the Assistant Secretary of Administration to the USDA Office of Hearings and Appeals to reflect the removal of that administrative oversight for the OALJ Hearing Clerks Office and other OALJ administrative functions. The change of delegations will also reflect that the Secretary shall select the Chief ALJ or may delegate that selection to the Deputy Secretary, the Chief ALJ shall select the ALJ’s, and the Secretary shall select the JO.

**Statutory Authorities**

NAD Enabling Statute: Public Law 103-354: This is the public law that transfers to NAD all functions and administrative appeals established by various agriculture acts, farm programs, and crop insurance program. It also establishes NAD and provides some basic jurisdictional information applicable to NAD appeals.

Farm Security & Rural Investment act of 2002: Public Law 207-171 Section 1613 7 U.S.C. 6991 et seq. This law amends the enabling statute and provides additional information about NAD’s authority in the appeals process.


Administrative law judges, while employees of the Department, are appointed under 5 U.S.C. §3105 and are afforded judicial independence, are not subject to performance reviews, cannot be assigned duties inconsistent with their position, and may be removed only for cause.

The Perishable Agricultural Commodities Act of 1930, as amended, 7 U.S.C. §499a, et seq. and the Packers and Stockyards Act of 1921, as amended, 7 U.S.C. §309: Provides the Judicial Officer authority to approve cases for these programs.

**Important Policies and Regulations**

7 C.F.R. Part 11: This regulation implements the NAD enabling law and provides procedural rules and details about the NAD appeals process.

National Appeals Division Rules of Procedure: These rules and procedures provide detailed information to the public about NAD, general definitions, and the appeals process.
Seven C.F.R. §2.27: This is the specific delegation of authority from the Secretary to the Judicial Officer for regulatory functions.

Seven C.F.R. §2.24(a)(12)(iii): Gives OALJ responsibility for the direction of the functions of the Hearing Clerk and his staff as set forth in the Overview of the policy/regulation review process.


**GAO and OIG Audits**

No GAO or IG Audits for the three entities.

**III. External Stakeholder Information (Employee Collective Bargaining Information)**

NAD employees are represented by AFSCME, Local 302. Presently the NAD Collective Bargaining Agreement is scheduled to expire in October, 2017. OALJ and OJO have no collective bargaining affiliation.

**IV. Top Issues/Hot Topics**

From June 20, 2017 through June 30, 2017, the newly formed Office of Hearings and Appeals (OHA) will implement the administrative steps to consolidate fully the National Appeals Division (NAD), the Office of the Administrative Law Judges (OALJ), and the Office of the Judicial Officer (OJO). In this respect, FY ‘17 reflects a transitional year, as OHA begins to establish practices that begin to promote fairness, transparency, uniformity, and efficiency of two-step USDA appeals and proceedings. One priority in implementation is to integrate OALJ and OJO activities into NAD’s electronic case tracking system.

**Timeline**

*November 2016:*
Establish personnel organizational structure and funding codes for OHA.
New OHA website.

*January 2017:*
Submit request for technical and cost proposal for case tracking system to track OJO and OALJ case activities.

*February 2017:*
Award Phase I for enhancement to existing case tracking database. (Budget permitting.)
March 2017: Complete final draft of new Rules of Procedure, integrating common legal practices of the NAD, OJO, and OALJ.

June 2017: Final decision on NAD Headquarters’ move from Park Center in Alexandria. Further background: NAD subleases space from the USDA Food and Nutrition Services (FNS) at Park Center, Alexandria. The FNS lease expires in FY-17. USDA and FNSA are currently analyzing documentation for a new lease award in another location and an extension for the Park Center lease. New occupancy is projected to be from June 2017 to May 2018, so there are still some timing uncertainties associated with the NAD decision.

Mission Area Issues

In the coming year, OHA will immediately confront two cross-cutting issues that derive from the advantages achieved in the new consolidation. The first issue will be the development and issuance of a new procedural rule that will integrate current common legal practices of the NAD, OALJ, and the OJO. This rule will be a lengthy process that will require extensive legal analysis and input from USDA stakeholders and the public engaged in OHA proceedings. The new procedural rule fosters uniformity, clarity, and fairness for USDA customers in these proceedings.

The second issue will be to extend the current NAD electronic case tracking system to OALJ and OJO. A consolidated case tracking system will foster performance management and transparency for OHA employees and customers. This strategy economizes on database infrastructure already in place at NAD, and, thus, is a good example of economies achieved through consolidation.

OHA has no issues that require White House involvement, cyber security issues, or issues that have arisen from recent legislation.
I. **Overview**

The White House Rural Council was established via Executive Order in 2011 to ensure that the Federal government makes the most positive impact possible in rural communities by enhancing collaboration across Executive agencies. Chaired by the Secretary of Agriculture, the Council members include nearly every member of the Cabinet as well as senior White House staff. The Council also engages and convenes stakeholders to address issues and develop partnerships in support of rural communities. Finally, the Council provides rural expertise to other White House components on regulatory and policy development, as well as coordinating with external rural stakeholders.

The Secretary of Agriculture serves as the Chair of the Council.

The membership of the council includes the heads of the following executive branch departments, agencies, and offices:

- Department of the Treasury
- Department of Defense
- Department of the Interior
- Department of Commerce
- Department of Labor
- Department of Health and Human Services
- Department of Housing and Urban Development
- Department of Transportation
- Department of Energy
- Department of Education
- Department of Veterans Affairs
- Department of Homeland Security
- Environmental Protection Agency
- Federal Communications Commission
- Office of Management and Budget
- Office of Science and Technology Policy
- Office of National Drug Control Policy
- Council of Economic Advisors
- Domestic Policy Council
- National Economic Council
- Small Business Administration
- Council on Environmental Quality
- White House Office of Public Engagement and Intergovernmental Affairs
- White House Office of Cabinet Affairs
Additional information can be found here:
https://www.whitehouse.gov/administration/eop/rural-council

USDA and the White House Domestic Policy Council have contributed staff and resources to administer the day to day responsibilities of the council.

Biographies of Political Staff in Leadership Positions

Doug O’Brien
Senior Policy Advisor for Rural Affairs and lead staff for the White House Rural Council
Doug.O’Brien@osec.usda.gov
Doug O’Brien has served as DPC Senior Policy Advisor since January 2015. In this role, Doug manages the Council staff, corresponds with USDA and White House leadership, and coordinates the development and implementation of the Council’s priorities. Mr. O’Brien joined the council after serving as Acting Under Secretary for Rural Development at USDA. O’Brien is a political appointee who is “assigned” to the White House from USDA.

Chad Maisel
Senior Policy Advisor
cmaisel@omb.eop.gov
Chad Maisel has worked part-time on the White House Rural Council since February 2015, leading the design and implementation of several Rural Council policy efforts, including the Rural IMPACT Demonstration. He also serves as staff on the National Economic Council and Office of Management and Budget. Prior to joining the White House, Chad held positions at USDA and White House Cabinet Affairs.

Yaesul Park
Policy Assistant, White House Domestic Policy Council
Yaesul_R_Park@who.eop.gov
Yaesul Park serves as a Policy Assistant for the WHRC, overseeing and staffing issues related to child poverty including the Rural Impact County Challenge. Yaesul has served in the Obama Administration since 2012 in various capacities and offices including the USDA Office of Deputy Secretary, Under Secretary, and the Office of Cabinet Affairs at the White House.

Sanah Baig
Advisor to the Secretary at USDA
Sanah.Baig@osec.usda.gov
Sanah serves as the main POC and staffer on WH Rural Council issues at USDA. She has served as policy advisor in a number of components at USDA since 2011 including in the Rural Opportunity Investment initiative, Marketing and Regulatory Programs mission area, and White House Liaison Office.
United States Department of Agriculture
2016 Presidential Transition
White House Rural Council (WHRC)

Biographies of Career Staff in Leadership Positions

Doug McKalip
Senior Advisor at USDA Agricultural Marketing Service
Doug.McKalip@ams.usda.gov
McKalip was integral in the formation of the WH Rural Council and served as the lead staffer at DPC for four years. McKalip is a career civil servant and will continue to serve at USDA in the new Administration.

Bert Wyman
Policy Advisor
bwyman@ceq.eop.gov
Wyman serves as a Policy Advisor at the Council where he supports the work of the Council and leads several interagency priority projects of the Council. Prior to joining the Council, Bert was a Policy Analyst at the Office of Management and Budget where he worked on place-based and data transparency programs. Bert is a career Presidential Management Fellow at OMB, and will continue to serve at OMB in the new Administration. He will be a ready resource for WH Rural Council questions.

Overview of Agency Programs and Operations

The White House Rural Council fosters interagency collaboration on policy and program development and implementation as well as engagement with key external partners to support rural communities. To carry out these functions, the Council coordinates programs and initiatives that cut across agency silos. These initiatives are designed to provide tailored resources to meet the specific needs of rural communities and advance their goals. For example, the Council has led several initiatives to expand opportunity in rural communities, including: the Rural Integration Models for Parents and Children to Thrive (Rural IMPACT) Demonstration, a “two-generation” approach to address rural child poverty by targeting programs and services to both children and their parents; and the Rural IMPACT County Challenge (RICC), a partnership between the Rural Council and the National Association of Counties through which 100+ self-selected rural counties focused on tackling rural child poverty receive tailored technical assistance and peer learning opportunities. The Council has also supported the Local Foods, Local Places initiative, an interagency effort that has helped 53 rural communities create economically vibrant communities through the development of local food systems.

In the past, the Council has worked on increasing jobs and economic opportunity in rural towns. For example, the Rural Jobs Innovation Accelerator (RJIA) initiative coordinated interagency resources to support regional economic development strategies. Additionally, the Council worked with several agencies to host “Made in Rural America” forums in over 60 communities to inform rural manufacturers and service providers of Federal programs that would support their expansion into new export markets.
Additionally, the Council has organized several convenings with private and philanthropic partners to support rural America. In 2011, the President convened a White House Rural Summit in Peosta, Iowa, to launch the White House Rural Council. In 2014, the Rural Opportunity Investment (ROI) Conference at the EEOB brought together over 600 industry and government stakeholders to discuss how the public and private sectors can work together to benefit rural and agricultural economies. As a result, USDA launched a public-private partnership with CoBank, which committed up to $10 billion to lend and co-lend in support of infrastructure projects in rural communities. The Council and ROI held a follow-up conference in 2015 (Washington, D.C.) and two conferences in 2016 (Memphis, TN, and Washington, D.C.). In 2016, the Council also partnered with the NACO to convene a major conference on rural child poverty where 400 rural leaders came together and where Rural IMPACT and RICC (discussed above) were launched. Finally, in fall 2016 the Council organized a White House Rural Summit in State College Pennsylvania, which brought nearly 200 policy leaders, researchers and rural stakeholders together to consider priority issues for the future of rural communities.

II. Top Issues/Hot Topics

Staffing

Assigning staff for the Council will be an immediate priority as the current staff include political appointees who will have transitioned out of the Administration, with the exception of Bert Wyman who will return to the Office of Management and Budget.

Rural Child Poverty

In April 2015, Secretary Vilsack launched Rural Impact as a comprehensive effort bringing together federal agencies and public and private resources to address the challenge of rural child poverty. For the final 18 months of the Obama Administration, the Rural Council has led several efforts under this banner, with significant interagency and stakeholder engagement. The Rural Impact initiative is somewhat distinct from previous Rural Council efforts in that it provided a platform for a relatively new set of agencies to focus on rural issues, including USDA-FNS, HHS-ACF and -HRSA, Department of Education, and Department of Labor. Outside organizations - in particular the Annie E. Casey Foundation, Aspen Institute, and Kellogg Foundation - have been keenly interested and supported different parts of this work. Several initiatives are ongoing and present the next Administration with opportunities to continue and accelerate progress. Through the Rural IMPACT Demonstration Project, Federal agencies, nonprofits, and philanthropic partners provide technical assistance and other resources to 10 competitively-selected communities to address the needs of both vulnerable children and parents, with a goal of increasing parents’ employment, education, and child and family well-being. Day-to-day administration of the demonstration project is led by a staffer at HHS, with the support of an interagency team that convenes regularly to track progress and troubleshoot
United States Department of Agriculture
2016 Presidential Transition
White House Rural Council (WHRC)

barriers. The next Administration can supercharge progress by identifying additional resources for site-level implementation and by shining a spotlight on the innovative strategies deployed in many of the sites.

In a separate initiative, the Rural Impact County Challenge created a platform for local elected officials to focus on child poverty in rural America. Over 100 counties have committed to become part of RICC. Federal agencies, private sector, and academic institutions have come together to provide targeted technical assistance and platforms for peer learning. In addition, the Robert Wood Johnson Foundation has offered private-sector technical assistance including community coaches for 12 counties to help set and meet tangible goals in creating opportunities for the next generation. The next Administration has a unique opportunity to continue the work of child poverty through RICC. The currently-existing 100+ county leaders are self-selected local officials who are doing or want to do more work on child poverty, and NACo serves as an excellent outside partner in the work.

**Combatting the Opioid Epidemic in Rural America**

In January 2016, President Obama tapped Agriculture Secretary and White House Rural Council Chair Tom Vilsack to lead an interagency Federal effort focused on the rural heroin and prescription opioid crisis. Throughout 2016, the Council and Secretary Vilsack hosted a series of rural town halls in communities across the country, including New Hampshire, Missouri, Appalachia, and Nevada, to hear from stakeholders and to build support at the local, state, and regional levels for addressing the opioid epidemic. The White House Rural Council also partnered with USDA FSA and RD State Directors in Colorado, Connecticut, Maryland, North Carolina, Oregon, and Wisconsin to host state-level convenings to discuss local solutions to the crisis. These events raised awareness of the epidemic in rural areas and also educated rural stakeholders on resources available through USDA programs.

The White House Rural Council worked closely with the USDA to ensure the Department’s efforts complemented the public health, prevention, and training efforts carried out by partner agencies such as HHS and DOJ. In 2016, USDA announced that the Rural Health and Safety Education (RHSE) grant program would be expanded to include extension work that addresses substance use orders. USDA Rural Development also took steps to target its Community Facilities and Distance Learning & Telemedicine programs to finance new wraparound treatment centers and equipment to strengthen mental health and substance use disorder treatment programs in rural areas. In August 2016, Secretary Vilsack launched a transitional housing initiative through the Rural Housing Service to help fill the need for affordable rural housing options for people in long-term recovery from substance use disorders.

**Rural Opportunity Investment Initiative (ROI)**

With the support of the White House Rural Council, USDA launched the Rural Opportunity Investment Initiative (ROI) in 2014 to expand private sector investment in rural communities. Rural communities have significant infrastructure needs, limited access to credit, and an
abundance of investment opportunities. ROI is working to identify opportunities for private investment in rural water, energy, and broadband projects, reduce barriers to investment, and connect projects with investors. Consistent with efforts at other agencies, USDA hired four new career staff members to join the team. These Financial Investment Specialists work directly with the Rural Development mission area’s program agencies – Rural Business-Cooperative Service, Rural Housing Service, and Rural Utilities Service – and report directly to the office of the Under Secretary for Rural Development. Their mission is to build and expand on the work of ROI by engaging with the private sector to recruit investment to rural America. ROI has two current active initiatives, both of which are discussed in the Rural Development section of this document: the Rural Water Fund and Rural Business Investment Companies.
I. **Farm and Foreign Agricultural Services (FFAS)**

**Farm Service Agency (FSA)**

*Hispanic and Women Farmers Claims Process (HWFCP)* – In 2000, women and Hispanic farmers and ranchers filed litigation alleging FSA discriminated against them in connection with loans and loan servicing in the 1980s and 1990s. Class certification was denied in the Garcia and Love cases. USDA has developed a voluntary administrative claims process for individual farmers to resolve their claims. The claims administrator provided USDA with the list of prevailing claimants, and all approval and denial letters in the program have been mailed by the claims administrator. Over 3,200 claimants prevailed in the process, and the Judgment Fund and USDA will provide over $200 million in cash awards, debt relief, and tax relief. All successful claims must be screened through the Treasury Offset Program database to identify outstanding non-farm debts to the US prior to payments.

**Status**: As of 9/28/16, a total of 3,153 of the approved claims have been paid, and another 39 claims are currently in process. There are 33 successful estate claims for which the Administrator has requested, but not yet received, additional documentation. The Claims Administrator mailed reminder letters to the remaining Estate claimants and to claimants who have not yet negotiated their checks. The Garcia case was closed by the District Court Judge on 2/16/16. Following the Appellate Court’s ruling in Cantu, the Love Plaintiffs, who signed releases as conditions of participating in the HWFCP, filed a motion to reinstate claims that allege the HWFCP is discriminatory. The motion has been fully briefed and USDA is awaiting a decision from the Court. Several challenges to the results of the HWFCP have been filed by late-filing claimants, individuals denied on the merits, participants in Pigford, and by a class of African-American male farmers alleging that African-American male farmers were unfairly excluded from the process. All but one of the collateral cases have been dismissed by numerous federal district courts. The African American male farmer suit is still pending.

*Keepseagle* — This is a class action filed by Native American farmers alleging FSA discriminated against them in connection with loans and loan servicing. Class Counsel wanted to modify the settlement agreement, which required USDA’s consent, to change the provisions pertaining to how the cy pres fund was to be distributed. The parties agreed that amendment of the distribution approach was appropriate because about $390 million of the $680 million settlement amount remained in the cy pres fund after all prevailing class members were paid their awards. The parties agreed to require Class Counsel to make an initial disbursement of the cy pres funds and to permit Class Counsel to create a 501(c)(3) trust to distribute the rest of the money within 20 years. The parties also agreed to an initial disbursement of $38 million shortly after the trust was established to beneficiaries that Class Counsel selects after consultation with Native American leaders. On 7/24/15, the Court denied motions by both Class Counsel and the Keepseagles to modify the settlement agreement, and urged the parties to re-negotiate. On 10/22/15, the parties reached an agreement in principle for distribution of the cy pres funds. On 12/14/15, Class Counsel filed its motion to modify the cy pres provisions of the settlement agreement. On 4/20/16, the Court granted Class Counsel’s motion to modify the cy pres provisions to provide a supplemental payment to prevailing claimants and to create a trust.
Status: On 4/20/16, the Court granted Class Counsel’s motion to modify the cy pres provisions to provide a supplemental payment to prevailing claimants and to create a trust. Class Counsel is managing the distribution of the cy pres fund – USDA does not have any involvement. One prevailing claimant, [b] (6) [b] (6), filed a putative class complaint against DOJ in District Court on 2/3/16. The putative class seeks a declaration that the Keepseagle cy pres distribution is illegal. On 5/10/16, the Government filed its motion in opposition to class certification and on 5/24/16, Plaintiff filed its reply. Plaintiff has not sought an injunction. Class Counsel is proceeding with notification and evaluation of applications for the Keepseagle Fast Track Fund. Class Counsel is waiting until the conclusion of the appeals to implement the updated settlement provisions. On 6/20/16, one of the Class Representatives, Keith Mandan, filed a Notice of Appeal of the order granting Class Counsel's unopposed motion to modify the cy pres provision of the Settlement Agreement. On 6/22/16, class member, Donivon Craig Tingle, also filed a pro se Notice of Appeal of the order. In his Statement of the Issues, he alleges that all settlement funds should have been distributed to the class, and that Class Counsel and the Court breached their fiduciary duties to the unnamed class members. Appellants' briefs are due 10/24/16, Class Counsel's and USDA's briefs are due 11/23/16, and Appellants' replies are due 12/7/16. The creation of the 20 year trust is on hold. However, Class Counsel is continuing to accept and evaluate applications for the Native American Agriculture Fast Track Fund, and plans to submit its recommendations to the Court by the current deadline, 10/17/16.

Pigford 2 – This is a class action filed by African American farmers who tried to participate in the Pigford I administrative claims process. Final settlement of the matter was approved by the Court in November 2011. On 7/15/2013, the Court issued an opinion awarding attorneys’ fees and expenses in the amount of 7.4% of the common fund: $90,835,000. The adjudication process is complete. All known claimants who submitted timely and complete claims have received determinations. Of a total of 42,131 claims, 18,310 were approved and 23,821 were denied, late, duplicative or withdrawn.

Status: As of 7/15/16, the claims administrator reported 18,310 checks were sent out to successful Track A claimants, totaling roughly $870 million. Of that number, 18,241 checks were presented for payment. The absolute deadline for settlement checks to be negotiated was 5/31/15. There were approximately 5,191 prevailing claims for estates. Of that number, 5,069 people provided the necessary proof of legal representation. Two (2) of the 98 prevailing claims for claimants with a physical or mental limitation failed to provide the necessary proof and forfeited their claims. 463 checks had been issued to both an estate and a living person, of which 455 have been presented for payment. The proposed amount of the cy pres fund is $9.5 million. The Court will enforce the cy pres provision to organizations meeting specific criteria as agreed to by the parties in the settlement agreement. The Court will issue an order explaining its rationale in due course.
Risk Management Agency (RMA)

*Adkins, et al. v. Vilsack, et al., No. 1:15-cv-00169-P-BL (N.D. Tex.)* – Plaintiffs filed this matter seeking judicial review under the Administrative Procedure Act (APA) of the final National Appeals Division’s (NAD) determination in the Stewart Farms case. The NAD decision concerns a challenge to the decision in the Federal Crop Insurance Program to implement the yield exclusion provisions authorized in section 11009 of the Agricultural Act of 2014 beginning with certain spring planted 2015 crops. Plaintiffs are winter wheat producers who were not eligible for the yield exclusion option for their 2015 fall planted crop. Plaintiffs allege the amendments to the Federal Crop Insurance Act in section 11009 were self-executing and should be available for 2015 winter wheat producers. RMA has maintained the amendments are not self-executing and require actuarial work to more clearly define the terms under which this option would be available and ensure the premiums policies affected were actuarially sound. Plaintiffs filed the complaint on 9/8/15 and USDA filed its answer on 11/10/15.

**Status:** Plaintiffs filed their brief on 3/14/16. USDA filed its brief on 4/18/16. Plaintiffs filed their reply brief on 4/25/16. On 10/6/16, the Magistrate Judge issued a Report and Recommendation in favor of the Plaintiffs. The Magistrate Judge's recommendation states that USDA should have no discretion to determine the timing of implementing the provisions of the Agricultural Act of 2014, and does not undertake a Chevron analysis of what, if any, deference should be afforded USDA's regulatory action. USDA has until 10/20/16 to file objections with the District Court.

*Standard Reinsurance Agreement Litigation (ACE American Insurance Company, et al. v. FCIC, Civ. No. 14-1992 (RCL) (D.D.C.))* – In August 2012, the Approved Insurance Providers (AIPs) filed a complaint before the Civilian Board of Contract Appeals (CBCA) regarding FCIC’s decision to reduce the premium rates for corn and soybeans insurance policies based on several rate studies and actuarial experience. The companies believe the lower rates would reduce their returns and thus would require a renegotiation of the Standard Reinsurance Agreement (SRA). The case involved claims of up to $500 million against FCIC. On 11/3/14, the CBCA granted FCIC’s motion for summary judgment. The motion argued the rate making process by RMA and the negotiation process of the SRA are independent from each other and have been treated as such by the parties in their course of dealing. On 11/25/14, the AIPs filed their appeal of the CBCA’s decision in the district court for the District of Columbia. The agency record was lodged 4/20/15.

**Status:** On 9/20/16, the Court issued an order granting USDA’s motion to dismiss on all seven counts in the AIPs complaint. The AIPs did not file an APA claim, rather they sought de novo review of the FCIC decisions by the District Court. The Court found that these seven counts either restated issues before the CBCA, which could not be subject to de novo review, were claims not all applicable to the plead facts, or were so poorly plead as to not merit further review by the Court. So far, FCIC has prevailed unanimously before the CBCA and now before the District Court.
II. Food, Nutrition and Consumer Services (FNCS)

Food and Nutrition Service (FNS)

Argus Leader v. USDA, No. 4:11-CV-04121-KES (D.S.D.) – On 2/1/11, the Argus Leader made a FOIA request for data regarding stores authorized to participate in SNAP. Data requested included: store identifier numbers, store names, store addresses, store types, and annual redemption amounts for individual stores from 2005-2010. USDA disclosed only a list of stores with addresses and the Argus Leader filed suit. On 9/27/12, the District Court ruled for USDA. On 1/28/14, a unanimous panel of the Eighth Circuit reversed the decision, holding that the data could not be withheld pursuant to FOIA Exemption 3. On remand, USDA asserted the withheld information was exempt from disclosure under FOIA Exemption 4 and Exemption 6. On 7/17/14, USDA published a Request for Information (RFI), a precedent step for invoking Exemption 4. USDA received more than 500 comments, several from large retailers and retailer organizations objecting to the release. USDA filed a motion for summary judgment, and on 9/30/2015, the District Court denied USDA’s motion. USDA then decided to await a judgment compelling the Department to produce the records. However, Plaintiff did not file its own summary judgment motion.

Status: The matter went to trial from 5/24/16 to 5/25/16 to determine whether Exemption 4 to FOIA applied. The Court directed the parties to file post-trial briefs on the issue of whether the information contained in the Store Tracking and Redemption System (STARS) database was “obtained from a person.” USDA filed its post-trial brief on 6/22/16. Plaintiff filed a response on 7/20/16. On 7/26/16, USDA filed a final reply brief. Without leave of the Court, Plaintiff filed a “clarification” on 7/28/16.

Bread for the City, Inc. v. USDA, et al., No. 1:15-cv-01591 (D.D.C.) – This litigation involves the FNS TEFAP program and a dispute about the reading of an amendment made by section 4027 of the Agricultural Act of 2014 to section 27(a) of the Food and Nutrition Act of 2008. Plaintiff filed its complaint on 9/30/15, contending that USDA is underfunding the TEFAP program by approximately half the amount required in the Agricultural Act of 2014 (or $275 million in FY 2015). Plaintiff seeks a Writ of Mandamus, 28 U.S.C. § 1361 and Declaratory and Injunctive Relief under the APA.

Status: On 12/15/15, USDA filed a motion to dismiss this case primarily on the grounds that section 27(a) of the Food and Nutrition Act of 2008 does not support Plaintiff’s claim that USDA did not provide the required funds to TEFAP. On 9/30/16, the Court granted USDA's motion to dismiss, holding that USDA's interpretation of the statute was correct.

Gerber v. Vilsack, et al., No. 1:16-cv-01696 (D.D.C.) – This case is a challenge to the infant formula rebate bid solicitation for the WIC program in Virginia. On 2/8/16, Virginia Department of Health (VDH) instituted a procurement process for bids for infant formula rebates. Of the three submitted bids, Plaintiff Gerber Products Company, d/b/a Nestle Infant Nutrition (Gerber), provided the lowest bid. VDH gave Plaintiff a Notice of Intent to Award the contract on 3/25/16, which was publicly posted on 4/1/16. A competitor of Plaintiff, Abbott
Labs, filed a protest of the Intent to Award on 4/4/16, arguing that Plaintiff was not the lowest bidder because VDH’s procurement evaluation used incorrect numbers to calculate the lowest price. On 4/11/16, VDH posted a Notice of Cancellation of Intent to Award. Plaintiff filed a protest challenging the cancellation and subsequently filed a complaint in the Circuit Court of the City of Richmond against VDH. The Circuit Court sustained VDH’s demurrer and ruled against Plaintiff, finding that since the award was rescinded, Plaintiff had no right to protest an award that did not exist. In response to the ruling by the Virginia Circuit Court, the State of Virginia re-solicited the infant formula contract and provided a bid closing date of 8/31/16. On 8/18/16, Plaintiff filed a complaint in federal court, adding the federal defendants as named parties. Plaintiffs seek a temporary restraining order, preliminary and permanent injunctions, declaratory judgment and mandamus against USDA and the VDH regarding the awarding of the infant formula contract.

Status: On 9/9/16, the District Court ruled for the Government and denied Plaintiff's motion for a temporary restraining order on the grounds that it lacked standing to sue USDA because USDA did not order VDH to re-solicit the bid. The Court also held that it lacked jurisdiction over VDH. The re-solicited bid was awarded by VDH to Abbott. Plaintiff requested the Court allow it to amend and refile its complaint against solely USDA. On 9/23/16, the Court ordered that Plaintiff must file its amended complaint by 10/21/16 and the Government must answer by 12/20/16.

Physicians Committee for Responsible Medicine, et al., v. Vilsack and Burwell, Civ. Action No., 16-00069-LB (N.D. Calf.)—Plaintiff Physicians Committee for Responsible Medicine ("PCRM") filed suit on 1/1/16 under the Federal Advisory Committee Act ("FACA") and the Administrative Procedure Act ("APA") challenging the operations of the 2015 Dietary Guidelines Advisory Committee ("DGAC") administered by both USDA and HHS. PCRM challenges recommendations offered by the DGAC relating to dietary cholesterol and serum cholesterol. PCRM alleges AMS’s American Egg Board (AEB) submitted names of individuals to serve as members of the DGAC, in violation of the statutory prohibition against using AEB funds to influence federal policy. PCRM alleges the DGAC included one AEB nominee and another person who works at a research center that receives funding from the AEB. PCRM alleges DGAC used the research and findings of the AEB rather than the best scientific evidence.

Status: The Court held a hearing on the Government’s motion to dismiss on 8/25/16. The Government argued that Plaintiffs’ claims are non-justiciable because the Court lacks a meaningful standard to apply to determine whether USDA and HHS failed to establish appropriate provisions to ensure that the DGAC’s advice will not be improperly influenced. The Government also contended that Plaintiffs failed to set forth a standard that the Court is to apply for determining: 1) what makes an “interest” “special” under Section 5(b)(3) under the FACA; 2) when an “influence” becomes “inappropriate” for the purposes of FACA; and 3) how an agency is supposed to design appropriate provisions to guard against inappropriate influence by special interests. At the hearing, the Court wanted to focus on the parties’ arguments on whether Plaintiffs’ claims are justiciable. The Court also observed that it appeared Plaintiffs...
were seeking a copy of the administrative record relating to the DGAC, but the Court suggested that Plaintiffs should seek a copy of that record through FOIA.

*Angela Smith v. USDA, et al., Case No. 15-cv-04497-DMR, (N.D. Cal.)* – On 9/30/15, Plaintiff filed a complaint against USDA and the California Department of Social Services on behalf of herself and a class of all SNAP recipients to stop defendants from changing SNAP benefits if Congress is unable to pass an appropriations bill for FY 2016. Despite the enactment of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriation Act, 2016, Plaintiff still pursued the class action litigation.

**Status:** On 8/8/16, the Court granted USDA’s motion to dismiss the case on the grounds that the enactment of the Appropriations Act for FY 2016 makes the matter moot. Plaintiff has until mid-October to file an appeal.

*Wisconsin v. Vilsack, No. 2:15-cv-00855-CNC (E.D. Wis.)* – On 7/14/15, Governor Scott Walker signed legislation requiring drug testing of certain SNAP recipients. The State of Wisconsin filed this case alleging USDA is improperly prohibiting the state from requiring drug tests of certain SNAP recipients as a condition to participate in its SNAP Education and Training Program. The core of the case concerns whether the State is correct in interpreting the term “welfare recipient” in section 902 of the Personal Responsibility and Work Opportunity Act of 1996 includes SNAP recipients. Section 902 allows states to require welfare recipients to take and pass drug tests as a condition of receiving benefits. USDA believes the State’s interpretation of section 902 is incorrect.

**Status:** On 12/1/15, USDA filed a motion to dismiss based on Plaintiff’s failure to exhaust administrative remedies and that FNS has not issued a Final Agency Determination (FAD) upon which to conduct an Administrative Procedures Act (APA) review. On 9/28/16, the District Court issued an order granting USDA's motion to dismiss because the Court found the case was not ripe, no case or controversy exists and the Court lacks subject matter jurisdiction. The Court also concluded that there is no harm to the State in requiring the State to exhaust its administrative remedies. This decision does not address the merits of Wisconsin’s claim that section 902 of PRWOA gives the State authority to require drug testing in SNAP. According to the Court’s decision, that is a matter that cannot be taken up by the Federal courts until Wisconsin tries to implement its state statute and USDA opposes such actions after the State exhausts administrative remedies.

### III. Office of Food Safety

**Food Safety and Inspection Service (FSIS)**

(APA). Plaintiffs allege the line speeds permitted under the NPIS are too fast to allow for an organoleptic inspection of the entire carcass, including the viscera, by a federal inspector. They also allege the rule violates the PPIA by allowing plant employees (rather than federal inspectors) to condemn carcasses and by allowing plant employees to reprocess carcasses without adequate supervision by a federal inspector. Plaintiffs allege the rule violates the APA because they were denied the opportunity to present oral views at a meeting of the National Advisory Committee for Meat and Poultry Inspection and because the final rule varied greatly from the proposed rule. On 10/20/14, AFGE filed a complaint with virtually identical claims. On 2/9/15, the District Court dismissed the FWW case, holding the individual plaintiffs do not have standing because they did not demonstrate the NPIS will result in any increased risk of adulterated poultry products, let alone the required “substantial increase” in the risk of harm. The Court also disagreed with the Plaintiffs’ assertion that the rule was improperly promulgated under the APA and the PPIA. Plaintiffs filed a notice of appeal on 2/13/15.

Status: On 12/22/15, the D.C. Circuit Court of Appeals affirmed the District Court's dismissal of the FWW Plaintiffs’ challenge to NPIS. Although finding the District Court had applied an incorrect standing standard, the Circuit Court still found Plaintiffs' had failed to show a cognizable injury sufficient to establish standing. On 2/4/16, FWW filed a Petition for panel rehearing and rehearing en banc. On 2/25/16, USDA filed a response opposing FWW’s petition. On 3/23/16, the Court denied FWW’s petition for rehearing and rehearing en banc. FWW had until 6/22/16 to file a petition for certiorari, but it failed to do so by the deadline. On 7/31/15, the District Court dismissed AFGE’s complaint based on standing. On 9/21/15, AFGE filed a notice of appeal. On 1/28/16, USDA filed its summary affirmation motion. On 5/5/16, the Court of Appeals denied USDA’s motion for summary affirmance. Appellant filed its opening brief on 6/20/16. USDA filed its appeal brief on 7/20/16. Appellant filed its reply brief on 8/3/16. Oral argument is scheduled for 10/19/16.

IV. Marketing and Regulatory Programs (MRP)

Agricultural Marketing Service (AMS)

Burnette Foods, Inc. v. USDA, No. 16-cv-00021 (W.D. Mich.) – Plaintiff is a handler of tart cherries and is subject to the Tart Cherry Marketing Order (the Order). On 8/3/11, the Plaintiff filed a petition with USDA to be exempt from the Order and to modify certain provisions of the Order under section 15 (A) of the Agricultural Marketing Agreement Act of 1937 (AAMA). Plaintiff alleged the Cherry Industry Administrative Board (CIAB) improperly excludes imported cherries from the Optimum Supply Formula (OSF) which determines what, if any, volume restrictions the CIAB recommends to the Secretary. Plaintiff also requested canned cherries be exempt from the Order because of its shelf life. Finally, Plaintiff alleged the CIAB is improperly constituted because it includes CherrCo, which the Plaintiff argued is a sales constituency and therefore barred from representation on the CIAB. The ALJ determined CherrCo was not a sales constituency and the CIAB was not improperly constituted. However, the ALJ decided it was arbitrary and capricious that imported cherries were not included in the OSF. On appeal, the Judicial Officer (JO) reversed the ALJ’s decision with regard to imported and canned cherries and denied
Plaintiff all relief. Plaintiff sued USDA in federal court seeking judicial review of the JO's final decision. Plaintiff also seeks a declaratory judgment that the application of the volume control regulations to its cherries is a Fifth Amendment takings.

**Status:** On 3/31/16, USDA filed a motion to dismiss for lack of subject matter jurisdiction and failure to state a claim. On 9/9/16, the Judge granted USDA's motion to dismiss on all counts except one. The only remaining count addresses whether the CIAB is properly constituted. USDA filed an answer regarding the remaining count on 9/23/16.

**Center for Food Safety, et al. v. Vilsack, et al., No. 3:15-cv-01690-JSC (N.D. Cal.) (“Green Waste Case”)** – Plaintiffs’ complaint alleges USDA violated the Administrative Procedure Act (APA) by issuing National Organic Program (NOP) 5016 (Allowance of Green Waste in Organic Production Systems) as a guidance document instead of through notice and comment rulemaking. They contend the document is a legislative rule because it allowed “contaminated compost materials that were previously not allowed.” The Plaintiffs seek declarative and injunctive relief vacating this guidance and enjoining USDA from allowing the use of the prohibited substance. They also seek attorney’s fees under the Equal Access to Justice Act (EAJA).

**Status:** The Court denied USDA’s motion to dismiss on 9/29/15, ruling that Plaintiffs established standing and alleged a cognizable injury in fact. USDA filed its answer to the complaint on 10/13/15. USDA filed the administrative record on 12/9/15. On 6/20/16, the Court granted Plaintiff’s motion for summary judgment and denied USDA’s cross motion for summary judgment. The Court ruled that the guidance was a legislative rule and USDA violated the APA in promulgating it without notice and comment. The Court vacated the guidance effective 8/22/16 and grandfathered compost with green waste bought and used prior to that date. USDA decided not to appeal the ruling. On 9/19/16, USDA executed a settlement agreement with the Plaintiffs for EAJA fees, which are to be paid in 45 days. On 9/21/16, the Court granted the parties' joint request to stay the case while the payment of fees are being processed. AMS is initiating a rulemaking on allowance of green waste in organic production. OMB has determined that the rule is significant.

**Center for Food Safety, et al. v. Vilsack, et al., No. 3:15-cv-1590 (N.D. Cal.) (“Sunset Process Case”)** – On 4/7/15, the Center for Food Safety and several other plaintiffs filed this complaint seeking declaratory and injunctive relief alleging USDA violated the Administrative Procedures Act (APA) and Organic Foods Production Act (OFPA) in developing and promulgating the September 16, 2013, Federal Register Notice, National Organic Program – Sunset Process (Sunset Notice), 78 FR 56811. The Sunset Notice describes a new sunset review and renewal procedure for OFPA’s National List that allows the Secretary to renew a substance without engaging in informal rulemaking. Plaintiffs allege the Sunset notice is a substantive rule, and as such, USDA violated the APA by publishing the notice in the Federal Register without following informal rulemaking procedures that require advance notice and a public comment period.

8
Status: The Plaintiffs filed their amended complaint on 10/30/15. USDA filed its motion to dismiss on 12/10/15. Plaintiffs filed its opposition on 1/21/16 and USDA filed its reply on 2/4/16. The Court will make a decision based on the submissions. On 9/13/16, the parties filed a joint case management statement informing the Court that the parties are exploring settlement, and requested that the Judge issue an order requiring the parties to file a status report on 10/11/16, advising of the settlement discussions progress and proposing next steps.

Cornucopia Institute, et al., v. USDA, Civ. Action No., 16-00246-SLC (W.D. Wis.) – On 4/18/16, Plaintiffs filed this lawsuit under the Organic Foods Production Act of 1990 (“OFPA”) and the Federal Advisory Committee Act (“FACA”) by the Cornucopia Institute and two applicants to the National Organic Standards Board (“NOSB”). Plaintiffs challenge the NOSB appointment process and USDA’s administration of the NOSB. Plaintiffs allege the appointment of two NOSB members were in violation of the OFPA because the positions were reserved for owners or operators of organic farms and the members were unqualified at the time of their appointments. Plaintiffs also allege the appointment violated Section 5(b) of FACA, which requires an agency to ensure an advisory committee is fairly balanced in terms of the points of view represented. Plaintiffs further allege USDA exercised inappropriate influence over the NOSB by: a) disbanding the NOSB’s Policy Development subcommittee; b) removing the ability of the NOSB to develop its own work plan; and c) altering the sunset review rules without providing an opportunity for notice and comment. Lastly, Plaintiffs claim USDA exercised improper influence when the Deputy Administrator of the NOSB allegedly appointed himself as the Chairperson of the NOSB.

Status: On 8/15/16, USDA filed a dispositive motion requesting the Court dismiss Plaintiffs’ case. USDA asserted several arguments, including the Court lacks subject matter jurisdiction because FACA contains no provision for judicial review; Plaintiffs lack standing to bring their claims; Plaintiffs failed to show how their alleged injuries were caused by a FACA violation or how a favorable decision would redress their purported harms; and Plaintiffs have no right to an appointment to the NOSB.

Humane Society of the US v. Vilsack, No. 1:12-1582 (D.D.C) (“Pork. The Other White Meat Litigation”) — On 9/24/12, the Humane Society of the United States (HSUS) and an independent pig farmer filed suit in the U.S. District Court for the District of Columbia, challenging USDA and the National Pork Board (NPB) for using checkoff funds to purchase the slogan “Pork. The Other White Meat,” from the National Pork Producers Council (NPPC). Payment is in 20 annual installments of $3 million. The complaint alleges the purchase price was inflated and, among other things, the purchase violates various statutes and USDA Guidelines in that it evades Federal restrictions against the Board and the NPPC influencing legislation and government policy. On 9/25/13, the District Court granted USDA’s motion to dismiss for lack of jurisdiction. Plaintiffs appealed the ruling to the DC Circuit on 9/26/13. On 8/14/15, the DC Circuit reversed the District Court’s dismissal for lack of standing. On 12/23/15, the parties stipulated that USDA would review the contract to determine whether to continue payment under the terms of the contract and Plaintiffs in turn agreed to dismiss the parts of the complaint relating to retroactive relief. On 4/20/16, AMS issued its decision to approve continuing the $3 million annual payments under the contract based on submissions.
provided by both NPPC and Plaintiff, and an independent valuation provided by Stout Risius Ross (SRR) concluding the investment value of the trademarks is between $113 and $132 million.

Status: On 5/5/16, the Court granted NPPC’s motion to intervene and directed the parties to consult with NPPC on any proposed briefing schedule. On 6/10/16, the Court ordered a briefing schedule, which included the following: NPPC’s combined opposition and cross-motion for summary judgment is due by 10/20/16; Plaintiffs’ combined reply in support of their motion for summary judgment, and opposition to USDA's and NPPC's cross-motions for summary judgment, including opposition to any jurisdictional issues raised by defendants, is due by 12/15/16; USDA’s reply is due by 1/12/17; and NPPC’s reply is due by 2/2/17. USDA filed the administrative record on 6/29/16 and filed supplemental records on 8/24/16.

Physicians Committee for Responsible Medicine, et al., v. Vilsack and Burwell, Civ. Action No., 16-00069-LB (N.D. Calf.) – Plaintiff Physicians Committee for Responsible Medicine (PCRM) filed suit on 1/1/16 under the Federal Advisory Committee Act (FACA) and the Administrative Procedure Act (APA) challenging the operations of the 2015 Dietary Guidelines Advisory Committee (DGAC) administered by both USDA and HHS. PCRM challenges recommendations offered by the DGAC relating to dietary cholesterol and serum cholesterol. PCRM alleges AMS’s American Egg Board (AEB) submitted names of individuals to serve as members of the DGAC, in violation of the statutory prohibition against using AEB funds to influence federal policy. PCRM alleges the DGAC included one AEB nominee and another person who works at a research center that receives funding from the AEB. PCRM alleges DGAC used the research and findings of the AEB rather than the best scientific evidence.

Status: The Court held a hearing on the Government’s motion to dismiss on 8/25/16. The Government argued that Plaintiffs’ claims are non-justiciable because the Court lacks a meaningful standard to apply to determine whether USDA and HHS failed to establish appropriate provisions to ensure that the DGAC’s advice will not be improperly influenced. The Government also contended that Plaintiffs failed to set forth a standard that the Court is to apply for determining: 1) what makes an “interest” “special” under Section 5(b)(3) under the FACA; 2) when an “influence” becomes “inappropriate” for the purposes of FACA; and 3) how an agency is supposed to design appropriate provisions to guard against inappropriate influence by special interests. At the hearing, the Court wanted to focus on the parties’ arguments on whether Plaintiffs’ claims are justiciable. The Court also observed that it appeared Plaintiffs were seeking a copy of the administrative record relating to the DGAC, but the Court suggested that Plaintiffs should seek a copy of that record through FOIA. On 10/12/16, the District Court issued its order dismissing the case, holding that FACA and the National Nutrition Monitoring and Related Research Act do not provide a “meaningful standard” to decide whether the Advisory Committee members exercised inappropriate influence, and therefore the matter was not justiciable.

Raisin Compensation Cases (Lion Farms v. United States, No. 15-915 (Fed. Cl.); Ciapessoni, et al. v. United States, No. 15-938 (Fed. Cl.); Boyajian v. United States, No. 15-1574C (Fed. Cl.)) – On 8/21/15, Plaintiff Lion Farms, LLC, a raisin producer in California, filed action in the
Court of Federal Claims seeking just compensation under the Fifth Amendment Takings Clause pursuant to the Supreme Court’s decision in Horne v. USDA, for raisins that were reserved by raisin handlers under the Raisin Marketing Order during Crop Years 2006-2009. On 8/26/15, the Ciapessoni Plaintiffs filed a putative class on behalf of themselves and others similarly situated seeking just compensation under the Takings Clause. The Ciapessoni Plaintiffs alleged the class consists of approximately 3,000 California raisin growers. On 12/28/15, Plaintiff Boyajian filed a class action suit on behalf of himself and the same class identified in Ciapessoni and raised similar arguments as Ciapessoni.

**Status:** On 12/7/15, the Court denied USDA’s motions to consolidate these matters. On 12/16/15, USDA filed an answer to both complaints. USDA also filed motions to dismiss Plaintiff’s Fifth Amendment takings claims for crop years 2006 through 2009, or in the alternative, a motion for summary judgment. Additionally, USDA filed a motion to defer response to Plaintiffs’ motion for class certification in the Ciapessoni case. Plaintiffs’ agreed not to oppose the motion on the condition that USDA would not oppose Plaintiffs’ motion for class certification for 2009-2010: USDA agreed to Plaintiffs’ condition. On 1/12/16, USDA filed a motion to coordinate and consolidate these three cases. On 1/13/16, the judges in the Ciapessoni and Boyajian cases transferred these cases to the judge presiding over the Lion Farms case. Plaintiffs in Ciapessoni opposed consolidation, but not coordination. Plaintiffs submitted their briefs on 5/6/16. USDA filed its reply briefs on 8/5/16. On 8/12/16, the judge, at the Plaintiffs’ request, ordered oral arguments on the motions. The date of the hearing is to be determined. Plaintiffs filed a motion to substitute Ray Hickman as the class representative. USDA did not oppose the substitution.

**Ranchers-Cattlemen Action Legal Fund (R-CALF) v. Vilsack, No. 4-16-cv-00041-BMM-JTJ (D. Mont)** – On 5/2/16, Plaintiff filed a complaint alleging that certain speech paid by assessments collected under the Beef Promotion and Research Act of 1985 (Beef Act) and the Beef Promotion and Research Order (Beef Order) violated its Montana members' First Amendment rights. Under the Beef Act and Beef Order, up to 50 cents of the $1 dollar per head assessment may be directed to qualified state beef councils (QSBC). Some QSBCs are required to collect assessments for a State research and promotion order authorized under State law. QSBCs in states that do not have a State order may keep up to 50 cents of the assessments for local research and promotion activities or may direct the full $1 to the national board, the Cattlemen Beef Board (CBB). Montana does not have a State order and the Montana QSBC is a private entity that keeps the assessments to pay for local research and promotion activities. Plaintiff alleges that, since Montana does not have a state program and the Montana QSBC is a private entity, the assessments directed to the Montana Beef Council is funding compelling private speech, not government speech. Plaintiff disagrees with the Montana Beef Council's promotional activities, which promotes beef generically and not U.S. beef. Thus, according to Plaintiff, requiring R-CALF members to fund Montana Beef Council's activities is a violation of their First Amendment rights.

**Status:** On 7/15/16, USDA published a proposed rule that would permit producers to redirect their entire assessments to the Cattlemen Beef Board (CBB) in certain states. This rulemaking will likely address the underlying issues in this litigation. While the rulemaking is underway,
CBB will issue a memorandum to QSBCs reminding them that they must honor producers’ request to direct the full amount of their checkoff assessments to CBB unless there is a state law requiring assessments for state checkoff programs. On 8/4/16, USDA filed its motion to dismiss, or alternatively stay the litigation pending the rulemaking. On 8/22/16, Plaintiff sought USDA’s agreement on a consent decree whereby Montana Beef Council would be prevented from obtaining or using Beef Checkoff funds without first obtaining the producer’s affirmative consent. USDA rejected this offer. On 8/25/16, the Plaintiff filed its opposition to USDA’s motion, its motion for summary judgment, or alternatively a preliminary injunction. On 9/12/16, Plaintiffs filed a motion for a temporary restraining order (TRO) to prevent the Montana Beef Council from keeping 50% of the assessments it collects from producers under the Beef Order. The Plaintiffs allege that the upcoming cattle sales would result in a quarter of a million dollars being retained by the Montana Beef Council. On 9/28/16, USDA filed opposition to the TRO and reply in support of its summary judgment motion.

*Resolute Forest Products v. Vilsack, No. 14-2103 (D.D.C.)* – This action arises from a USDA administrative proceeding that concluded with the Judicial Officer denying Resolute Forest Product’s (Resolute) petition seeking to invalidate the softwood lumber order under the Commodity Promotion, Research and Information Act of 1996 (Act), or alternatively to determine that Resolute is not subject to the order. Resolute filed this action against USDA challenging the constitutionality of the Act and the Secretary’s promulgation of the softwood lumber order under the Act. Resolute filed its complaint seeking review of the matter in the District Court on 12/12/14.

**Status:** On 9/9/15, the District Court granted USDA’s motion for summary judgment on all counts except the Court found that USDA did not sufficiently explain the basis for the de minimis threshold in the order. The Court remanded without vacatur to USDA “for a reasoned and coherent treatment of the decision to select a 15 million-board-feet-per-year exemption as the ‘de minimis quantity’ exemption in accordance with 7 U.S.C. § 7415(a)(1).” On 11/6/15, USDA filed a memorandum by AMS Associate Administrator that provided further explanation of the basis for the de minimis threshold. On 5/17/16, the Court granted Plaintiff’s motion for summary judgment and denied USDA’s motion for summary judgment. The Court ruled that the de minimis threshold in the Softwood Lumber order was arbitrary and capricious and declared the order unlawful. The Court based its ruling on the inadequacy of the record, which contained incomplete and seemingly contradictory information and analysis. The Court ordered the parties to file briefs on remedies. USDA filed its brief on 6/30/16, and Plaintiff filed its response on 7/20/16. USDA’s filed its reply on 8/24/16. On 9/1/16, Plaintiffs provided the Court with a copy of the AMS 8/30/16 interim rule and filed a notice of supplemental authority. Pursuant to the interim rule, USDA must hold a referendum on the continuance of the Softwood Order within 7 years rather than five years as previously required. On 9/15/16, USDA filed a response to Plaintiffs’ notice of supplemental authority and asserted that the delay would not affect the Court’s resolution because the process of re-promulgating the de minimis threshold would proceed independently and prior to the continuance referendum.
United States Department of Agriculture  
2016 Presidential Transition  
Appendix B: USDA Litigation Summary

Sun-Maid Growers of California v. USDA, No. 1:15-cv-00496 (D.D.C) – On 11/17/14, Sun-Maid filed a petition to revise the marketing order for raisins to remove the volume control regulations. The petition cited several arguments in support of such an amendment, including significant changes in the raisin industry since the issuance of the marketing order in 1949. On 1/7/15, USDA denied the petition. On 4/6/15, Sun-Maid filed this complaint seeking declaratory relief and remand to USDA for further consideration of its petition for rulemaking. Sun-Maid alleges USDA was arbitrary and capricious, in violation of the Administrative Procedure Act (APA), in denying the petition without providing an explanation that demonstrates that USDA engaged in reasoned decision making. Sun-Maid seeks a remand to USDA for further consideration of its petition and an explanation of USDA’s decision that meets the requirements of the APA.

Status: In light of the Supreme Court’s Decision in Horne v. USDA, AMS sent a letter to Sun-Maid stating that it will not approve a reserve program for the foreseeable future and is granting Sun-Maid’s petition to initiate a rulemaking to consider amending the reserve requirements in the raisin marketing order. USDA moved to dismiss based on mootness on 8/28/15. Sun-Maid filed its opposition on 9/28/15. USDA filed its reply on 10/23/15. On 11/6/15, Sun-Maid filed a motion for leave to file a sur-reply in support of its opposition and the proposed sur-reply. On 11/19/15, USDA filed a declaration by the Deputy Administrator for AMS Specialty Crops Programs describing its efforts to move forward with the formal rulemaking including a draft document that described the proposed changes to the order to effectuate removal of the reserve requirements. On 3/9/16, the Court granted Sun-Maid’s motion for a stay pending the outcome of USDA’s formal rulemaking to amend the raisin marketing order. On 4/22/16, AMS published the notice of the rulemaking hearing. During 5/3/16 to 5/4/16, AMS conducted a formal rulemaking hearing in Fresno, CA.

Animal and Plant Health Inspection Service (APHIS)

Center for Biological Diversity, Maricopa Audubon Society, Dr. Robin Silver v. Tom Vilsack, et al., No. 2:13-cv-01785 (D. Nev.) – This lawsuit relates to the saltcedar Tamarisk beetle biological control (biocontrol) agent program. Plaintiffs’ primary complaint is that the beetles released by the program destroyed the habitat for the endangered Southwestern willow flycatcher (“flycatcher”). Plaintiffs allege APHIS and ARS violated the ESA and NEPA by failing to implement mitigation measures to (1) ensure against jeopardizing the flycatcher or impairing its critical habitat and (2) conserve the flycatcher, despite the fact that the saltcedar biocontrol program has been terminated. Plaintiffs also allege APHIS, ARS, and FWS failed to comply with the ESA consultation requirements concerning APHIS’s termination of its beetle release program.

Status: On 3/31/16, the Court issued a minute order granting in part and denying in part both Plaintiffs’ and Defendant’s motions for summary judgment. However, the Court has not yet issued its opinion. The Court scheduled a hearing for 5/3/16 on the issue of injunctive relief, and subsequently requested an additional briefing on injunctive relief. Plaintiff’s brief was filed on 5/24/16. USDA filed its response brief on 6/21/16. Plaintiff’s reply brief was filed on
7/5/16. USDA filed objections to the evidence submitted by Plaintiffs on 7/22/16. On 7/27/16, Plaintiffs filed a response to USDA’s evidentiary objections.

Center for Food Safety, et al. v. APHIS, et al., No. 1:15-cv-01377-BAH (D.D.C.) (“FOIA Case”) – On 8/25/15, Plaintiff filed suit against APHIS under the Freedom of Information Act (FOIA) regarding a request filed on 12/3/14 regarding, inter alia, a planned withdrawal of a proposed update to Genetically Engineered (GE) regulations. APHIS allegedly last responded to Plaintiff in July 2015 with the volume of responsive records, but no date as to when release would be made. Plaintiff alleges APHIS has made a pattern, practice, or policy of violating FOIA, citing to 34 FOIA requests related to GE issues dating back to 2002 that were responded to late, only responded to after litigation, acknowledged but never responded and presumably still pending, acknowledged and responded to only partially, or never acknowledged at all. Plaintiff seeks an immediate response to the outstanding FOIA requests, an injunction against the alleged pattern, practice, or policy, and changes to APHIS handbooks or policies to require timely responses to FOIA requests. Plaintiff also requests for the Court or a Special Master to exercise close supervision over APHIS as it complies with injunctive relief and for attorneys’ fees.

Status: APHIS has collected approximately 75,000 pages of responsive records; however, this number includes duplicate records which the agency plans to process using the Clearwell document review tool. Given that the responsive records pertain to a rulemaking, it appears some of the contents may be protected by Exemption 5, deliberative process privilege. Also some of the records were submitted to the Office of General Counsel for legal sufficiency review, and therefore, the attorney-client privilege may apply. APHIS made an initial production of 3,000 records on 11/20/15. On 2/23/16, the Court issued an order: a) compelling APHIS to process the remaining records in accordance with a production schedule; b) requiring the parties to submit a status report every 60 days about the processing of the responsive records; and c) holding in abeyance the Court’s prior order requiring APHIS to respond to the complaint until the agency has processed the responsive records and submitted a final status report. Per the Court’s orders, the parties filed joint status reports on 4/20/16 and 7/20/16 summarizing APHIS’ document production. The Court ordered the parties to file a subsequent status report in October.

Contender Farms, LLP, et al. v. USDA, No. 4:16-cv-00163 (N.D. Tex.) – Contender Farms, LLP, Lee McGartland, Mike McGartland and SHOW, Inc. are seeking declaratory and injunctive relief regarding APHIS’s enforcement of the Horse Protection Act (HPA). Plaintiffs assert that no penalty should be imposed against horse exhibitors except on order of the Secretary after notice and hearing, and that therefore, APHIS administrative enforcement policies, including the Foreign Substance protocol, IES Investigation and Enforcement process, and the issuance of official letters of warning, are unlawful. Additionally, Plaintiffs allege that there is no statutory provision or regulation that permits the “sanction by public remand” that APHIS employs in publishing on APHIS’s website lists and reports identifying individuals as violators of the HPA. Finally, Plaintiffs allege that APHIS violated SHOW’s Fourth Amendment rights by demanding its records regarding its internal ticketing and penalty activities.
Status: On 4/18/16, USDA filed a motion to sever the claims of Contender Farms et al. and SHOW. On 6/14/16, Plaintiffs filed a motion to compel discovery. The pending motions were referred to a magistrate. On 9/6/16, the Magistrate Judge issued a report and recommendation denying USDA’s motion to sever, granting Plaintiffs leave to amend the complaint, and delaying ruling on the motion to compel discovery. USDA filed an appeal of the denial of the motion to sever on 9/19/16. APHIS is currently working on publication of a System of Records Notice (SORN) that will cover the routine uses for which information is made available on its website. Although this work is independent of the lawsuit, it will assist in addressing Plaintiff’s challenge to the publication of this information.

Keith McSwain et al v. USDA, 1:16-CV-1234-RWS (N.D. Ga) - Plaintiffs filed a complaint for equitable relief against USDA seeking declaratory judgments and preliminary and permanent injunctive relief. Plaintiffs are the owners of a horse known as “Honors,” which has been disqualified by an USDA Veterinary Medical Officer (VMO) from four (4) horse shows since 2013 based on violations of the Horse Protection Act (HPA). Plaintiffs claim that pre-show disqualifications of horses without a hearing is a violation of the Due Process clause and seek declaratory and injunctive relief because of USDA’s alleged (1) “failure to afford due process to those affected by [USDA’s] deprivation of property while acting under the color of federal law; (b) failure to abide by their own rules, regulations, and procedures related to the Horse Protection Act, and; (c) acting contrary to and in excess of the authority delegated to them by Congress.” Additionally, Plaintiffs request that the Court reverse and set aside the Scar Rule disqualifications for “Honors” and award attorney fees.

Status: On 5/25/16, the Court issued a Preliminary Injunction enjoining USDA from disqualifying Honors for violation of the Scar Rule as a result of a pre-show inspection by a VMO during the nine shows in which Plaintiffs indicated they intended to show him. Honors did not show at the Fun Show during Memorial Day weekend, the first of nine shows to which the PI applies. Honors, however, has shown and won subsequent shows covered by the injunction at which APHIS VMOs found him to be sored. On 9/2/16, the Court ordered USDA to submit the Administrative Record within 60 days of the date of the hearing. Plaintiffs will then be permitted 30 days to file objections to the scope of the record. If the Plaintiffs wish to supplement the record or engage in additional discovery, it must be done within the thirty day time period.

V. Natural Resources and Environment (NRE)

Forest Service (FS)

Active Network, LLC v. US, No. 16-1071C (Fed. Cl.) – On 8/26/16, Plaintiff filed a lawsuit with the Court of Federal Claims challenging the Forest Service’s (FS) award of a contract to another vendor to provide Recreation One Stop (“R1S”) Support Services, which includes the administration of Recreation.gov. The FS, in partnership with 11 other Federal agencies, runs Recreation.gov, a national trip planning and online reservation system for U.S. parks, national forests, museums, and other recreational destinations. Operation and maintenance of Recreation.gov is currently being performed by Plaintiff. Plaintiff initially filed a protest of the award with the Government Accountability Office (GAO) on 5/23/16, triggering a Competition
in Contracting Act (CICA) stay of the award. Active withdrew its protest on 8/25/16, one week before the statutory deadline for GAO’s decision in the protest.

**Status:** During the initial scheduling conference on 8/30/16, the parties agreed upon the following schedule for the protest: Plaintiff’s motion for judgment on the administrative record (MJAR) due on 11/2/16; USDA’s response to MJAR, cross-motion for judgment on the administrative due on 12/2/16; Plaintiff’s reply in support of its MJAR and response to USDA’s cross-motion due on 12/23/16; USDA’s reply in support of its cross-motion due on 1/13/17; and Oral arguments on the parties’ cross-motions for judgment on the administrative record due on 1/24/17.

*Alaska v. USDA, No. 1:11-cv-01122 (RJL) (D.D.C.)* – This is the State of Alaska’s facial challenge to the 2001 Roadless Rule. The District Court dismissed the complaint as time-barred, citing the six-year statute of limitations, which the Court found to be jurisdictional. The State of Alaska appealed. On 11/7/14, a unanimous panel reversed and remanded. The DC Circuit held that a new right of action accrued in 2006 when the District Court for the Northern District of California reinstated the repealed 2001 Roadless Rule. The DC Circuit held that it made no difference whether the Rule’s reinstatement was the result of agency action or a court order, and therefore, the State of Alaska’s 2011 challenge was timely filed.

*Albert Pike Tort Litigation (Roeder v. United States) (WD-Ark.)* – Originally, twenty-five tort claims, seeking a total of over $500 million in damages, were filed with the FS between 2010 and 2012 based on the 6/10/10 flood at the Albert Pike Recreational Area in Arkansas. Out of those, 11 tort lawsuits were filed in Federal district courts in Texas, Louisiana, and Arkansas. DOJ consolidated the lawsuits in Arkansas. Under the Federal Tort Claims Act (FTCA), the Federal Government waives sovereign immunity only to the extent that a private citizen would be held liable under state law for a negligent or wrongful act. Thus, effectively, state law is determinative on liability. USDA filed motions to dismiss in all of the pending lawsuits, and the court stayed the proceedings pending the opinion of the Arkansas Supreme Court on how to interpret state law. On 4/10/14, the Arkansas Supreme Court issued its opinion on a question certified to it by the district court, concluding that “malicious” conduct under Arkansas law includes conduct in “reckless disregard of the consequences from which malice may be inferred.” Following the Arkansas Supreme Court’s ruling, the district judge lifted the stay and permitted limited discovery on USDA’s motion to dismiss based on a lack of subject matter jurisdiction.

**Status:** On 7/2/14, USDA filed a renewed motion to dismiss. Plaintiffs filed their opposition brief on 4/15/15. USDA filed its reply brief on 6/15/15.

United States Department of Agriculture  
2016 Presidential Transition  
Appendix B: USDA Litigation Summary

several other environmental groups have filed three separate lawsuits under the APA concerning the Tongass National Forest: a facial challenge to the 2008 Tongass Forest Plan, a challenge to the Big Thorne Timber Sale, and a case challenging both the 2008 Plan and the Big Thorne Sale. Plaintiffs’ claims are based on both the National Forest Management Act (NFMA) and the National Environmental Policy Act (NEPA). On 3/23/15, the District Court issued a final judgment on the merits in the consolidated cases, ruling in favor of the Forest Service in all respects. On 3/26/15, Plaintiffs in each of the pre-consolidated cases filed a notice of appeal.

Status: Appellants’ briefs were filed on 7/2/15 and 7/6/15. USDA, the State of Alaska, and other intervenors’ briefs were filed on 8/20/15. Appellants’ replies were filed on 9/3/15 and 9/8/15. On 1/6/16 the US Fish & Wildlife Service (FWS) determined the Tongass wolf does not warrant listing under the Endangered Species Act. On 1/8/16 Appellants filed a motion requesting the Court take judicial notice of their interpretation that the FWS determination found continued timber harvesting is resulting in declines of the wolf population in the Big Thorne sale area. On 1/13/16, USDA opposed, pointing out that FWS does not blame continued logging. The Ninth Circuit heard oral argument on 2/3/16. While the three-judge panel did seem concerned about the viability of the wolf population in this part of the Tongass, it was pointed out that wolf viability is not in issue, just whether a hard limit for viability is required.

Center for Biological Diversity v. Tidwell, et al. (“Spotted Owl FACA Case”), No. 15-2176-CKK (D.D.C.) – Plaintiff filed suit on 12/15/15 under the Federal Advisory Committee Act (FACA) and the Administrative Procedure Act (APA) challenging the Forest Service’s administration of the “California Spotted Owl Conservation Strategy Team.” Specifically, Plaintiff contends the FS violated FACA by forming and using this team (or group). Plaintiff alleges the FS violated FACA because non-federal members served on this team and the team’s meetings were closed to the public. Plaintiff also asserts the strategic team was not “fairly balanced.”

Status: On 3/22/16, USDA filed a motion to dismiss based on standing and ripeness. USDA argued that Plaintiff is unable to point to any particularized harm because the FS had not taken any final agency action. USDA also argued the claim was moot since the roster of the group changed to include only federal employees, and thus is not subject to FACA requirements. Plaintiff filed its opposition brief and USDA filed a reply brief and a declaration regarding the fact that the FS had made available to the public notes from a November 2015 strategic team meeting, which further demonstrated that the case is moot. On 6/9/16, Plaintiff filed a motion for leave to file a sur-reply, asserting that it needed to address the Strategy Team’s composition and the public disclosure of records made by the FS. On 6/20/16, USDA filed a response objecting to this motion in part. On 7/20/16, Plaintiff filed a sur-reply arguing USDA did not release the full scope of records requested under FACA—e.g., copies of emails exchanged between Strategic Team members. On 8/16/16, USDA filed a motion for leave to file a response to Plaintiff’s sur-reply together with a proposed response brief.

Center for Biological Diversity, Story of Stuff Project, and Courage Campaign Institute v. US Forest Service, et al., No. 5:15-cv-2098 (C.D. Cal.) – Environmentalist groups brought this action against the Forest Service alleging it improperly has allowed Nestle to draw water from
the San Bernardino Mountains on a permit that expired 25 years ago, and the FS’s continued acceptance of payments from Nestle for the expired permit constitutes an “illegal license.”

**Status:** Plaintiffs filed their complaint on 10/13/15. The parties have filed cross-motions for summary judgment that have been briefing fully. On 4/20/16, the Court issued an order directing the parties to file supplemental briefs, which they did. The Court also granted Nestle Waters North America, Inc. (“Nestle”) leave to file an amicus curiae brief, and the Plaintiffs filed a brief in opposition to Nestle’s amicus filing. On 6/24/16, the parties and Nestle filed supplemental briefs on an additional question presented by the Court. Plaintiffs filed a further reply brief and USDA submitted supplemental authority on 7/6/16. On 7/10/16, Plaintiff replied to the additional USDA authority, which appears to have concluded briefing on the question posed by the Court.

*Cottonwood Environmental Law Center v. USFS, No. 15A906 (S. Ct.), Nos. 13-35624, 13-35631 (9th Cir.)* – In 2000, the Fish and Wildlife Services (FWS) listed the Canada lynx as a threatened species under the Endangered Species Act (ESA). The FWS designated critical habitat for the Canada lynx in 2006, but did not include any National Forest System land. Subsequently, the FS proposed the Lynx Amendments, standards and guidelines for land management activities on National Forest System land that responded to the FWS’s listing and designation decisions. The FS initiated consultation on the adoption of the Lynx Amendments with the FWS under Section 7 of the ESA, and the FWS determined the FS’s standards and guidelines did not jeopardize the Canada lynx. Shortly after completing the consultation process, the FWS discovered its decisions relating to the designation of critical habitat for the Canada lynx was flawed, and as a result, FWS designated extensive National Forest System land as critical habitat. The FS did not reinitiate consultation on the Lynx Amendments. The Plaintiff filed suit in the district court, alleging the FS’s decision not to reinitiate consultation violated the ESA. The district court agreed. The FS appealed, and on 6/18/15, the Ninth Circuit affirmed the district court’s decision, holding that 1) the Plaintiffs had Article III standing to bring a programmatic challenge against the Lynx Amendments; 2) the Plaintiff’s claims were ripe; and 3) the FS violated the ESA when it did not reinitiate consultation. The Ninth Circuit denied the FS’s petition for rehearing en banc on 12/17/15.

**Status:** On 5/13/16, the Solicitor General filed a petition for certiorari. Plaintiff received an extension until 7/13/16, to file its opposition brief. On 6/10/16, the American Forest Resource Council filed an amicus brief in support of USDA’s petition. Plaintiff filed its response brief on 8/8/16. On 8/24/16, the Solicitor General filed a reply brief. On 10/11/16, certiorari was denied.

*Forest Service Employees for Environmental Ethics (FSEE) v. USFS (E.D. Wash.)* – Plaintiff filed this lawsuit alleging violations of NEPA and the APA related to the communication protection line (CPL) built near the 2015 Wolverine Fire on the Okanogan-Wenatchee National Forest in Washington. Plaintiff also raises a facial and as-applied challenge to 36 C.F.R. § 220.4(b) “Emergency responses,” alleging violations of NEPA and the APA in promulgation of the regulation and its application at the Wolverine Fire. Plaintiff alleges FS built an unnecessary 50 mile long, 300 foot wide CPL after the fire had stopped moving in August 2015, without NEPA analysis.
**Status:** The initial complaint was filed on 8/16/16.

*FS Employees, et al v. USDA (EEOC)* - filed an informal putative administrative class action alleging FS’s Region discriminates against female firefighters in reassignments, hiring, promotions, details, fire assignments, misconduct inquiries, performance, training, qualifications, creating a hostile work environment, and reprisal. After several complainants filed requests to have their individual complaints (and complaints already resolved or disposed of) converted to a class action, USDA filed motions alerting the respective EEOC Administrative Judges that an informal class complaint had been filed and some of these individual complaints or claims might be subsumed if a formal class complaint was filed. On 9/27/14, the EEOC issued a consolidated response that all of the complaints would be stayed until there was further information from USDA. Three putative class agents filed formal class complaints, around 12/17/14, which were later accepted and subsumed into a single class complaint. On 11/30/15, the Supervisory EEOC Administrative Judge inquired with the parties as to the status of the class complaint. On 12/1/15, USDA filed a status report, explaining that no Administrative Judge has been assigned to the putative class action yet, and renewed its pending motion to schedule a teleconference for purposes of clarifying the issues. The Judge prompted the parties to attempt to clarify the issues. On 12/4/15, USDA sent a letter to the Class Representative, requesting clarification of the issues.

**Status:** On 1/23/16, the Supervisory EEOC Administrative Judge inquired as to the location of the class action (before EEOC or EEOC) and whether the parties had clarified issues. Both parties explained their preference for the case to be before the EEOC’s District Office. USDA also notified the Supervisory Administrative Judge that the class representative had not yet responded to USDA’s requests for clarification of the issues. On 7/14/16, OGC filed a motion for a teleconference to clarify the claims, which included an explanation of the Agency’s subsumption criteria. The Judge reiterated her position that the parties should clarify the claims without EEOC involvement.

**Litigation and Contempt Proceeding Against FS and BLM Employees (D. Nevada)** – In 2007, Bureau of Land Management (BLM) and the FS filed an affirmative trespass case against in U.S. District Court in Nevada, which was tried to the bench in 2012. At the conclusion of the trial in June, Judge Jones ordered a BLM employee and FS District Ranger to show cause why they should not be held in contempt for continuing to issue trespass notifications to other ranchers while the case was pending. On 8/31/12, Judge Jones ruled from the bench that both the BLM employee and were in contempt, although both men were acting within the scope of their employment and no court order prohibited their activity. The Judge told the men to have the agencies to pay about $34,000 to and to pay it themselves if the agencies do not. The Judge ordered DOJ to prepare a proposed contempt order, with input from Plaintiff. On 5/24/13, the Court issued its order in favor of Defendants in a 104-page opinion. USDA filed an appeal of the Court’s underlying decision and a Notice of Appeal on behalf of the employees of the contempt order. On 4/8/14, the Ninth Circuit granted the government’s motion to be realigned as appellant in the contempt appeal and to relate the two cases, which will now be calendared together.
Status: On 1/15/16, the Ninth Circuit reversed the District Court’s judgment against USDA as well as its contempt rulings against the individual employees, and remanded the case for the limited purpose of quantifying damages. (b)(6) did not seek rehearing en banc, and the Court issued its mandate on 3/9/16. On 4/7/16, the District Court vacated the contempt order against and gave the parties 21 days to brief the computation of damages owed to the United States. On 4/14/16, the (b)(6) filed a petition for certiorari with the U.S. Supreme Court on the substantive trespass ruling. On 5/20/16, the United States waived its right to respond to the petition. On 6/13/16, the U.S. Supreme Court requested that the United States file a response to (b)(6) petition. The U.S. filed its response on 9/12/16. DOJ believes the Supreme Court’s decision on the petition will occur in October. On 6/23/16, the District Court entered judgment for the United States on the affirmative trespass claims, ordering (b)(6) to pay $566,831.84 in damages to the United States. The District Court stayed payment until the Supreme Court issues its first dispositive ruling, contingent on posting a bond based on the number of his cattle remaining on public land. Most of the damages will go to the BLM, with the FS receiving $11,791.34. The District Court also dismissed (b)(6) counterclaims against the United States. As of 8/29/16, (b)(6) has not yet posted his bond. However, he has requested guidance from the Court as to how procedurally this should be done.

*Jarita Mesa Livestock Grazing Assn, et al v. USFS, No. 1:12-cv-00069-JB-KBM (D. New Mexico)* — The Jarita Mesa Livestock Grazing Association challenged a FS decision under NEPA to limit the number of cattle allowed on Plaintiffs’ grazing allotments because drought in the area has reduced the amount of forage. The Plaintiffs included a Bivens claim against the District Ranger in her personal capacity, claiming that she limited their permit in retaliation for their exercise of their First Amendment rights (criticizing her management decisions). DOJ approved representation for the District Ranger in her personal capacity, and an AUSA, acting as her personal lawyer, moved to dismiss the Bivens claim on the ground that NEPA provided an adequate alternative remedy. The Court initially issued a mixed ruling on the motion to dismiss, dismissing the personal capacity claims, but retaining a First Amendment retaliation claim against the District Ranger in her official capacity. On 9/30/13, the Court issued an order granting the district ranger’s motion for reconsideration and dismissed the First Amendment claims, thus dismissing the District Ranger. On 9/30/15, the Court issued a 122-page order dismissing all but two of Plaintiffs’ remaining claims against the FS. The two claims that remain for further litigation are Claim 2 (alleging that the FS failed to properly analyze the environmental impact of the decision to limit grazing), and Claim 5 (alleging that the District Ranger failed to consider the findings of the environmental analysis when she issued her decision notice).

Status: The parties conducted a mediation before a federal magistrate judge on 4/21/16, but unfortunately the mediation did not result in a settlement. Plaintiffs filed their opening brief on 9/30/16. USDA must file its answering brief by 11/8/16, and Plaintiffs must file their reply brief by 12/8/16.

*Juliana, et al., v. United States, et al., No. 6:15-cv-1517-TC (D. Or.)* – A group of 21 young people, former NASA climate scientist Dr. James Hansen (on behalf of future generations), and Earth Guardians filed a complaint alleging President Obama, the Office of the President,
USDA, the Department of Energy, the State Department, the Department of the Interior, the Department of Transportation, the Department of Commerce, and the Environmental Protection Agency have violated Plaintiffs’ constitutional rights by failing to address climate change and by promoting and approving fossil fuel development that has increased atmospheric CO2. Plaintiffs assert that Defendants’ actions have violated their Fifth Amendment rights to life, liberty, and property, due process, the Ninth Amendment, and the public trust doctrine. The complaint alleges USDA’s large-scale logging, farming and agricultural practices, and fossil fuel extraction and use contributed to climate change. The complaint also alleges that Department of Energy’s order authorizing the export of liquefied natural gas (LNG) from the proposed Jordan Cove LNG terminal in Coos Bay, Oregon contributes to CO2 emissions, and they ask the court to set it aside. The proposed LNG pipeline will cross three National Forests, and the Forest Service is a cooperating agency on FERC’s EIS for the terminal and pipeline.

Status: The Government filed a motion to dismiss all claims for failure to state a claim and for lack of jurisdiction on 11/17/15. On 1/14/16, the court allowed industry groups to intervene. On 4/8/16, the magistrate judge issued findings and recommended the district court deny the motions to dismiss. The magistrate found that Plaintiffs have standing, the complaint did not allege political questions, Plaintiffs had sufficiently alleged substantive due process claims, and the public trust doctrine claim could proceed. The Government’s and defendant-intervenors’ objections were filed on 5/2/16, and Plaintiffs responded to both objections on 5/16/16. A hearing on the objections was held on 9/13/16. The court took the matter under advisement and encouraged the parties to mediate the dispute.

Organized Village of Kake, et al., v. USDA, No. 11-35517 (9th Cir.) – Plaintiffs challenged USDA’s 2003 regulation exempting the Tongass National Forest from the requirements of USDA’s 2001 Roadless Area Conservation Rule (Roadless Rule). Plaintiffs prevailed in District Court, rendering the Tongass subject to the 2001 Roadless Rule’s travel restrictions. The State of Alaska, as intervenors, pursued the appeal before the Ninth Circuit without USDA’s participation. In a split opinion on 3/26/14, a three-judge panel of the Ninth Circuit overturned the District Court ruling that set aside the Tongass Exception Rule to the 2001 Roadless Rule. On 7/29/15, the Ninth Circuit sitting en banc reversed the panel and affirmed the District Court’s decision finding that the promulgation of the Tongass National Forest Exemption to the Roadless Rule violated the Administrative Procedure Act. The Ninth Circuit vacated the Tongass Exemption and reinstated application of the Roadless Rule to the Tongass National Forest in Alaska. The State of Alaska filed a petition for a writ of certiorari from the Supreme Court on 10/12/15.

Status: USDA filed a brief in opposition to the petition on 2/19/16. While disagreeing with the Ninth Circuit’s en banc decision on the merits, USDA’s brief argued the case is not worthy of certiorari because, inter alia, the Forest Service is developing new policies to govern the Tongass and is amending the Tongass Land and Resource Management Plan to reflect those policies, which includes, on 11/20/15, the publication in the Federal Register of a draft environmental impact statement for the proposed plan amendment. The U.S. Supreme Court denied certiorari on 3/28/16. Thus, the Tongass National Forest remains subject to the Roadless Rule, under the terms provided in the final judgment of the District Court in Alaska. However, the State of Alaska’s separate case against the Roadless Rule remains pending in the U.S.
District Court for the District of Columbia. Plaintiffs filed an application for attorneys’ fees under the Equal Access to Justice Act totaling nearly $700,000. However, the parties have agreed to stipulate to a total payment of $250,000 in fees and costs. On 9/2/16, the District Court redistributed its judgment reflecting the parties’ stipulation on attorney’s fees and costs.

Otero County Litigation – Early in 2012, USDA filed an action against Otero County and the State of New Mexico seeking to invalidate a New Mexico statute that purports to permit counties to assert jurisdiction and conduct treatment activities on FS lands, and an Otero County resolution adopted in reliance on that statute. Otero County argued its intended actions are authorized by the Tenth Amendment and that the Property Clause does not preclude this exercise of its police powers. On 9/30/15, in a 66-page order, the court denied the county’s summary judgment motion and granted summary judgment to USDA, holding that the county’s resolution and the state’s statute conflicted with Federal law and violated the Supremacy Clause of the U.S. Constitution. Otero County filed its notice of appeal to the Tenth Circuit on 11/23/15.

Status: Otero County filed its opening brief on appeal on 1/19/16. Pacific Legal Foundation filed an amicus brief on 1/27/16. USDA filed its responsive brief on 3/14/16. The 10th Circuit heard oral arguments on 9/21/16.

Ozark Society v. USFS, et al., No. 16-1952 (8th Circuit, USCA) – This case involves an appeal of a summary judgment granted to the Federal defendants regarding Plaintiff’s claims challenging a forest plan as it relates to natural gas development on the Ozark National Forest in Arkansas, and challenging the authorization of a particular gas well. The District Court determined that: (1) the Forest Service was not required to update the Environmental Impact Statement (EIS) for the forest plan when the Bureau of Land Management indicated that more gas wells would likely be drilled than the Environmental Impact Statement had considered; (2) the Supplemental Information Report the Forest Service prepared to examine whether it should update the EIS was not a final agency action within the meaning of the Administrative Procedure Act (APA); (3) the challenge to the authorization for the individual well became moot after the drilling of the well was complete; and (4) in any event, the individual well authorization was not arbitrary or capricious.

Status: District Court ruled in favor of the government defendants. The government Appellees defended the decision on appeal and also argued that the Ozark Society failed to show that it had constitutional standing to challenge either the forest plan or the individual well authorization. On 7/28/16, the Government filed its brief and on 8/26/16, Plaintiff its reply brief.

Status: These cases represent the lawsuits on behalf of all but one of the 15 claimants, filed on 12/15/15, 12/17/15, and 12/21/15, respectively. The statutory deadline for filing claims in the District Court expired on 12/23/15. Based on the joint request of the parties following the Rule 26(f) planning meeting on 4/20/16, the Court consolidated all the cases, designating [5(b)] as the lead case, and ordered USDA to file its motion to dismiss based on the discretionary function exemption in the Federal Tort Claims Act. USDA filed its motion to dismiss on 5/27/16. On 7/26/16, Plaintiffs and DOJ agreed on a consent order allowing for limited discovery related to U.S.’ assertion of the discretionary function exception. Plaintiffs submitted written interrogatories and requests for production on 8/8/16. On 9/23/16, USDA provided its responses to Plaintiff’s first set of interrogatories and requests for production. Plaintiff is scheduled to depose key FS witnesses on 11/18/16.

_Petro-Hunt v. United States, No. 16-1981 (Fed. Cir.)_ – Petro Hunt, LLC, Hunt Petroleum Corporation and Kingfisher Resources, Inc. filed a civil suit in U.S. District Court in 2000, requesting a Declaratory Judgment quieting title to 180,021.31 acres of mineral rights under lands administered by the Kisatchie National Forest in Louisiana and seeking to have all leases granted by the U.S. be null and void. Petro-Hunt claimed that the United States, acting through the Forest Service, committed both temporary and permanent takings of mineral servitudes when it asserted ownership of the servitudes by operation of Louisiana state law. Petro-Hunt also alleged a variety of contract causes of action. Prior District and Appellate court rulings held that the United States owned 90 of 96 contested servitudes. Petro Hunt subsequently filed this Federal Claims Court action re-alleging the prior allegations plus a judicial takings claim. As the case developed over time, the Court of Federal Claims issued decisions in 2009, 2012, and 2016, eventually dismissing all claims for lack of jurisdiction on three grounds: statute of limitations; 28 U.S.C. § 1500, and lack of jurisdiction to review the Fifth Circuit decisions underlying the judicial takings claim. On 11/6/09, the Court issued a decision dismissing all of Petro Hunt’s claims except a judicial takings claim. A decision was issued 2/29/16, with regard to the judicial takings claim in favor of the United States.

Status: Petro Hunt filed an appeal on 5/4/2016. The case is currently before the Court of Appeals for the Federal Circuit. The Government’s opening brief is due to be filed the week of 10/10/16.

_Resolution Copper Litigation, Concerned Citizens and Retired Miners Coalition v. Forest Service, No. 2:16-cv-3115 (D. Ariz.); San Carlos Apache Tribe v. Forest Service, No. 2:16-cv-3125 (D. Ariz.)_ – These related cases concern a planned copper mine on the Tonto NR in Arizona. The mine would be located on land that is both environmentally sensitive and sacred to the Apache Tribe. Congress ordered the Forest Service (FS) to transfer the land to Resolution Copper for its mine site, but did not order the FS to transfer additional land that would be needed for a tailings facility. Resolution Copper must obtain a FS permit for the tailings facility, and the FS must conduct an environmental analysis before granting the permit. The Plaintiffs in these two cases filed complaints on 9/15/16, each challenging the adequacy of the FS environmental analysis for the Resolution Copper Mining Baseline Hydrological and Geotechnical Data Gathering Activities Plan of Operation. In addition, the Apache Tribe
alleges that the FS failed to consult with the Tribe or State Historic Preservation Officer under the National Historic Preservation Act.

Status: USDA's responsive pleadings are due on 11/22/16.

VI. Research, Education and Economics (REE)

Agricultural Research Service (ARS)

*Center for Biological Diversity, Maricopa Audubon Society, Dr. Robin Silver v. Tom Vilsack, et al., No. 2:13-cv-01785 (D. Nev.)* – This lawsuit relates to the saltcedar Tamarisk beetle biological control (biocontrol) agent program. Plaintiffs’ primary complaint is that the beetles released by the program destroyed the habitat for the endangered Southwestern willow flycatcher (“flycatcher”). Plaintiffs allege APHIS and ARS violated the ESA and NEPA by failing to implement mitigation measures to (1) ensure against jeopardizing the flycatcher or impairing its critical habitat and (2) conserve the flycatcher, despite the fact that the saltcedar biocontrol program has been terminated. Plaintiffs also allege APHIS, ARS, and FWS failed to comply with the ESA consultation requirements concerning APHIS’s termination of its beetle release program.

Status: On 3/31/16, the Court issued a minute order granting in part and denying in part both Plaintiffs’ and Defendant’s motions for summary judgment. However, the Court has not yet issued its opinion. The Court scheduled a hearing for 5/3/16 on the issue of injunctive relief, and subsequently requested an additional briefing on injunctive relief. Plaintiff’s brief was filed on 5/24/16. USDA filed its response brief on 6/21/16. Plaintiffs’ reply brief was filed on 7/5/16. USDA filed objections to the evidence submitted by Plaintiffs on 7/22/16. On 7/27/16, Plaintiffs filed a response to USDA’s evidentiary objections.

*Public Employees for Environmental Responsibility v. USDA, No. 1:15-cv-02023-CRC (D.D.C)* – On 11/19/15, Public Employees for Environmental Responsibility (PEER) filed an Administrative Procedures Act (APA) action seeking judicial review of USDA’s denial of its rulemaking petition to: revise the internal Departmental Regulation (DR) that established USDA’s internal scientific integrity review process; require USDA to undertake notice and comment rulemaking; and to strike one provision of the DR as a violation of the First Amendment’s free speech clause. PEER alleges associational standing to sue through its members, including Dr. Jonathan Lundgren, a former ARS entomologist who had complained of agency interference with publication and speaking engagements related to his research on the effects of certain pesticides on honeybees in violation of USDA’s scientific integrity policy.

Status: PEER filed the complaint on 11/19/15. USDA was served on 12/7/15. USDA filed a motion to dismiss on 4/1/16, based in part on the fact that PEER has no associational standing because Dr. Lundgren resigned from ARS in March 2016. PEER filed its response on 4/15/16 arguing that PEER maintains standing because the DR applies to contractors, grantees, cooperators, etc. and that Dr. Lundgren will continue to be subject to the policy because he has
and will continue to apply for grants. On 7/15/16, the Court granted USDA's motion to dismiss, finding that 1) PEER lacked associational standing to have the Scientific Integrity Policy (SIP) set aside or to force USDA to reissue the policy using notice and comment because Dr. Lundgren is no longer employed by USDA, his future potential grantee status was speculative, and PEER had not shown that any other members would have standing to sue; and 2) the SIP would not apply to grantees in the manner argued by PEER. PEER's complaint was dismissed without prejudice so that it can allege that it has other members who are subject to the policy, and thus establish associational standing. On 8/12/16, PEER filed a motion for reconsideration arguing that dismissal for lack of standing was in error. On 9/2/16, USDA filed a response to Plaintiff's motion for reconsideration. On 9/9/16, Plaintiff filed a response to the motion opposing their request for reconsideration.

VII. Rural Development

No matters provided.

VIII. Departmental Management

*USDA Employees v. USDA (EEOC)* – A group of USDA employees filed a formal putative class action, alleging the Agency discriminated against deaf employees in the National Capital Area based on physical disability (hearing impaired) when on 5/19/14, the sign language interpreting services for deaf and hard of hearing in USDA’s National Capital Region were decentralized.

**Status:** On 12/7/15, an EEOC Administrative Judge issued an order requiring the Class Agent to produce seven enumerated types of information about the class claims, and requiring USDA to brief the issue of certification and provide any relevant information. USDA filed a motion to dismiss and brief opposing class certification on 1/22/16. The parties responded to each other’s briefs. The certification issue is fully briefed and is pending before the EEOC Administrative Judge.

IX. Government-Wide

*Martin v. United States, Civil Action No. 13-834C (Court of Federal Claims)* – The Martin case is a government-wide class action which involves all government employees who were Fair Labor Standards Act ("FLSA") non-exempt and worked during the furlough of October 2013, from October 1-5 2013, and were not paid timely. USDA has seventeen sub-agencies who employed potential class members and USDA served Notice to over 10,000 potential class members who were current and former employees. At this time, government-wide, there are approximately 25,000 class members.

**Status:** The parties completed briefing on the liquidated damages issue at the beginning of July 2016 and are waiting for the Court to set a date for oral argument.
On February 13, 2009, President Obama established the current iteration of the National Security Council (NSC) System. The NSC is the principal forum for consideration of national security policy issues requiring Presidential determination. The United States Department of Agriculture (USDA) does not have a formal seat on the actual NSC, however, USDA is involved in a large number of policy committees that ultimately report to the NSC. In cases where USDA has equities, the Secretary and Deputy Secretary are asked to join Principals and Deputies Committees meetings (see below).

The **NSC Principals Committee** (NSC/PC) is the senior interagency forum for consideration of policy issues affecting national security, as it has been since 1989. The National Security Advisor serves as Chair. The Secretary of Agriculture attends these meetings when USDA is invited.

The **NSC Deputies Committee** (NSC/DC) reviews and monitors the work of the NSC interagency process (including Interagency Policy Committees). The NSC/DC also helps ensure that issues being brought before the NSC/PC or the NSC have been properly analyzed and prepared for decision. The NSC/DC shall focus significant attention on policy implementation. The NSC/DC is responsible for day-to-day crisis management, reporting to the National Security Council. The Deputy Secretary of Agriculture attends these meetings when USDA is invited.

Management of the development and implementation of national security policies by multiple agencies of the United States Government is accomplished by the **NSC Interagency Policy Committees** (NSC/IPCs). The NSC/IPCs are the main day-to-day entities for interagency coordination of national security policy. They provide policy analysis for consideration by the more senior committees of the NSC system and ensure timely responses to decisions made by the President. The NSC/IPCs convene on a regular basis to review and coordinate the implementation of Presidential decisions in their policy areas. The Assistant Secretaries, Under Secretaries, Deputy Assistant/Under Secretaries, Agency Heads, or their designees attend these meetings when USDA is invited.

At USDA, the Office of Homeland Security and Emergency Coordination (OHSEC) serves as the Department’s principal conduit to the NSC. OHSEC coordinates IPC and sub-IPC attendance across USDA, and assists in briefing the Deputy and Secretary for NSC PC/DC meetings.

**For Emergencies Anywhere in the U.S. or U.S. Territories**

**Emergency Response Plan:**
USDA agencies provide a wide range of response and recovery capabilities related to incidents. In preparing and responding to incidents, USDA agencies operate under their established incident response policies and the National Response Framework (NRF) with support from USDA.

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1 Note: This section will be inserted into the master binder to address Crisis Management and Emergency Response
OHSEC is the coordinator for mitigation, preparedness, response, and recovery activities at USDA.

This section provides an overview of the incident response and recovery process, but does not include detailed information on agencies/offices. USDA agencies and offices should ensure that they have current procedures in place to provide guidance on how they will prepare for and respond to incidents. The information provided in this part provides more detailed guidance and support for the national response structure. To carry out incident management responsibilities during or following an incident, the Secretary of Agriculture will utilize individual agency/office policies and the NRF and National Incident Management Systems (NIMS).

In accordance with Part 2 of Executive Order 12656, the Secretary of Agriculture has appointed the OHSEC Director to serve as the USDA Emergency Coordinator. USDA will use present authorities and existing legislation to adjust and operate agricultural programs following incidents and natural disasters.

At the national and regional levels, USDA works with DHS and FEMA officials as well as other applicable Federal departments and agencies, including the Department of Defense and the U.S. Agency for International Development (USAID). FEMA, in accordance with the NRF, coordinates the overall Federal response when a disaster declaration is issued in accordance with the Stafford Act. In these instances, the State Emergency Boards (SEBs) and the County Emergency Boards (CEBs) would provide assistance and support to the regional coordinators, as needed.

A high level of structured coordination among the USDA Agencies is essential to preparedness and response to incidents. Multi-agency Coordination (MAC) systems provide the architecture to support coordination for incident prioritization, critical resource allocation, communications systems integration, and information coordination. The elements of MAC systems include facilities, equipment, personnel, procedures, and communications. These systems assist agencies and organizations responding to an incident. MAC Groups formulate and execute Departmental policies, identify and allocate critical resources, and identify and resolve issues that are common to all participating agencies to guide USDA’s implementation of the President’s Direction and Strategies and supporting Federal protocols for interagency collaboration.

The USDA MAC Group provides a forum to discuss actions to be taken to ensure that an adequate number of resources are available to meet anticipated needs, and to allocate those resources most efficiently during periods of competition for limited resources. The USDA MAC Group will provide for:

- Situation assessment
- Incident prioritization
- Resource acquisition and allocation
- Departmental rapid response coordination
- Accurate factual information for use by the MAC Group and agency heads to successfully attain objectives in emergency response and media communication
- Identification and resolution of issues common to all parties
In consultation with the OHSEC Director, the Secretary will issue a memorandum activating the USDA MAC Group and providing appropriate delegation of authority to the MAC Group members. The Secretary also identifies a MAC Chair who is normally selected from a pre-trained cadre of Mission Area leadership (usually appointees at the Mission Area Chief of Staff level or higher).

Agency Administrators and Chiefs, by virtue of the executive positions they occupy in their respective agencies, have the authority to support an emergency declared or actions undertaken by the Secretary of Agriculture. They may direct the movement of personnel and equipment under their jurisdictions to maximize the strategic response functions of detection, control and containment of an event.

Multi-agency coordination for wildland fires will be handled by the National MAC Group for wildland fires and associated geographical MAC Groups (separate from this process). If necessary, any communications and coordination regarding wildland fires with the USDA MAC Group will be managed by the Forest Service.

A MAC Group usually meets prior to each operational period during an incident. After analyzing current situational information, the group establishes priorities and disseminates this information for implementation in operational plans. In emergencies that are more complex, the MAC Group may choose to establish support positions that work for the MAC Group Coordinator, and in some cases under the direction of the MAC Group Chair.

For each meeting of the USDA MAC Group, a set of objectives should be developed. The following objectives can be used as a guideline.

- Identification and resolution of issues (proactive)
- Establishment of priorities
- Allocation and re-allocation of scarce or limited resources
- Provide and recommend direction to subordinate MAC Groups if applicable
- Determine the need for Contingency Plans as appropriate.

Depending on the type of incident for which the USDA MAC Group was activated, any of the following decision models may be used and selected.

- Make a collaborative decision and assign responsibility/expectation (estimated date).
- Delegate a decision with expectations to a MAC Group member, the Coordinator, or member of the staff.
- Defer decision for consideration at a later date (e.g. defer for more information or defer for further development of fire situations).
- Determine that the issue is outside the scope of our responsibility. Defer issue to appropriate organization or individual.
Roles/Responsibilities:

A. **The Private Sector:**
Private-sector organizations play a key role before, during, and after an incident. USDA will work with members of the private sector including, but not limited to, farmers, ranchers, and private land owners; as well as owners and operators of facilities that process meat, poultry and egg products. Interaction may occur at county/parish level service centers, processing facilities, or at incident response locations.

B. **Nongovernmental Organizations (NGOs):**
NGOs play enormously important roles before, during, and after an incident. For example, NGOs provide sheltering, emergency food supplies, counseling services, and other vital support services to support response and promote the recovery of incident victims. These groups often provide specialized services such as establishing animal shelters following an incident. USDA agencies should work closely with NGOs to better utilize resources following an incident during response and recovery activities.

C. **Local Governments:**
The responsibility for responding to incidents, both natural and manmade, begins at the local level—with individuals and public officials in the county, city, or town affected by the incident. Local leaders and emergency managers prepare their communities to manage incidents locally. When a disaster occurs that exceeds the capacity of the local government, or when local resources are not adequate, the State government supplements and facilitates local efforts. If the disaster exceeds the capacity of the State Government to assist the local government, the Governor can request a presidential declaration invoking the Stafford Act. County Executive Boards (CEBs) and USDA employees working in service centers at the local level will interface with local leaders and emergency managers to assist with planning for response activities as well as assisting with response and recovery efforts.

D. **States, Territories, and Tribal Governments:**
A primary role of State government is to supplement and facilitate local efforts before, during, and after incidents. The State provides direct and routine assistance to its local jurisdictions through emergency management program development and by routinely coordinating in these efforts with Federal officials. Under the NRF, the term “State” and discussion of the roles and responsibilities of States typically also include similar responsibilities that apply to U.S. territories and possessions and tribal governments. The United States has a trust relationship with Indian tribes and recognizes their right to self-government. As such, tribal governments are responsible for coordinating resources to address actual or potential incidents. When local resources are not adequate, tribal leaders seek assistance from States or the Federal Government.

For certain types of Federal assistance, tribal governments work with the State, but as sovereign entities they can elect to deal directly with the Federal Government for other types of assistance.
The State Emergency Board (SEB) should interface with State governments to ensure coordination of resources for response and recovery efforts. State departments of agriculture are usually the primary State agency that work with USDA or its agencies or offices to prepare for or respond to incidents. State departments of agriculture may also work with USDA agencies such as Farm Service Agency (FSA) during the recovery phase following an incident when financial assistance programs may become available.

**E. Federal Government:**

When an incident occurs that exceeds or is anticipated to exceed local or State resources—or when an incident is managed by Federal departments or agencies acting under their own authorities—the Federal Government typically follows the guidance provided in the NRF and its annexes to involve necessary Federal department and agencies, organize the response, and ensure coordination with other response partners.

**F. USDA:**

For the majority of incidents, USDA will provide assistance in accordance with the provisions of the NRF, as appropriate. Some incidents such as the outbreak of a foreign animal disease may not invoke a Presidential declaration for Federal assistance via the Stafford Act. For these types of incidents, USDA may provide direct Federal-to-Federal assistance to other agencies in accordance with the Financial Management Support Annex of the NRF. USDA may also directly assist State and local governmental entities without involving other Federal agencies. The size and complexity of an incident will determine the level of involvement for USDA and its offices and agencies. For example, some small incidents may be handled completely by a State department of agriculture without USDA assistance being provided.

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**For Emergencies in the National Capital Region**

1. **Critical Decisions Framework:**

The Critical Decisions Framework is a series of questions that leadership will be required to answer if an emergency/homeland security incident occurs. The purpose of this document is to frame these critical decision points to better facilitate the decision-making process with USDA senior leaders during an incident in the National Capital Region (NCR). The framework outlines four general types of incidents to span the spectrum of national security, man-made, naturally occurring, and facility incidents. The all-hazards critical decision-making key questions section outlines a series of common questions that apply to all types of incidents, but require unique decisions depending on the situation.

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2 The Office of Operations maintains responsibility for security, facility, and safety operations in the NCR. OHSEC is the overarching security policy leader and Departmental Security Officer for all USDA locations worldwide.
Types of Incidents:
- National Security Incident in NCR (e.g., State Actor Aggression, Terrorism)
- Man-made Incident Impacting USDA Personnel and/or Facilities (e.g., Active Shooter, Bomb Threat)
- Naturally Occurring Incident (e.g., Blizzard, Pandemic)
- Facility Incident (e.g., Building Fire, Sewage Leak)

All-Hazards Critical Decision-making Key Questions (include, but not limited to):
- How does the incident impact USDA personnel, facilities and mission capabilities?
  - Initial assessment/ongoing situational awareness
  - Accountability of USDA personnel and facilities
  - Reporting Requirements for USDA Agencies and Staff Offices
  - Interagency coordination across Federal Departments and Agencies
- Who should be initially notified? (Considerations: Close hold or mass employee notification)
  - Internal notifications
  - External notifications
- Who is responsible to manage the incident?
  - Designate incident commander
  - Implement type of incident management structure (e.g., Incident Management Team)
- What options are available to manage the incident? What are the authorities to act?
  - Facility Closures
  - Continuity of Operations (COOP) Plan activation (COGCON Level Change)
  - Deploy to Emergency Relocations Facilities (ERFs)
  - Devolve USDA Operations Center to Kansas City
  - Convene Emergency Coordinators
  - Recommend activation of the Secretary’s Multi-Agency Coordination (MAC) Group
  - Additional security and preparedness measures
  - OHSEC Authorities: 7 CFR 2.95; DM-1800-001
- What should USDA employees be instructed to do to save lives, protect property and the environment, and meet basic human needs?
  - Shelter-in-place order
  - Evacuation order
  - Early Release/Delayed Arrival/Telework/Administrative Leave
- How to disseminate information to USDA Agencies/Staff Offices after the decision has been made?
  - Should a message be drafted for the Secretary’s office to inform USDA employees?
  - DM department-wide email
  - OO and OHSEC notification
Internal agency/office notifications

- Who from USDA is responsible for notifying USDA employees’ emergency contacts if they are injured or killed during an incident?

- At what point does USDA activate the Employee Assistance Program (EAP) to provide on-site EAP services during or after a traumatic incident?

- Should an incident communications plan be developed to manage national media interest?

- What are the financial considerations for the incident?
  - Funding sources
  - Supplemental funding to support response activities

- What are the economic considerations for the incident?
  - Loss of services
  - Impact on U.S. agriculture and USDA stakeholders

- When to activate demobilization plan (i.e., phase down of response operations)?

- When to activate the USDA HQ reconstitution plan?

Additional USDA Staff Offices to Consult:
- Office of Communications
- Office of Operations
- Office of Procurement and Property Management
- Office of the General Counsel
- Office of the Chief Financial Officer
- Office of the Chief Economist
- Office of Human Resources Management
- Office of Budget and Program Analysis
- Executive Protective Operations
- Any additional USDA Agency/Staff Office, as appropriate

II. Continuity of Operations (COOP) Information:

The USDA continuity program provides a flexible approach to addressing continuity incidents that could disrupt operations at the HQ primary operating facility. The *USDA HQ COOP Plan*, in conjunction with the *USDA HQ Devolution Plan* and the *USDA HQ Reconstitution Plan*, ensures that USDA has identified the facilities, personnel, and resources necessary to safeguard the continued performance of Mission Essential Functions (MEFs) and Primary Mission Essential Functions (PMEFs) in support of the NEFs. To the extent possible, the Department maintains normal organization, roles, responsibilities, and
leadership authorities during a continuity incident. For planning considerations, and to ensure the smooth implementation of continuity operations, COOP related activities are organized into four phases:

**Readiness and Preparedness Phase**

USDA participates in the full spectrum of readiness and preparedness activities to ensure its personnel can continue performance of essential functions and reconstitution operations in an all-hazards environment. There are two key areas of readiness and preparedness activities.

*Organizational Preparedness:*

During the readiness and preparedness phase, USDA continuity planners develop and/or update continuity plans including the USDA HQ COOP Plan, the USDA HQ Devolution Plan, and the USDA HQ Reconstitution Plan. In addition, agency and staff office planners develop and/or update their agency or staff office COOP plans.

USDA HQ preparedness incorporates guidance from several key organizations into its COOP planning and response activities such as the COGCON alert system for organizations in the National Capital Region (NCR), the Department of Homeland Security (DHS) National Terrorism Advisory System (NTAS), Office of Personnel Management (OPM) guidance, and Federal Executive Board (FEB) postings.

USDA also incorporates human capital guidance from USDA’s Office of Human Resource Management (OHRM) when updating continuity and/or emergency plans. The designated OHRM Emergency Response Group (ERG) Senior Leadership member will provide OHRM guidance.

All designated USDA continuity personnel will be informed in writing of their COOP role. Continuity personnel will voluntarily accept, in writing, their designated continuity roles and responsibilities using the USDA Annual Continuity Certification form. Signed and completed, USDA Annual Continuity Certifications are submitted to the Chief, CPD.

The HQ COOP Test, Training, and Exercise (TT&E) program helps to ensure organizational continuity readiness and preparedness by testing and exercising continuity plans periodically to demonstrate viability and interoperability. Continuity plan gaps identified by a TT&E event are documented and forwarded to USDA continuity planners for resolution as part of the Corrective Action Program.

*Individual Preparedness:*

All USDA continuity personnel should take steps to prepare themselves and their families for emergencies and incidents that may cause the implementation or activation of continuity plans or procedures. In addition, continuity personnel should be prepared for incidents occurring during both duty and non-duty hours. General Annex A of the HQ COOP Plan – Personal and Family Preparedness contains templates and guidance for developing personal
and family preparedness plans. Continuity personnel should, at a minimum, address the following preparedness activities:

- Prepare for continuity deployment by developing a family emergency plan;
- Create an emergency supply kit containing sufficient supplies to sustain all family members, and pets for three days;
- Prepare and maintain a personal “drive-away kit” containing supplies needed to support immediate deployment from home or work; and
- Discuss what to do when disaster strikes.

USDA also uses its TT&E program to ensure employees are prepared to carry out their roles and responsibilities during a continuity incident. All USDA personnel are required to complete annual continuity awareness training. Continuity awareness training consists of live training sessions and briefings as well as computer-based training modules found on sites such as AgLearn or the Federal Emergency Management Agency (FEMA) Emergency Management Institute (EMI). The TT&E program delivers position specific and role based training to members of the ERG Senior Leadership, ERG Support, Devolution Emergency Response Group (DERG), and Reconstitution Team.

Implementation or Activation and Relocation Phase

*Implementation* is the performance of COOP preparedness measures that ensure a seamless transition to activation. Implementation activities are typically associated with changes in the COGCON level short of activation (i.e., COGCON levels 4-2, see “Implementation and Activation Process” below). It is assumed that implementation triggers are active triggers, which indicates that an authorized entity has directed the performance of the preparedness measures.

*Activation* is the ability to commence essential function performance or management from the Emergency Relocation Facility (ERF) or Devolution Site no later than 12 hours after notification of COGCON level 1. Activation triggers can be active or passive.

*Active triggers* are those where an authorized entity has directed the performance or management of essential functions from a continuity facility or via remote access.

*Passive triggers* are those triggers where activation is assumed based on the type or scale of the incident. Passive triggers tend to be associated with a without warning devolution activation.

**Implementation or Activation Process:**
The primary interagency and organizational mechanism for COOP implementation or activation is the COGCON system. The White House established the COGCON system for
federal Departments and Agencies to provide a flexible, scalable, and coordinated approach to continuity readiness capabilities. COGCON starts at the lowest level, COGCON 4, and increases to the highest level, COGCON 1. COGCON changes typically are executed in advance of a formal COOP activation. Incident type and scope may result in non-sequential level changes in advance of activation. USDA has identified specific readiness and preparedness actions for each COGCON level. Functional Annex II – USDA HQ COGCON Procedures aligns USDA activities to changes in the COGCON level. Note that while the COGCON system applies to all federal Departments and Agencies it is geographically focused on the NCR. The USDA HQ COOP Plan is implemented or activated by one of the following methods:

Presidential Implementation or Activation

The Executive Office of the President instructs, via the COGCON level, federal executive Departments and Agencies to implement or activate continuity plans based on an incident or threat that does or could affect the NCR. The FEMA Operations Center (FOC) sends out changes in the COGCON level to federal Departments and Agencies. The USDA Operations Center (OpsCenter) receives this information and distributes it to appropriate USDA senior leaders and continuity personnel.

Secretarial Implementation or Activation

The Secretary, Deputy Secretary, or a successor to the Secretary serving as the Acting Secretary, is authorized to implement or activate USDA HQ continuity plans based on an incident or threat specifically directed at the Department. Prior to implementation or activation, the Secretary, in coordination with OHSEC and other resources, will carefully consider the incident or threat and the appropriate response. The decision to implement or activate USDA HQ continuity plans and the corresponding actions are tailored to the specific situation. As the decision-making authority, the Secretary will be kept informed of the threat environment using all available means, including official government intelligence reports, national and local reporting channels, and news media. The Secretary and his or her advisors will evaluate all available information relating to:

- Direction and guidance from higher authorities
- The health and safety of personnel
- The ability to perform essential functions
- Changes in readiness or advisory levels
- Intelligence reports and strategic information
- The potential or actual effects on communication systems information systems, facilities, and other vital equipment
- The expected duration of the incident and its resulting impacts.

If implementation or activation is required, the Secretary will decide which plan to implement or activate. Implementation and activation activities will be consistent with the
appropriate COGCON level at the appropriate continuity site. The OpsCenter will notify the
FEMA Operations Center (FOC) and appropriate USDA continuity personnel.

Alert and Notification Procedures:
OpsCenter personnel monitor emergency advisory information sources such as COGCON,
National Terrorism Advisory System (NTAS), OPM, Federal Executive Board (FEB), and
Federal Government Response Stages for Pandemic Influenza for impacts to USDA. If an
incident interrupts USDA HQ operations or appears imminent, the Secretary will direct
communication of the organization’s operating and continuity status to management, staff,
and stakeholders.

Deployment Process:
In general, USDA HQ continuity personnel are responsible for their own transportation to the
ERF. Limited government vehicles are available for deployment. Transportation options
include the use of personally owned vehicles, pre-arranged alternate transportation methods,
or carpoools. Compensation for authorized travel expenses will occur through normal travel
reimbursement processes.

The Director, OHSEC, and the Secretary will assess the scale or type of incident to determine
anticipated travel time to the ERF. The Secretary may activate interim devolution to ensure
continued performance of essential functions while ERG members are in transit.

Devolution Process:
USDA HQ is prepared to transfer the performance or management of all essential functions
and responsibilities to the DERG located at the Devolution Site either as an interim measure
to allow for relocation of the ERG or as a sustained measure if the ERF is not operational.
The USDA HQ Devolution Plan contains specific procedures for devolution operations and
deployment. Interim devolution is cancelled once ERG members have arrived at the HQ
ERF, tested all communication capabilities, and assumed performance or management of
essential functions. The USDA HQ Devolution Site will remain in a standby posture,
monitoring continuity operations and ready to assume operations if necessary.

Non-Continuity Personnel:
During continuity plan activation, non-continuity personnel will receive instructions and
guidance from their supervisor, the OpsCenter, or other appropriate USDA entity. In the
absence of OPM guidance, the Assistant Secretary for Administration (ASA) or the Director,
OHRM will direct USDA non-continuity personnel in accordance with DR 4060-630-002 to
work from other specified safe locations, to telework as appropriate, or to use administrative
leave. Non-continuity personnel should check in with their supervisor daily or as otherwise
instructed.
Depending on the duration, scale, or type of incident, USDA continuity facilities may require supplemental or replacement personnel. USDA non-continuity employees may be requested to augment or replace continuity personnel during a continuity activation.

### Continuity Operations Phase

**Preparation of Continuity Facilities:** ERG Advance Team will deploy to the ERF upon notification that USDA may implement or activate the USDA HQ COOP Plan. Upon arrival, the ERG Advance Team and the Site Support Manager will prepare the ERF in accordance with the site support plan. Site Support Manager at the Devolution Site will prepare for continuity operations upon notification that USDA may implement or activate the USDA HQ Devolution Plan in accordance with the appropriate COGCON level.

**Initiating Operations:**
Upon activation of the COOP or devolution plan, the appropriate continuity facility will assume responsibility for ensuring the performance of USDA HQ essential functions. The USDA HQ Devolution Plan contains specific procedures for operations conducted at the Devolution Site.

**Personnel Accountability:** Each USDA agency and staff office must account for their personnel likely affected by the incident and report their status via the COOP Readiness Report, to the OpsCenter (opscenter@dm.usda.gov). Agencies and staff offices will maintain normal accountability standards for personnel not affected by the continuity incident unless additional information is necessary. Tools to account for personnel include, but are not limited to; call down telephone trees, 1-800 numbers, websites, or automated notification systems with receipt confirmation.

**Continuity Reporting:** During continuity operations, all agencies and staff offices will assess and report their continuity capabilities including operating location, personnel information, and ability to perform essential functions via the COOP Readiness Report. Agencies and staff offices will submit completed COOP Readiness Reports to the OpsCenter (opscenter@dm.usda.gov). The USDA ERG Support members will consolidate agency and staff office reports into a single departmental continuity dashboard and Situation Report (SITREP).

The Reconstitution Manager will report the status of affected facilities to leadership in accordance with the USDA HQ Reconstitution Plan.

ERG Support members will submit USDA’s Continuity Status Report (CSR) to FEMA and the OpsCenter will notify the FOC.

**Continuity Status Calls:** Operations at all USDA continuity facilities are coordinated through regular Continuity Status Calls. Continuity Status Calls provide a forum for ensuring a common operating picture, providing consistent executive direction, and discussing shared challenges. Upon activation of the USDA HQ COOP Plan, the ERG Support Coordinator or
Deputy ERG Support Coordinator will determine the time of the initial Continuity Status Call based on the ongoing situation and activities. The OpsCenter will send a notification message to the USDA COOP Points of Contact (POCs) as well as agency and staff office Site Support Managers requesting their participation on the call. The notification message will include the time for the call, the conference line number, and the participant code. Those units present at the HQ ERF may join the call in person.

Emergency Procurement: USDA HQ may need to acquire contract support, equipment, or supplies on an emergency basis to sustain continuity operations until normal operations resume. Appropriate members of the ERG Support, the DERG, or the Reconstitution Team can make emergency procurements.

Reconstitution Phase
Reconstitution involves assessing, salvaging, restoring, and/or recovering the USDA HQ primary operating facility(ies). Reconstitution efforts should commence within 24 hours of the start of Phase III: Continuity Operations assuming that the incident has stabilized or recurrence will not jeopardize USDA personnel. The Reconstitution Manager will manage and execute USDA HQ reconstitution in accordance with the USDA HQ Reconstitution Plan.

The USDA HQ Reconstitution Team, under the leadership of the Reconstitution Manager, will assess the status of all USDA HQ facilities located in the NCR. The Reconstitution Manager will then report the assessment findings to leadership and will provide an estimate of the time and resources required to restore these facilities or acquire new facilities if necessary. USDA leadership will make the final determination of whether new facilities should be acquired or if current facilities should be restored to support normal operations. The resumption of operations will include a phased return of personnel and transfer of essential functions to the new or reconstituted facilities.
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<thead>
<tr>
<th>Phase</th>
<th>Duration</th>
<th>General Description of Activities</th>
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<tbody>
<tr>
<td>Phase 1: Readiness and Preparedness</td>
<td>Pre-incident</td>
<td>• Develop, review, and revise continuity plans, program budgets, and documentation.</td>
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<td>• Conduct tests, training, and exercises.</td>
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<td>• Risk management activities.</td>
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<td>• Annual review of MEFs and Business Process Analysis (BPA) in compliance with FCD 2 requirements.</td>
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<td>• Ensuring preparedness and functionally of equipment and resources including vital records at continuity facilities.</td>
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<td>• Revalidating continuity facility communication pathways (video-teleconference (VTC), secure and non-secure phone, fax etc.).</td>
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<td>• Planning for reconstitution in coordination with the Office of Operations (OO).</td>
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<td>Phase 2: Implementation or Activation and Relocation</td>
<td>0 to 12 Hours</td>
<td>• Initiate decision-making process to implement or activate the COOP plan, devolution plan, and reconstitution plan.</td>
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<td>• Alert and notification of continuity personnel.</td>
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<td>• Deployment of ERG members to ERF and DERG members to devolution facilities.</td>
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<td>• Preparation of continuity facilities for operations.</td>
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<td>Phase 3: Continuity Operations</td>
<td>Activation to Termination</td>
<td>• Performance of essential functions from ERF or Devolution Site.</td>
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<td>• Addressing the immediate crisis at the affected USDA facility(ies).</td>
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<td>• <em>USDA HQ Reconstitution Plan</em> operations.</td>
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<tr>
<td>Phase 4: Reconstitution</td>
<td>Return to Normal Operations</td>
<td>• Orderly, phased return of all employees to their normal or replacement facilities.</td>
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<td>• Termination of operations at continuity facilities.</td>
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III. Security Clearance Information

Departmental Regulation 4600-001 establishes policies and procedures for the efficient, effective, and consistent management of the personnel security clearance program within all agencies and staff offices of USDA.

This regulation applies to all USDA employees, as defined in Executive Order 12968 “Access to Classified Information,” (hereafter, E.O. 12968), and applicants for employment with USDA (referred to hereafter in this regulation as the Department), contractors, guest researchers, collaborators, advisory committee members, students, trainees, non-employee affiliates of the Department, and other persons designated by the Secretary of Agriculture who require access to classified national security information (hereafter, classified information).

USDA’s OHSEC, Personnel and Document Security Division (PDSD), is the sole entity within USDA that may grant access to classified information. No access shall be granted unless the person has a demonstrated foreseeable need for access to classified information to perform his or her official duties; the required background investigation has been completed and favorably adjudicated; and he or she has signed a classified information non-disclosure agreement. In exceptional circumstances, PDSD may grant temporary or “interim” security clearances, consistent with Government regulations and program needs.

OHSEC shall determine an individual is eligible for access to classified information only when the facts and circumstances indicate that access is clearly consistent with the national security interests of the United States. Any doubt shall be resolved in the favor of national security.

USDA shall afford fair, impartial, and equitable treatment to all USDA employees and applicants through consistent application of personnel security standards, criteria, and procedures as specified in applicable laws and regulations. The Department shall not use the denial of access to classified information as a substitute for appropriate adverse suitability determinations or disciplinary actions.

USDA agencies and staff offices have an affirmative responsibility to notify OHSEC of any information about any Departmental employee or individual associated with the Department that could adversely affect the individual’s initial or continued eligibility to access classified information. OHSEC shall be notified as soon as possible after the information becomes known.

Additional information on the process required for security clearance processing may be found in the attached slides.
IV. **Primary Points of Contact (with email and phone number)**

**Director:** Mr. Todd H. Repass, Jr.; todd.repass@dm.usda.gov; 202-720-2582

**Deputy Director:** Mr. Josh Bornstein; josh.bornstein@dm.usda.gov; 202-690-0822

**Associate Director:** Mr. Mike O’Connor; mike.oconnor@ocio.usda.gov; 202-205-3609

Note: All of these contacts may be reached 24/7 via the USDA Operations Center, 202-720-5711.
Includes:

USDA Federal Act Committee Act (FACA) Advisory Committees (Mission/Policy Area) = 25
U.S. Forest Service advisory committees = 25
U.S. Forest Service secure rural schools research advisory committees = 117
Agricultural Marketing and Promotion Boards = 24

For additional information on USDA’s FACA Advisory Committees, please access the FACA Database at [https://database.faca.gov/committee/committees.aspx?aid=171](https://database.faca.gov/committee/committees.aspx?aid=171). Although centrally supported by the General Service Administration’s (GSA) Committee Management Secretariat, the database represents a true "shared system" wherein each participating agency and individual committee manager has responsibility for providing accurate and timely information that may be used to assure that the system's wide array of users has access to data required by FACA. Under Agencies, the Department of Agriculture listing of advisory committees will provide each advisory committee’s charter documents, general committee information such as the Designed Federal Officer assigned to each committee, as well as committee meetings, members, reporting, recommendations, performance measures, costs, and committee history.

For the Agriculture Marketing Service (AMS), the Research and Promotion (R&P) Programs Board listing and information pertaining to each program may be found through the AMS website at [https://www.ams.usda.gov/rules-regulations/research-promotion](https://www.ams.usda.gov/rules-regulations/research-promotion). The R&P programs are authorized by Congress and are requested, funded, and driven by industry. The programs establish a framework to pool resources to develop new markets, strengthen existing markets, and conduct important research and promotion activities. AMS provides oversight, ensuring fiscal responsibility, program efficiency, and fair treatment of participating stakeholders.
Definitions:
**Statutory** (Congress Created) is non-discretionary establishment authority specifically mandated in law. **Authorized by Law** and **Agency Authority** are both discretionary establishment authorities, either pursuant to law, or by the decision of the agency head, respectively. **Presidential** means established by Executive order or other direction by the President, and is non-discretionary. Negotiated rulemaking ("Reg-Neg") committees and labor-management partnership committees (EO 12871) are considered Presidential. The authority is displayed based on decisions made when a committee was established.
Note: **Statutory Inactive** - Advisory Committees identified as Statutory but administratively inactive and can only be terminated by an authority/act of Congress

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<tr>
<th>Policy Area and Advisory Committee (Total = 25)</th>
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<tr>
<td><strong>FOOD, NUTRITION AND CONSUMER SERVICES (2):</strong></td>
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<td>National Advisory Council on Maternal, Infant, and Fetal Nutrition</td>
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<td>2020 Dietary Guidelines Advisory Committee (Rollover to USDA FY16 from DHHS)</td>
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<td><strong>FOOD SAFETY (2):</strong></td>
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<td>National Advisory Committee on Microbiological Criteria for Foods</td>
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<td>ARS/Advisory Committee on Biotechnology and 21st Century Agriculture</td>
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<td>NASS/Advisory Committee on Agricultural Statistics</td>
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<td>National Agricultural Research, Extension, Education, and Economics Advisory Board</td>
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<td>AMS/National Organic Standards Board</td>
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<td>AMS/Fruit and Vegetable Industry Advisory Committee</td>
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<tr>
<td>AMS/Plant Variety and Protection Board (User fee funded not under 2Mil. Cap.)</td>
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<td>MRP-GIPSA/Federal Grain Inspection Advisory Committee</td>
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<td>Agricultural Technical Advisory Committee for Trade in Processed Foods</td>
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<td>Agricultural Technical Advisory Committee for Trade in Animal and Animal Products</td>
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<td>Agricultural Technical Advisory Committee for Trade in Grains, Feed, Oilseeds and Planting Seeds</td>
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United States Department of Agriculture
2016 Presidential Transition
Appendix E: Advisory Boards and Committees

Agricultural Technical Advisory Committee for Trade in Sweeteners
Agricultural Technical Advisory Committee for Trade in Tobacco, Cotton, and Peanuts
Agricultural Technical Advisory Committee for Trade in Processed Foods
Agricultural Technical Advisory Committee for Trade in Fruits and Vegetables

**NATURAL RESOURCES AND ENVIRONMENT (1):**
NRCS/Task Force on Agricultural Air Quality Research

**OFFICE OF THE SECRETARY (4):**
Native American Advisory Committee - (Council for Native American Farming and Ranching)
Minority Farmer Advisory Committee
Advisory Committee on Beginning Farmers and Ranchers
USDA/Hispanic Association of Colleges and Universities (Inactive but included in FY16 budget and count)

**INACTIVE/TERMINATED COMMITTEES**
Edward R. Madigan United States Agricultural Export Excellence Board of Evaluators
National Genetic Resources Advisory Council
Advisory Committee on Emerging Markets
National Advisory Committee for Tobacco Inspection Services
AMS/Advisory Committee on Universal Cotton Standards (Terminated 2014)
United States Department of Agriculture
2016 Presidential Transition
Appendix E: Advisory Boards and Committees

Forest Service - Federal Advisory Committees (non-Secure Rural Schools)

**Forest Service Advisory Committees non-SRS RACs Total = 25**
(Active=16, Active in progress=1, Statutory Inactive-3, Managed by DOI = 4 (1 inactive), and Request to Terminate=1)

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<th>Advisory Committees</th>
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<td>Statutory</td>
<td>Arizona National Scenic Trail Advisory Council (Inactive but in progress to renew charter)</td>
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<td>Collaborative Forest Landscape Restoration Advisory Committee (Inactive)</td>
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<td>Collaborative Forest Restoration Technical Advisory Panel</td>
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<td>Land Between the Lakes Advisory Board</td>
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<td>Lake Tahoe Basin Federal Advisory Committee</td>
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<td>National Advisory Committee for the Implementation of the National Forest System</td>
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<td>Land Management Planning Rule</td>
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<td>National Urban and Community Forestry Advisory Council</td>
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<td></td>
<td>Opal Creek Scenic Recreation Area Advisory Council (Inactive)</td>
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<td>Pacific Northwest National Scenic Trail Advisory Council</td>
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<td>Provincial Advisory Committee (PAC) (2) Committee operate under one charter.</td>
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<td>Deschutes PAC</td>
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<td>Eastern Washington Cascades PAC</td>
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<td>Statutory</td>
<td>Recreation Resource Advisory Committees (RRAC) (5) operate under one charter.</td>
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<td>Pacific Southwest Region</td>
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<td>Southern Region</td>
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<td>Statutory-Inactive</td>
<td>Secure Rural Schools Resource Advisory Committees (117) operate under one charter. (See attachment)</td>
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<tr>
<td></td>
<td>Tongass Advisory Committee ( Request to Terminate - in progress)</td>
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<tr>
<td></td>
<td>National Advisory Committee for Tobacco Inspection Services (Inactive)</td>
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<td>Agency Authority</td>
<td>Inter-Agency Committees with USDA &amp; Department of Interior (DOI). CMO managed and supported by DOI</td>
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<tr>
<td></td>
<td>Wildlife and Hunting Heritage Conservation Council</td>
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<tr>
<td>Statutory</td>
<td>Colorado River Basin Salinity Control Advisory Council</td>
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<tr>
<td></td>
<td>Wild Horse and Burro Advisory Board (Administratively managed by DOI)- Margaret Triebsch CMO</td>
</tr>
<tr>
<td>Statutory - Inactive</td>
<td>Santa Rosa and San Jacinto National Monument Advisory Board (Inactive)</td>
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Wildlife and Hunting Heritage Conservation Council
Colorado River Basin Salinity Control Advisory Council
Wild Horse and Burro Advisory Board (Administratively managed by DOI)- Margaret Triebsch CMO
Santa Rosa and San Jacinto National Monument Advisory Board (Inactive)

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Secure Rural Schools Resource Advisory Committees (117) – Forest Service

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**Totals:** 117
RESEARCH AND PROMOTION BOARDS MANAGED BY THE
AGRICULTURAL MARKETING SERVICE (24)

1. American Egg Board
2. American Lamb Board
3. Blueberry Board
4. Cattleman’s Beef Board
5. Cotton Board
6. HASS Avocado Board
7. Highbush Blueberry Council
8. National Christmas Tree Research Promotion Board
9. National Dairy Board
10. National Fluid Milk Processor Promotion Board
11. National Honey Board
12. National Mango Board
13. National Mushroom Council
14. National Peanut Board
15. National Pork Board
17. National Potato Promotion Board
18. National Watermelon Promotion Board
19. Paper and Paper-based Packaging Board
20. Popcorn Promotion Board
21. Processed Raspberry
22. Softwood Lumber Board
23. Sorghum Board
24. United Soybean Board
DEPARTMENTAL MANAGEMENT
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Tab</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEPARTMENTAL MANAGEMENT</td>
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<td>3</td>
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<td>OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION</td>
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MISSION AREA BRIEFING MATERIAL

The Mission Area template contains the following sections:

I. Organizational Overview

   Mission Area Fact Sheet
   Organizational Chart
   Biographies for Career and Political Staff in Key Leadership Positions
   Overview of Agency Programs and Operations
   Budget and Staffing Summary

II. Top Issues/Hot Topics

   Timeline
   Mission Area Issues
   GAO and OIG Audits
AGENCY BRIEFING MATERIAL

Each Agency template contains the following sections:

I. **Organizational Overview**

   Agency Fact Sheet
   Agency’s Mission/Strategic Plan
   Key Mission Delivery Performance Measures
   Organization’s History
   Organizational Chart
   Biographies of Career Staff in Key Leadership Positions
   Biographies of Political Staff in Key Leadership Positions
   Organizational Budget and Financial Management
   Enterprise Workforce Data

II. **Policies and Regulations**

   Statutory Authorities
   Important Policies and Regulations
   Overview of the Policy/Regulation Review Process
   GAO and OIG Audits

III. **Congressional Relations and Issues**

   Overview

IV. **Internal and External Stakeholders**

   Important Relationships with Other Federal Departments or Organizations
   Stakeholder Group Overview
   Recent Engagements with Stakeholder Groups

V. **Top Issues**

   Hot Topics
   Timeline

**Appendix A: Acronyms**
WHO WE ARE: OUR MISSION AREA

DM's mission is to provide management leadership to ensure that USDA’s administrative programs, policies, advice, and counsel meet the needs of USDA program organizations, consistent with laws and mandates. DM is also tasked to provide safe and efficient facilities and services to customers.

WHO WE ARE: OUR WORKFORCE

- OES 24 employees
- OHRM 130 employees
- OHSEC 65 employees
- OPPM 115 employees
- OSDBU 8 employees
- OCIO 998 employees
- OO 198 employees
- Office of the Assistant Secretary 9 employees

WHO WE SERVE: OUR CONSTITUENTS

DM is the central administrative management organization, serving all USDA employees.

KEY UPCOMING DECISIONS

South Building and GWCC Modernization

To address the many life safety and accessibility deficiencies as well as the failing operational systems, USDA has developed a strategy to modernize the South Building and George Washington Carver Center.

The project has an estimated cost of $776.15 million in today’s dollars and would take five years to complete.

BUDGET HIGHLIGHTS FY 2016

- Overall Budget Authority $659,789
- 24.2% Direct
- 0.4% Mandatory
- 68.5% Working Capital Fund
- 6.9% Reimbursements

FY 2016 Budget Authority
I. Organizational Overview

Organizational Chart

Departmental Management is a subcabinet level office led by the Assistant Secretary for Administration. The Office of the Assistant Secretary for Administration (OASA) is the immediate office for Departmental Management. OASA consists of the Assistant Secretary for Administration, two Deputy Assistant Secretaries for Administration, the OASA Chief of Staff, and the Senior Advisor to the Assistant Secretary for Administration as well as administrative support staff. Of the four leadership positions within OASA, three are political positions and one is career. The Deputy Assistant Secretary for Administration and administrative support staff are career positions for OASA.
Biographies for career and political staff in key leadership positions

Political:

Dr. Gregory L. Parham  
Assistant Secretary for Administration  
202-720-3291, Gregory.Parham@osec.usda.gov

Dr. Gregory L. Parham was appointed Assistant Secretary of Agriculture for Administration in June 2013. Prior to this appointment, he was designated Acting Assistant Secretary, and served as the Administrator of the U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS).

Previously, Dr. Parham served as APHIS' Associate Administrator and as the Deputy Administrator for Marketing and Regulatory Programs - Business Services, after joining APHIS as the agency Chief Information Officer. He began his Federal career as an Epidemic Intelligence Service Officer with the Public Health Service at the Centers for Disease Control. He joined USDA in 1982, and has worked for several USDA agencies including: the Food Safety and Inspection Service, the Extension Service, the Cooperative State Research, Education and Extension Service, and the Office of the Chief Information Officer.

Dr. Parham holds a master’s degree from the Johns Hopkins University in administrative science and doctorate and bachelor degrees from The Ohio State University in veterinary medicine and microbiology

Yeshimebet Abebe  
Deputy Assistant Secretary for Administration  
202-720-3291, Yeshimebet.Abebe@osec.usda.gov

Yeshimebet Abebe serves as the Deputy Assistant Secretary in the Office of the Assistant Secretary for Administration effective May 16, 2016. Prior to her current role, she served as the Chief-of-Staff for Research, Education and Economics. She has also served as an Advisor to the Secretary for Special Projects, Special Assistant in the Office of the Under Secretary for Rural Development, and as a Special Assistant in the Rural Utilities Service.

Prior to her USDA service, Ms. Abebe practiced law and worked on the Barack Obama presidential campaign. Ms. Abebe holds a Bachelor of Science in Urban and Regional Studies from Cornell University, a Masters in International Law and the Settlement of Disputes from the United Nations Mandated University for Peace, and a Juris Doctor from the University Of Miami School Of Law.
Henry (Hank) Bennett, Director  
Office of Small and Disadvantaged Business Utilization  
202-720-7117, Henry.Bennett@dm.usda.gov

Hank Bennett was appointed as the U.S. Department of the Agriculture's Director of the Office of Small and Disadvantaged Business Utilization (OSDBU) in May of 2016.

As Director of OSDBU, Mr. Bennett is responsible for ensuring that the Department’s purchasing agencies engage small businesses - the "engines that drive the Nation’s economy" - so that USDA continues to be a leader, and one of the Federal government’s top performing departments in utilizing small and disadvantaged businesses.

Mr. Bennett has extensive experience working with a diverse range of small businesses. Prior to joining the USDA, Mr. Bennett was part of a team that started a community bank in Tulsa, Oklahoma. Among other roles, he served as the bank's Board Secretary, Community Reinvestment Act Officer, and a Senior Lender. Mr. Bennett developed and managed a large loan portfolio of which more than half of the loans were to women, minority, and veteran owned small businesses, non-profit organizations, and churches.

Mr. Bennett has also served at the Democratic National Committee, worked in several roles for Mayor Alvin Brown of Jacksonville, Florida, and served for several other Democratic legislators and organizations.

Janet Nuzum  
Director of Asian American and Pacific Islander Affairs  
202-260-8259, Janet.Nuzum@osec.usda.gov

Janet Nuzum currently serves as USDA’s Senior Advisor and Director of Asian American and Pacific Islander (AAPI) Affairs, a position she assumed in January 2016. In this role, Ms. Nuzum leads USDA’s engagement with Asian Americans and Pacific Islanders across the United States, and represents USDA on the White House Initiative on AAPIs.

Prior to her current position, Ms. Nuzum served as Associate Administrator of the Foreign Agricultural Service (FAS), overseeing the agency’s work on international agricultural trade. Ms. Nuzum’s career before USDA spanned three decades of public policy work, much of which was in the field of international trade policy and law. She has served as a Senate-confirmed Presidential appointee as Commissioner and Vice Chairman of the US International Trade Commission. Ms. Nuzum also worked on Capitol Hill in the U.S. House of Representatives on the committee staff of the House Ways and Means Committee and on the personal staff for two Members of Congress.

In addition to a Law degree from Georgetown University Law Center and a Bachelor’s degree in economics and government from Smith College, Ms. Nuzum has a graduate certificate in landscape design from The George Washington University and an executive education certificate
from the Harvard University Kennedy School of Government. Ms. Nuzum studied Japanese as an undergraduate student at Yale University and in Kyoto, Japan at Doshisha University.

**Elisabeth Reiter**  
**Senior Advisor to the Assistant Secretary for Administration**  
202-431-1034, [Liz.Reiter@osec.usda.gov](mailto:Liz.Reiter@osec.usda.gov)

Elisabeth Reiter currently serves as Senior Advisor to the Assistant Secretary for Administration. In this role, Ms. Reiter directs Secretary Vilsack's Signature Process Improvement initiative, working with each agency and staff office to successfully improve customer-facing business processes using Process Improvement tools. Previously, she served as Chief of Staff to the Under Secretary for Farm and Foreign Agricultural Services. Prior to government service, Reiter was Deputy Director of Advance for the Obama for America campaign in 2007-2008. Ms. Reiter worked previously on the successful campaigns of Virginia Governor Tim Kaine (D) in 2005 and Senator Jim Webb (D-VA) in 2006. Ms. Reiter also worked on Senator John Kerry's (D-MA) 2004 presidential bid. Reiter is a graduate of the University of Mary Washington in Fredericksburg, Virginia.

**Career:**

**Malcom Shorter**  
**Deputy Assistant Secretary for Administration**  
202-720-3291, [Malcom.Shorter@osec.usda.gov](mailto:Malcom.Shorter@osec.usda.gov)

Malcom A. Shorter has served as the Deputy Assistant Secretary for Administration since June 2013. He is an accomplished administrative and financial professional with combined expertise in government relations and operational management. Mr. Shorter retired from the United States Army in September 2003 after a distinguished military career of more than 20 years.

From January 2007 until February 2013, he served as the Democratic Staff Director for the House Committee on Veterans’ Affairs. He also served as the Director, Office of Budget, Finance and Administration, Office of the Special Trustee for American Indians, United States Department of the Interior (DOI) and as the Assistant Director for Programming and Budget, Office of Counternarcotics, United States Department of Homeland Security (DHS).

Mr. Shorter graduated from Rutgers University in 1981 with a Bachelor of Science Degree in Economics. He also holds a Master of Science Degree in Administration from Central Michigan University. His military education includes the Infantry Officer Career Course, the United States Army Command and General Staff College, and the Brookings Institute Congressional Fellowship Program.
United States Department of Agriculture
2016 Presidential Transition
Departmental Management Mission Area (DM)

Roberta Jeanquart
Director, Office of Human Resources Management and Chief Human Capital Officer
202-690-2994, bobbi.jeanquart@dm.usda.gov

Roberta “Bobbi” Jeanquart serves as Director of the Office of Human Resources Management and the Chief Human Capital Officer for USDA. She provides vision and leadership to USDA-wide human resources programs, including human resources policy, employee and labor relations, recruitment and diversity, and workforce and succession planning. In addition, she serves as the USDA representative to the Chief Human Capital Officers Council. Ms. Jeanquart was also named by the Deputy Secretary to serve as USDA’s Senior Accountable Official for implementation of the Executive Order on Improving the Senior Executive Service and also was appointed to serve on the People and Culture Workgroup that helped develop the President’s Management Agency. Ms. Jeanquart has served in a number of leadership positions since joining USDA in 2009, including Deputy Assistant Secretary for Congressional Relations and Chief of Staff for Departmental Management. She is a graduate of USDA’s Senior Executive Service Candidate Development Program. Ms. Jeanquart has 11 years’ experience working on Capitol Hill serving as an associate staff to the House Agriculture Appropriations Subcommittee. She also served for 10 years as the executive director of the National Association of Resource Conservation and Development Councils a national non-profit organization. Ms. Jeanquart is a native of Wisconsin, and holds a bachelor of arts in political science from Marquette University. Ms Jeanquart completed her graduate studies in comparative politics at the University of Toledo.

Jonathan Alboum
Chief Information Officer
202-720-8833, Jonathan.Alboum@ocio.usda.gov

Jonathan Alboum has served as the U.S. Department of Agriculture’s Chief Information Officer (CIO) since June 2015. In this role, Alboum works with stakeholders across USDA’s 17 component agencies and throughout government to formulate Information Technology (IT) strategies, and to develop policies that support IT budget formulation and execution, portfolio management, governance, IT operations, and information security.

Prior to his appointment as CIO, Mr. Alboum held several leadership positions at the USDA and the General Services Administration (GSA). He most recently served as the Program Executive for USDA's Modernize and Innovate the Delivery of Agriculture Services initiative, where he provided executive leadership for a $400+ million SAP implementation that gives farmers and ranchers the flexibility to update customer information at any Farm Service Administration (FSA) county office, enables them to more efficiently manage multiple customer records, reduces improper payments, and provides program eligibility information through a single view. Before that, Mr. Alboum served at GSA as the Associate CIO for Enterprise Governance and Planning. Mr. Alboum began his Federal government career at the USDA Food and Nutrition Service (FNS), where he served as the Deputy CIO and the CIO.
Mr. Alboum earned a MS in the Management of Information Technology from the University of Virginia's McIntire School of Commerce and a BS in Systems Engineering from the University of Virginia's School of Engineering and Applied Science.

Jean Daniel, Director  
Office of the Executive Secretariat  
202-720-6630, Jean.Daniel@osec.usda.gov

Office of the Executive Secretariat Director Jean Daniel has over 17 years of leadership and management experience in USDA. During her tenure with the Department, she served as Public Affairs Director for the Food and Nutrition Service, Special Assistant to the Food, Nutrition, and Consumer Services Under Secretary, Senior Advisor to the Deputy Administrator for Management, Director of Change Management and Organizational Engagement, and Acting Deputy Administrator for Management.

Todd H. Repass, Jr.  
Director, Office of Homeland Security and Emergency Coordination  
202-720-0272, Todd.Repass@dm.usda.gov

Todd H. Repass, Jr. serves as the Director of USDA's Office of Homeland Security and Emergency Coordination. He has served as the Director since January 2010. Mr. Repass is responsible for leading Department-wide efforts and initiatives for USDA physical security, radiation safety, emergency programs, personnel and document security, preparedness programs and policies, and Government continuity operations. In this role, Mr. Repass serves as the USDA Security Officer and Intelligence Officer.

Previously, Mr. Repass has held multiple program management, acquisition, environmental, and logistical positions throughout his twenty-five year career. Mr. Repass also worked for the U.S. Department of Defense.

Mr. Repass earned his degree in Business/Accounting from Saint Andrews College in 1989. He is married with four children.

Duane Williams  
Director of Operations  
202-720-3937, Duane.williams1@dm.usda.gov

Duane Williams currently serves as the Director for the Office of Operations in Departmental Management. Prior to accepting that position, Duane served as the Deputy Director for the Office of Operations. Prior to his appointment to the Office of Operations, he served as the Deputy Director of Human Resources for Rural Development Agency. Mr. Williams started his career with the Agricultural Marketing Service (AMS) 29 years ago as a Marketing Specialist in the Perishable Agricultural Commodities Act Branch, a regulatory program in AMS. During his time in AMS, he held multiple leadership and management positions.
Mr. Williams is a 1986 graduate of North Carolina Agricultural and Technical State University, where he earned his Bachelor of Science degree in Economics with a concentration in Transportation and Logistics. He is also a graduate of USDA’s Senior Executive Service Candidate Development Program, administered through American University’s Key Leadership Program.

Lisa M. Wilusz, Director
Office of Procurement and Property Management
202-720-9448, Lisa.Wilusz@dm.usda.gov

Lisa M. Wilusz serves as Senior Procurement Executive and Director for U.S. Department of Agriculture’s Office of Procurement and Property Management. Ms. Wilusz has over 20 years’ experience with the Federal government. She began her Federal career in 1995 as a contract specialist with USDA’s Food and Nutrition Service Agency, and worked as a procurement analyst supporting U.S. Department of Transportation’s Research and Special Programs Administration. Additionally, Ms. Wilusz has extensive experience managing enterprise level IT projects.

As a Presidential appointee, Ms. Wilusz serves as Vice Chair for the Federal AbilityOne Commission. The AbilityOne Commission oversees a $3 billion procurement program that employs more than 45,000 disabled Americans who supply services and goods to support Federal programs. Finally, Ms. Wilusz oversees the Federal BioPreferred Program, which encourages the development and use of biobased products in Federal and private sectors.

Overview of Agency Programs and Operations

Departmental Management (DM) is USDA's central administrative management organization. DM provides support to policy officials of the Department, and overall direction and coordination for the administrative programs and services of USDA. In addition, Departmental Management manages the Headquarters Complex and provides direct customer service to Washington, D.C. employees.

DM's mission is to provide management leadership by ensuring that USDA administrative programs, policies, advice, and counsel meet the needs of USDA program organizations, while complying with laws and mandates. DM is also tasked to provide safe and efficient facilities and services to customers.

DM includes seven offices led by Office Directors. The Office Directors report directly to the Assistant Secretary for Administration.

Office of the Chief Information Officer

The Office of the Chief Information Officer (OCIO) is charged with improving management, capital investment, and oversight of the government’s IT resources.
OCIO conducts planning, education, management, analysis, and governance of USDA’s annual IT investment portfolio, which in FY2016 was comprised of 32 major IT investments and 172 non-major IT investments. OCIO partners with USDA component agencies to create business relationships that support effective IT portfolio management processes and a strategic decision-making environment.

**Cyber Policy and Oversight**
The Office of Cyber Policy and Oversight provides leadership on IT security policy development, security oversight, risk management, information security training and awareness, and information security intern recruiting.

**Enterprise Network Services**
Enterprise Network Services provides oversight in the planning, operation, and management of USDA telecommunications network.

**National Information Technology Center**
The National Information Technology Center provides innovative, cost effective, and secure information technology solutions to government agencies.

**International Technology Services**
The International Technology Services program provides comprehensive, fee-for-service information technology, associated operations, security, and technical support services to end users.

**Security Operations Center**
The Agriculture Security Operations Center monitors, collects, and analyzes key data to identify patterns that indicate exploitation of vulnerabilities, intrusions, and malicious activities.

**Enterprise Applications Services**
Enterprise Applications Services manages a variety of enterprise applications services, development efforts, and integration projects, including Innovations and Emerging Technologies, Applications Engineering, and Applications Solutions, Identity, Credentials and Access Management, and Workforce Development Solutions.

**Office of the Executive Secretariat**
The Office of the Executive Secretariat (OES) manages the correspondence, documents, and records of the Secretary of Agriculture. OES is a valuable resource not just for the Secretary and immediate staff, but for the whole Department.

**Correspondence management**
OES ensures that all USDA officials are included in the process of drafting documents for the Secretary through a managed system of reviews and clearances. OES then works with other agencies to respond in an appropriate and timely manner. Additionally, OES ensures that Federal Register notices, memorandums, reports, and all other documents prepared for the
Secretary are fully vetted and prepared correctly for signature.

Maintenance of official documents
OES collects and maintains the official records of the Office of the Secretary of Agriculture.

Office of Homeland Security and Emergency Coordination

The Office of Homeland Security and Emergency Coordination (OHSEC) leads the Department’s security, preparedness, and response efforts through training, coordination, and the development and execution of policies and procedures to ensure employees and stakeholders are prepared to support the entire USDA mission.

Emergency Programs Division
The Emergency Programs Division serves as a focal point for emergency management and coordination of natural or man-made disasters within the scope of the USDA mission.

Personnel and Document Security Division
The Personnel and Document Security Division processes and adjudicates investigations for National Security and Public Trust positions at USDA.

Physical Security Division
The Physical Security Division provides physical security policy, oversight, review, and advice to the 17 USDA Agencies and 12 staff offices.

Radiation Safety Division
The Radiation Safety Division maintains safe use of radiation sources in USDA and coordinates USDA’s Radiological Emergency Response to national incidents.

Resilience and Preparedness Division
The Resilience and Preparedness Division develops, implements, and maintains emergency preparedness, emergency response, and continuity policies, plans, and procedures for the Department.

Office of Human Resources Management

The Office of Human Resources Management (OHRM) provides direction and leadership in formulating and issuing Departmental policy relating to personnel management, including recruitment and employment, employee and labor relations, compensation and performance management, payroll/personnel systems, and personnel management evaluations. OHRM has assisted the Assistant Secretary of Administration in implementing the Strategic Management of Human Capital Initiative under the President’s Management Agenda (PMA) and audits agency human capital activities.

Virtual University
This program establishes policy and provides oversight, and leadership for USDA employee
development and training in alignment of human capital goals.

Diversity, Recruitment, and Work/Life Division
The Diversity, Recruitment, and Work/Life Division provides Departmental policy guidance, oversight and leadership for the USDA Disability, Special Emphasis, Recruitment, Veterans Hiring and Work/Life programs.

Executive Resources Management Division
The Executive Resources Management Division is the centralized entity that sets policy, and provides guidance and support for USDA executive level employees, which include members of the Senior Executive Service (SES), Senior Level (SL), Scientific and Professional (ST), and political appointed employees.

Human Resources (HR) Policy Division
The Human Resources (HR) Policy Division sets policy and administers human resources policy related to classification, employment, compensation and leave, benefits, performance management, recognition and awards, and Departmental human resources directives.

Strategic Human Resources Planning and Accountability
The Strategic Human Resources Planning and Accountability Division directs implementation of the Human Capital Assessment and Accountability Framework of Title 5, Code of Federal Regulation (CFR), Part 250, which provides a systematic means for USDA to plan, implement, and evaluate performance outcomes on all aspects of human capital management policies, programs, and activities in support of the USDA Strategic Plan and the Secretary’s priorities.

Equal Opportunity Accountability Division
The Equal Opportunity Accountability Division is responsible for setting USDA policy and guidance related to equal opportunity accountability programs and initiatives.

Employee and Labor Relations
The Employee and Labor Relations Division develops, maintains, and implements Departmental initiatives related to labor and employee relations, including policies on labor-management relations, grievances, employee conduct, unacceptable performance, discipline, adverse actions, drug testing program management, employee assistance program management, workplace violence prevention program management, employee welfare and recreation associations, associations of management officials and/or supervisors, and other organizations.

Human Resources Operations Division
The Human Resources Operations Division provides services and technical advice in the areas of classification and position management, staffing, placement and recruitment, pay and compensation, payroll and processing, performance management, employee benefits, awards and recognition, employee and labor relations, maintenance of employee files and records, information systems, and personnel security. This division also oversees payroll processing and pay quality assurance efforts.
Office of Operations

The Office of Operations (OO) provides overall direction, leadership, coordination, and guidance in activities relating to facilities management, engineering and architecture, internal energy conservation, recycling, and mail and copier management programs. OO is also responsible for managing, operating, maintaining, repairing, and improving the USDA’s Headquarters’ complex as well as the George Washington Carver Center in Beltsville, Maryland.

OO provides a diverse array of support activities including: facilities operations and maintenance, engineering, architecture, design and construction oversight, space and asset management, internal energy conservation, recycling, sustainable practices, physical and technical security, parking management, executive driver services, HSPD-12 badging, occupational safety and health, occupant emergency management, accessible technology, reasonable accommodation, interpreting services, concessions/food service and child development center oversight. OO also provides centralized business services including: mail, courier, copier and duplication, general supply/equipment, excess personal property, forms and publication distribution, and warehouse services. The office also is responsible for providing executive support services to the Office of the Secretary and for the management and oversight of the USDA Visitor’s Center, which provides education and outreach to employees and the public.

Office of Procurement and Property Management

The Office of Procurement and Property Management (OPPM) provides policy, advice, and coordination for acquisitions and procurements, and management of Federal property. OPPM led the Department’s efforts in the Real Property PMA initiative. OPPM also provides oversight and policy on transportation, supplies, motor vehicles, and aircraft.

Property Management

The OPPM property management division manages leasing for the USDA and assists USDA agencies in disposing of excess buildings and structures. In addition, OPPM manages the Department’s alternative fuel use target set by Executive Order 13423.

BioPreferred

OPPM oversees the BioPreferred voluntary labeling program to increase the purchase of biobased products in the commercial marketplace. OPPM also helps to promote sustainable Federal procurement through use of the sixty-four biobased product categories.

Office of Small & Disadvantaged Business Utilization

The Office of Small & Disadvantaged Business Utilization (OSDBU) provides policy and leadership in fostering the use of small, disadvantaged, and women-owned businesses as Federal contractors. OSDBU works closely with USDA’s contracting offices to develop a comprehensive set of policies that strategically align oversight and accountability with a proactive outreach and
United States Department of Agriculture
2016 Presidential Transition
Departmental Management Mission Area (DM)

small business assistance program across USDA’s large decentralized mission area. These policies position USDA to sustain its small business accomplishments and to support and carry out the Department’s small business goals.

**Key Initiatives:**

- DM is leading a Department-wide process to review and evaluate administrative service delivery and to identify areas of improvement that would create efficiencies and improve service provided. This process, called the Administrative Solutions Project (ASP), is intended to streamline operations, eliminate or minimize redundant activities, identify process improvements, and improve customer service for program agencies and offices. The ASP is a core component of the USDA Blueprint for Stronger Service, and is focused on the functional areas of Civil Rights, Information Technology, Human Resources, Finance/Budget, Homeland Security, Procurement, and Property Management.

- DM also leads USDA’s engagement with the Asian American and Pacific Islander community and the White House Initiative on AAPIs (WHIAAPI). The focus of this portfolio, consistent with that of WHIAAPI, is to improve AAPIs’ understanding of, access to, and participation in federal (USDA) programs and services in which they may be underserved. The mission is one that cuts across the work of all USDA agencies and departmental offices, although some agencies have a larger role than others.

- Presidential Memorandum "Improving the Federal Recruitment and Hiring Process" dated May 11, 2010, established hiring reform initiatives to address major, long standing impediments to recruiting and hiring the best and the brightest into the Federal civilian workforce. Hiring Reform builds on the collaboration between OPM and Agencies to streamline the hiring process and recruit top talent, especially for mission-critical jobs. The President's initiative provides for a vigorous Government-wide recruiting effort, makes it easier for Americans to apply for Federal jobs, raises the bar on candidate quality, and provides a commonsense approach to the overall hiring process through clear objectives and detailed guidance. These steps are taken with rigorous adherence to, and respect for, the merit system principles upon which the civil service is grounded. USDA has also instituted additional hiring requirements for USDA organizations to ensure continuing progress towards transforming the hiring process. The requirements of the Presidential memorandum includes:
  1. Eliminate written essay-style questions (KSAs) at the initial stage of the application process; 2. Allow individuals to apply with resume and cover letter; 3. Use category rating; 4. Hiring manager accountability and involvement; 5. Improve the quality and speed of hiring; 6. Notify applicants about their status
In addition, within USDA have adopted best practices for hiring under an initiative called Hiring Excellence. These best practices include:

- Focus on improving our 80-day hiring timeline goal
- All hiring managers must complete the Hiring Matters: Hiring Managers Making the Hiring Process Work training in AgLearn;
- Hiring managers must consult their Human Capital Plans prior to initiating the hiring process;
- For every recruit action, there must be a Mandatory Pre-Hiring Consultation between a hiring manager and a Human Resources (HR) specialist that includes, at a minimum, a review of the position description, job analysis, and crediting plan;
- Review hiring flexibilities prior to advertising a vacancy;
- Advertise vacancies either through Delegated Examining (DE)/Demo or Merit Promotion, but not both — subject, of course, to your labor agreements;
- Vacancy announcements should be open between five to ten days;
- Limit the number of applications for those occupations you historically receive a high volume of applications;
- Continue to provide additional training to HR staff to address competency gaps and take appropriate steps to improve the overall engagement of our HR employees;
- For each stage of the hiring process, identify where there are issues to be resolved and, where appropriate, reengineer those processes;
- Extensions to certificates must not be routinely granted; and
- Hiring Managers must complete Office of Personnel Management OPM hiring manager survey.
Budget and Staffing Summary

- Approximately 20% of Office of Operations, Office of Procurement and Property Management, and the Office of Human Resources Management are eligible to retire within the next year
- OPPM has 1 key position it anticipates becoming vacant within the next 90 days
- OHRM has 3 key positions it anticipates becoming vacant within the next 90 days
United States Department of Agriculture  
2016 Presidential Transition  
Departmental Management Mission Area (DM)  

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Summary by Agency:  
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OHSEC Total  
OO Total  
OPPM Total  
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Total Staff Years:  
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OCIO………………………  
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OPPM………………………..  
OSDBU ………………………

|                | 1566 | 1607 | 1661 | 1654 | 1681 | 1661 | 1656 | 1694 |

15
II. **Top Issues/Hot Topics**

**Timeline**

**January**
- Finalize bring your own device program (OCIO)
- Determine Scope and implementation for security training for USDA workforce (OHSEC)

**February**
- Determine whether to maintain Executive Order 13522, Creating Labor-Management Forums To Improve Delivery of Government Services, and if so, whether to develop different success metrics, to continue with labor-management forums, annual labor relations climate assessment surveys, or to develop alternate methods/procedures for administering the Pre-Decisional Involvement process (OHRM)

**March**
- Obtain eBoard and GSA approval to establish NITC data center as Federal shared service provider (OCIO)
- The Biennial Allocation Request and justifications to support the allocation of new SES, SL, and ST slots is due to OPM (OHRM)
- Nominations for Presidential Rank Awards are due to OPM (OHRM)
- Executive Order 13693 “Planning for Federal Sustainability in the Next Decade” which requires vehicle petroleum reduction by 4% by the end of Fiscal Year 2017 and that all new vehicles employ telematics (OPPM)

**April**
- Certification renewal for USDA’s SL/ST performance system is due to OPM (OHRM)
- FITARA self-assessment plan, updated common baseline, and FITARA IT management maturity model verification due to OMB (OCIO)
- Eagle Horizon Exercise (OHSEC)

**May**
- USDA Enterprise Roadmap Update due (OCIO)
- USDA IT Asset Inventory Submission due (OCIO)
- Park Center Lease Expiration (OO)

**June**
- Implement new customer facing services, including eVPN2, Managed Print Services 2, and MS 0365 upgrades (OCIO)
- An approved compensation plan for the SES is due to USDA Executives by June 30, 2017. Any new or revised Departmental initiatives will need to be incorporated into executive performance plans as soon as possible, but no later than June 30, 2017, if executives are expected to be held accountable and rated on them during the Fiscal Year 2017 performance cycle (OHRM)

**Other**
- TBD- New Chairperson for the Executive Review Board needs to be appointed within 30 calendar days after the appointment of a new Secretary (OHRM)
United States Department of Agriculture  
2016 Presidential Transition  
Departmental Management Mission Area (DM)

- TBD- As soon as practical after the appointment of a new Secretary, decisions will need to be made as to whether or not to approve any new SES appointments or actions that have been suspended (OHRM)

Mission Area Issues

Office of the Chief Information Officer

FEDERAL INFORMATION TECHNOLOGY ACQUISITION REFORM ACT (FITARA)

The Federal Information Technology Acquisition Reform Act (FITARA) was enacted on December 19, 2014, and outlines specific requirements relating to the following:

- Federal Chief Information Officer authority enhancements
- Enhanced transparency and improved risk management in Information Technology (IT) investments
- Portfolio Reviews
- Expansion of training and use of IT cadres
- Federal Data Center Consolidation Initiative (FDCCI), more recently known as the Data Center Optimization Initiative (DCOI)
- Maximizing the benefit of the Federal Strategic Sourcing Initiative (SSI)
- Government-wide software purchasing programs

In order to provide more specific guidance for the implementation of FITARA, the Office of Management and Budget Memorandum M-15-14, Management and Oversight of Federal Information Technology, was issued. The objectives of M-15-14 state that covered agencies shall conduct a self-assessment that identifies current conformity with or gaps in conformity with a Common Baseline and Implementation Plan (herein known as the Common Baseline), and articulate an implementation plan describing the changes it will make to ensure that all Common Baseline and milestone and action table responsibilities are either implemented or provisioned for by December 31, 2015.

This self-assessment shall include a discussion of how Agency senior leaders and program leaders will work in partnership to facilitate the successful implementation of the Common Baseline and milestone and action table and how the Agency CIO will be enabled as a strategic partner integrated in shaping Agency strategies, budgets, and operations.

- In response to the M-15-14 mandate, the United States Department of Agriculture (USDA) developed the United States Department of Agriculture Federal Information Technology Acquisition Reform Act Common Baseline and Implementation Plan, dated November 14, 2015, which reinforces the role and authority of USDA’s CIO in establishing an inclusive, integrated governance process that manages IT as a strategic resource.
In addition, the USDA established the *Actions and Milestones Table*, which captures the progression of tasks related to the success of the common baseline. The USDA *Common Baseline* establishes a framework for USDA to implement the specific authorities that FITARA gives to the *Chief Financial Officer (CFO) Act* Agency CIOs, and builds upon the responsibilities outlined in the *Clinger-Cohen Act of 1996*. The *Common Baseline* speaks to the roles and responsibilities of other applicable senior Department officials including the CFO, the Chief Acquisition Officer (CAO), Senior Procurement Executive (SPE), the Chief Human Capital Officer (CHCO), and the Director, Office of Budget and Program Analysis (OBPA) (the USDA CIO, CFO, CAO, SPE, CHCO and OBPA Director, as a group, shall herein be identified as the CXOs).

USDA also developed FITARA scorecards in the following domains:

1. IT Security
2. IT Investment Health
3. FAC P/PM Program Manager Certification
4. Data Center Consolidation/Optimization
5. Privacy Compliance
6. Acquisition Approval Request Compliance
7. Open Data Compliance
8. Section 508 Compliance

The Scorecards are designed to evaluate and score the performance of the Agencies and Staff Offices in order to delegate authority down to the component CIOs. The USDA CIO will use these scorecards as part of his assignment plan strategy, providing empirical data to assist in assigning responsibility down to the component CIOs.

**CONTINUOUS DIAGNOSTICS AND MITIGATION (CDM)**

The Department of Homeland Security’s Continuous Diagnostics and Mitigation (CDM) Program provides federal departments and agencies with capabilities and tools that identify cybersecurity risks on an ongoing basis, prioritize these risks based upon potential impacts, and enable cybersecurity personnel to mitigate the most significant problems first. Congress established the CDM program to provide adequate, risk-based, and cost-effective cybersecurity and more efficiently allocate cybersecurity resources.

CDM is being implemented in three phases, with a fourth phase anticipated. The CDM Phases, objectives, and tools/capabilities are shown in the table below. USDA is working with DHS to implement Phase 1, and initiating the planning for Phase 2.
CDM Phases | Objective | Tools / Capabilities |
--- | --- | --- |
1 | What is on the Network? | Hardware Asset Management, Software Asset Management, Configuration Settings Management, Vulnerability Management, CDM Cybersecurity Dashboard |
2 | Who is on the Network? | Access Control Management, Security-Related Behavior Management, Credentials and Authentication Management, Privileges |
3 | What is happening on the Network? | Respond to and Mitigate Events, Audit and Monitoring Management, Risk Management, Boundary Protection |

**Key Details**

- USDA fully participated in the CDM program, and has volunteered as early adopters in Phase Two.
- We are currently implementing the capabilities of Phase One:
  - Hardware Asset Management (HWAM) solution, ForeScout, is 50% deployed. This is increasing Cybersecurity staff’s knowledge of systems on USDA networks and directly reducing exploitable cyber-attack surface by providing information about unauthorized or unmanaged devices.
  - Software Asset Management (SWAM) solution, RES ONE, is currently 15% deployed, enabling access and control of the services and technologies employees need while reducing the risk of data breaches and cyber-attacks.
  - Dashboard and Security Event Integration Management (SEIM), SPLUNK, and RSA Archer will be implemented by June of 2017. Upon implementation, USDA FISMA reporting will be streamlined through partial automation, with less human error.
- USDA is exploring options for funding out-year operations and maintenance costs after DHS funding ends after FY17.

**Office of Homeland Security and Emergency Coordination**

OHSEC is preparing to update the USDA Radiological Emergency Response Plan to conform to current FEMA guidelines for Federal Agency emergency response. OHSEC is also building a strong counterintelligence program to protect billions of dollars in research and development, science and technology, information technologies, critical infrastructures, employee information, and other sensitive information. Once risks are fully identified, the program will provide education and training to the Department’s employees.
Office of Human Resources Management

Secretary’s Executive Resources Board
Each Federal agency is required by 5 U.S.C. § 3393(b) to establish one or more Executive Resources Boards (ERB’s), the members of which shall be appointed by the Secretary. The ERB conducts the merit staffing process for career entry into the Senior Executive Service (SES) and entrants into the Presidential Management Fellow Program. Other functions relating to the management of the Department’s executive resources, as delegated by the Secretary, include the oversight of HR matters related to SES and Senior Level (SL) and Scientific or Professional (ST) employees. Departmental Regulation DR-1061-003, dated November 4, 2014, establishes the policy for USDA’s ERB. The ERB is comprised of a Chairperson, a Vice Chairperson, and a mix of SES and SL/ST employees representing their Mission Areas, Agencies, and Staff Offices. The ERB meets monthly to discuss executive resources policies and procedures impacting SES and SL/ST employees and makes recommendations to the Secretary. **A new Chairperson will need to be appointed by the incoming Secretary.** The current Vice Chairperson is a career executive and will continue the business of the Board until a new Chairperson is appointed. The current Chair is Acting Deputy Secretary Scuse.

2018/2019 Biennial Allocation Process
Pursuant to 5 U.S.C. § 3133(a), Federal agencies are required – during each even-numbered calendar year (CY), to examine their needs for SES positions for each of the two fiscal years beginning after such calendar year, and to submit to OPM a written request for each of such fiscal years. Although not expressly required by statute, Federal agencies conduct the same examination and submit a similar written request to OPM for their positions in the SL and ST systems. OPM allocates SES, SL, and ST positions to Federal Departments and in accordance with these reviews. USDA’s current allocations are:

- 399 SES slots
- 42 SL slots
- 49 ST slots

Through this process, called the biennial allocation process, OPM reviews organizational missions, plans, and structures to assess the extent to which executive resources are being used in an efficient manner. OPM conducts this process as a part of the overall strategic management of the Government’s executive resources pool. The biennial allocation process requires OHRM, Executive Resources Management Division to conduct an assessment of all USDA executive resources needs and allows Mission Areas, Agencies, and Staff Offices to submit requests for new SES, SL, and ST allocations as appropriate, based upon changing or shifting mission critical work. As part of this process, Mission Areas, Agencies, and Staff Offices are also required to review the SES position designations (career reserved or general, career, and non-career) for all encumbered and vacant positions.

The Executive Resources Management Division currently is in the process of meeting with each Mission Area, Agency, and Staff Office to determine their executive needs for the OPM data call
that is anticipated in December of 2016 for the 2018/2019 biennial. A preliminary response to OPM on USDA’s anticipated needs will be due upon the receipt of the data call. A formal justification and accompanying documentation is required to be submitted in the first quarter of calendar year 2017 if USDA intends to request any additional executive allocations.

*Land Management Workforce Flexibility Act*
This Act (PL 114-47) was signed into law on August 7, 2015, and allows certain current and former land management agency employees who are serving or have served under a time-limited appointment to compete for any permanent position in the competitive service at a Land Management Agency, or any other agency, under “internal” merit promotion procedures. Land Management Agencies include:

- U.S. Forest Service, USDA
- Bureau of Land Management, DOI
- National Park Service, DOI
- Fish and Wildlife Service, DOI
- Bureau of Indian Affairs, DOI
- Bureau of Reclamation, DOI

OHRM has issued instructions to agencies to provide implementing instructions to servicing HR offices to ensure compliance with this Act.

Per Executive Order 13522, in order to evaluate the effectiveness of labor-management collaborations in improving government efficiency, the Labor Relations Branch is responsible for leading the efforts for conducting an annual USDA Labor-Management Climate Assessment Survey for all USDA agency-level labor-management forums to measure the labor-management relationship across the entire USDA. Determining barriers for building effective partnership efforts between labor and management within USDA continues to be a hot topic.

*Affordable Care Act and Casual Employees*
USDA’s Forest Service (FS) has the authority to hire on the spot certain emergency workers to cope with sudden and unexpected emergencies related to wildland firefighting responsibilities and other hazardous incidents. In 2015, FS hired 7,212 emergency workers who are termed “casual hires.” Most of the casual hires work a few days or a few weeks, and are hired from the local area where the fire is located. However, there are occasions where the employees work for extended periods during the fire season. On October 17, 2014, OPM issued a regulatory change to 5 CFR 890 that applied the requirements of the Affordable Care Act (ACA) to temporary employees who work full time for more than 90 days. We initially believed that this change did not apply to casual hires. After consultation with Office of Personnel Management and the USDA Office of the General Counsel, it was determined that health benefits coverage must be offered under the ACA to this group of casual hires if they work more than 130 hours in a month for three consecutive months. These casual hires are paid by the Department of the Interior (DOI), who also employ casual hires. USDA collaborated with DOI to ensure all qualifying
employees were offered coverage beginning in January 2016 and throughout the summer fire season.

**Office of Operations**

*South Building and George Washington Carver Center (GWCC) Modernization Project Strategy*

USDA has been working for over 25 years (beginning with the 1995 Modernization Project) with extremely limited funding to maintain and modernize the historic USDA Headquarters Complex. With mounting deferred maintenance, aging infrastructure, long-standing life safety issues (unabated hazardous materials, lack of critical fire safety systems, outdated electrical systems, etc.), and non-compliance with contemporary building and accessibility codes, the USDA Headquarters is the only agency headquarters in Washington, D.C. that has not been modernized. The business-as-usual model of requesting modernization funds from Congress has not provided a viable means for funding the over $140 million in deferred maintenance or the funding required to complete modernization.

To address the many life safety and accessibility deficiencies, as well as the failing operational systems, USDA has developed a strategy to complete modernization. The goals and objectives of the new modernization strategy are to correct the serious deficiencies with the South Building and to achieve operating cost reductions both by reducing the footprint through the elimination of all leases in the National Capital Region and by improving energy efficiency. While continuing to reduce USDA’s real property footprint is important through elimination of leased facilities, each day that the South Building remains without proper fire protection, which would be corrected through the installation of an automatic sprinkler system, the safety of all occupants and visitors is seriously compromised. Likewise, modernization will allow the Department to achieve energy reduction goals, which will lower present operating expenses.

The USDA OO is embarking on a new business model that will utilize a hybrid funding approach. USDA would combine five (5) funding mechanisms to overcome the limitations associated with one single approach. In today’s dollars, USDA requires $776.15 million to completely modernize the South Building and GWCC. Under the hybrid option, an additional $376 million in ESPC finance fees would need to be added to the cost. The five (5) funding options under the hybrid approach include:

1. The energy savings performance contract (ESPC) – a public-private partnership tool available through the Department of Energy (DOE) which utilizes third-party financing and guaranteed energy and operational efficiency savings to pay for high-value energy conservation measures over time.
2. Non-recurring Expense Fund (NEF) – Granted to USDA by Congress with the express intent of maintaining and using unobligated balances of expired discretionary funds for projects such as facilities infrastructure and capital acquisition.
3. Annual Appropriations (over the next 5 years) – $20 million annual appropriations needed over next 5 years will be used for project requirements that cannot be funded under the ESPC or where the NEF funding has not accumulated in sufficient amounts to meet current funding needs. This includes costs incurred for payments on GSA program loans for furniture (see below), transition expenses, information technology, visual and telecommunications equipment, increased security costs for protection of construction equipment, construction delays, etc.

4. Backfill from Agency Appropriations – As agencies move into the South Building and/or GWCC from leased space, there could be an opportunity to capture some or all of the funds used for lease payments to assist with modernization funding.

5. GSA Total Workplace Furniture & Information Technology Program (FIT) - GSA’s FIT Program will be used to fund all new furniture acquisition for the South Building, with an estimated cost of $69.4 million.

People’s Garden Site Improvements and Perimeter Security Plan

The People’s Garden Initiative began in 2009 as an effort to challenge USDA employees to create agriculturally productive gardens at the agency’s facilities and the inaugural People’s Garden is located at the Whitten Building. The initiative is named in honor of President Lincoln’s description of USDA as the “People's Department.”

USDA commissioned the People’s Garden Site Improvements and Perimeter Security project to expand the People’s Garden Initiative across its headquarters’ grounds with a focus on sustainability, landscape enhancement, and education. In addition, as the only federal office building on the National Mall which also houses a Cabinet level position, USDA required a perimeter security plan. The scope of the project included the expansion of the People’s Garden theme with sustainable practices site-wide, integration of low impact development practices site-wide including bio retention swales, permeable and pervious paving, soil cells for street trees and rain gardens, integration of Level IV Perimeter Security, and a reduction of on-site parking.

The People’s Garden site improvements and perimeter security is a multi-phase project that encompasses the entire grounds of the USDA Headquarters Complex. Following presentations, USDA received conceptual approval of the site development plans from the National Capital Planning Commission (NCPC) and the Commission of Fine Arts (CFA) in July 2014. Upon approval, Federal Agencies have a 4-year approval limit to begin construction or face a new requirement to obtain approval again. OO has requested funding in the FY2018 budget for this project.

The HQ People’s Garden is OO’s Garden and the USDA flagship demonstration garden that supports public engagement in support of the Agricultural Marketing Service nationwide People’s Garden initiative.
United States Department of Agriculture  
2016 Presidential Transition  
Departmental Management Mission Area (DM)

The HQ Perimeter Site Improvement and Security Plan is the plan for improving security and sustainability around HQ buildings by incorporating mandatory security protection elements into the sustainability features of the HQ grounds in support of Executive Orders 13693 and 13508. This plan is a product of cooperation between USDA, the National Capital Planning Commission, GSA, the DC State Historic Preservation Office, and the National Park Service. Site improvements under this plan are separate and apart from the larger USDA South Building and GWCC Modernization plan.

National Liberty Memorial
The National Liberty Memorial (Memorial) was authorized on January 2, 2013, by Section 2860 of Public Law 112-239. It allows the National Mall Liberty Fund D.C. (Fund) to establish a memorial on eligible Federal land to honor the more than 5,000 slaves and free black persons who served as soldiers and sailors or provided civilian assistance during the American Revolution. On September 26, 2014, P.L. 113-176 approved the establishment of the Memorial within Area I, the area comprising the central Monumental Core of the District of Columbia and its environs. Potential sites within Area I for the Memorial includes properties under the control of GSA and Department of the Interior. The three sites include: the Interior South Triangle (Virginia Avenue/19th Street), Freedom Plaza, and the west side of the Jamie L. Whittem Building (the preferred site of the Fund given its proximity to the Washington Monument, its location along 14th Street as a gateway into and out of the city, and the high volume of pedestrian traffic the site receives). The site also has a connection to the National Museum of African American History and Culture.

GSA, as the property owner has the overall lead responsibility for this project. However, USDA has and continues to be committed to working with our partners. The next step in the process is the development of a Memorandum of Understanding (MOU) between GSA, USDA, and the Fund to include: roles and responsibilities; information on design development, and a narrative that supports and articulates the role of African Americans in the Revolutionary War and its relationship to the Department.

Park Center Lease
The lease at the Food and Nutrition Service Building, Park Center in Alexandria, VA, expires 5/31/2017. The General Services Administration (GSA) is analyzing the six Final Proposal Requests (FPRs) received September 23rd. The current time frame for occupancy of the new facility is between June 1, 2017 and May 31, 2018. An extension of the Park Center lease will likely be required. General requirements for the replacement facility include: ISC Level III security requirements; the offered space must be contiguous and accommodated in no more than one building; must be within 2,640 walkable linear feet of an existing Metrorail station. As the liaison for space in the NCR, OO has assisted FNS and GSA with developing the Program of Requirements and other logistics; however, GSA has the lead on the leasing acquisition and award.
Office of Procurement and Property Management

- USDA Category Management Hardware – A Blanket Purchase Agreement catalog offering certified hardware products (workstations, laptops, tablets, servers) at pre-competitive prices.

- USDA Enterprise-wide Managed Print Services (MPS) – An Indefinite Delivery contract for a next generation USDA MPS that enhances the existing MPS within USDA to reduce the overall cost of producing images for an environmentally sustainable MPS solution.

- OMB Reduce the Footprint update is typically due in October of each year. The goal for FY2017 is to reduce the square footage of offices by 328,045 and warehouses by 28,016.

- Executive Order 13693 “Planning for Federal Sustainability in the Next Decade” which requires vehicle petroleum reduction by 4% by the end of Fiscal Year 2017 and that all new vehicles employ telematics.

- Improving lease management practices through the establishment of LASD procedures and quality assurance review process for lease delegation requests submitted to GSA.

GAO and OIG Audits

Office of the Chief Information Officer

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### United States Department of Agriculture
#### 2016 Presidential Transition
##### Departmental Management Mission Area (DM)

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United States Department of Agriculture
2016 Presidential Transition
Departmental Management Mission Area (DM)

Office of Homeland Security and Emergency Coordination

- Office of Inspector General (OIG) open audit:
  o 61701-0001-21- FY 2016 Agro-Terrorism Prevention, Detection, and Response

- Government Accountability Office (GAO) open audit:
  o GAO-16-797 – Federal Disaster Assistance - 441286

Office of Human Resources Management

- 2014 (GAO-14-288) GAO “U.S. Department of Agriculture: Workforce Decisions Need Better Linkage to Missions and Use of Leading Practices” [http://www.gao.gov/products/GAO-14-288](http://www.gao.gov/products/GAO-14-288). This report examines: (1) how the workforces of USDA’s service center agencies changed from fiscal year 2003 to fiscal year 2012, (2) the extent to which USDA’s policy on supervisory ratios aligned with OPM guidance in fiscal year 2012, and (3) the extent to which USDA’s service center agencies followed leading practices when closing offices and reducing staff in fiscal year 2012. GAO recommends, among other things, that USDA take actions to revise its supervisory ratios policy; amend its policy on organizational changes to follow leading practices; and require RD and FSA to document links between various incentives and reshaping of strategic goals. USDA generally agreed with GAO's findings but disagreed with one finding and recommendation on supervisory ratios.


  GAO was asked to review workforce planning for federal veterinarians. This report examines: (1) department-wide efforts USDA and HHS have made for their routine veterinarian workforces, (2) the extent to which USDA has identified the veterinarians needed for emergency response to an animal disease outbreak, and (3) the steps OPM and other federal agencies have taken to achieve the goals of the government-wide strategic plan for the veterinarian workforce. GAO reviewed USDA, HHS, and government-wide workforce plans, and interviewed relevant officials. GAO recommended that USDA assess and address veterinarian workforce needs for emergency response to an animal disease outbreak, and that OPM review agencies’ use of direct-hire authority for veterinarians and monitor and evaluate progress and obtain leadership support for achieving government-wide veterinary workforce goals. USDA partially agreed, noting that it has taken steps to assess its emergency needs.

Office of Procurement and Property Management

Procurement Policy

- **OIG - 03/25/2016** - OPPM's Oversight of Contractor Past Performance Reporting Requirements (PDF), (Report No. 89099-0001-12, Issued March 2016)

- **OIG - 04/28/2015** - Assessment of USDA's Contracting Officer's Representatives (PDF) (Report No. 50099-0002-12, Issued March 2015)
Procurement Systems

The following audits were conducted by the USDA OIG in the last four years in which the IAS program was subjected to review as part of other OPPM audits:

- **OIG - 50901-01-13** “Review of Contractor Payments”
- **OIG - 92501-01-12** “Review of Procurement Operations”
- **OIG - 89901-0001-13** “Review of USDA Contract Databases”

The following audit was conducted by the USDA OIG in the last four years on the CCSC program:

- **OIG - 50024-0001-13** “Review of the Department’s US Bank Purchase Card and Convenience Check Data”

Procurement Systems

- **OIG - 50099-001-12** “Review of Expenditures Made by the Office of the Assistant Secretary for Civil Rights” [July 15, 2015] Completed on June 30, 2016, except for Recommendation #8. The Procurement Operations Division is awaiting submission of the Unauthorized Commitment documents from the staff of the Assistant Secretary of Civil Rights on/about September 30, 2016
- **OIG - 50601-0002-21** “Hispanic and Women Farmers and Ranchers Claim Resolution Process” [March 10, 2016] Completion of Recommendations 1 and 2 is due on December 31, 2016, and March 31, 2017, respectively
Property Management

Closed GAO Audits

Open GAO Audits
- GAO - 100195 “Leasing Responsibilities” entrance meeting 11/12/15
- GAO - 100565 “Real Property Disposal Authorities” entrance meeting 8/2/16
- GAO - 100799 “Incentives for Disposal” entrance meeting 8/2/16
- GAO - 100807 “Data Reliability” entrance meeting 8/22/16
- GAO - 100849 “Aircraft Data” entrance meeting 7/27/16

OIG Audits
- OIG - 50024-004-13 “Charge Card Data” 7/13/15
- OIG - 50099-002-21 “Vehicle Misuse” 3/2/16

Environmental Management
- The BioPreferred Program is currently responding to the GAO’s “Sustainable Chemistry Technology Assessment Review” (GAO Engagement Notification 100398).
- In 2015, HMMP was under a GAO audit: GAO-15-35 “Agencies Should Take Steps to Improve Information on USDA’s and Interior’s Potentially Contaminated Sites”.

Office of Small & Disadvantaged Business Utilization
In late May of 2016, GAO began an audit of USDA’s OSDBU at the request of the Chair of the House Committee on Small Business. Almost all other federal departments’ and agencies’
OSDBU’s are undergoing the same audit. While this audit is not a regular, recurring occurrence, it is certainly not unusual or unexpected. Similar audits were conducted by GAO in 1995, 2003, and 2011, all at the request of the Chair of the House Committee on Small Business, and all focusing on very similar issues and objectives. The objectives of the current audit are:

- Assess whether the OSDBU director reports to the head or deputy of the head of the agency as defined in the National Defense Authorization Act revisions; and

- Determine the functions conducted by the OSDBUs at selected federal agencies.

Based on previous audits, GAO anticipates concluding the audit, and returning the report sometime during the second or third quarter of calendar year 2017. In the interim, GAO communicates with USDA’s OSDBU office for any questions, requests for additional information, and any other item or action it needs to develop their report.

In previous audits, the GAO found that USDA was not in compliance with the section of the Small Business Act that requires the OSDBU Director to report directly to the Secretary or his designee. Instead, USDA had previously designated the Assistant Secretary for Administration as the OSDBU Director, who then delegated nearly all authority to the lower-ranking Director in the OSDBU office. That lower-ranking official would report to the ASA, who would in turn report to the Deputy Secretary.

At the entrance conference for the current audit USDA clarified that it has altered the reporting structure and responsibilities to comply with the requirements of the law. The OSDBU Director now has the full authority as described in the law, and reports directly to the Deputy Secretary. USDA also discussed the various roles and responsibilities of the OSDBU office, and how they implement the various laws, statutes, and regulations related to OSDBU.
WHAT WE DO: OUR MISSION

OCIO energizes the USDA mission by providing cloud computing strategies, data center hosting, application development, enterprise email, and wide-area network services to USDA component agencies. OCIO also has direct management responsibility for IT desktop and end-user services that support the Farm Service Agency, the Natural Resources Conservation Service, Rural Development, and Departmental Staff Offices. OCIO ensures the integrity, availability, and confidentiality of USDA data and systems through management of USDA’s cybersecurity program, and manages the IT capital planning and investment control review process to ensure efficient spending across the USDA IT portfolio.

WHO WE ARE: OUR WORKFORCE

OCIO employs 998 employees working in every state in the country and at major facilities in Washington, DC, Kansas City, MO, St. Louis, MO, and Fort Collins, CO, to support USDA program delivery.

WHO WE SERVE: OUR CONSTITUENTS

OCIO partners with USDA officials through the Executive IT Investment Review Board, with agency CIOs on the CIO Council, as well as with OMB and DHS to protect USDA’s data and enable efficient and effective program delivery.

KEY UPCOMING DECISIONS

OCIO and the USDA IT community have identified four key strategic priorities that require leadership awareness and decisions:

- Cybersecurity – Determine funding strategy for Continuous Diagnostics and Monitoring Program
- Modernize Networks – Develop Concept of Operations for one USDA network
- Cloud Strategy – Determine whether USDA’s NITC data center will become a Federal-wide shared service provider
- FITARA – Develop funding strategy for FITARA implementation

BUDGET HIGHLIGHTS FY 2016

Overall budget Authority is $485.164M

- Discretionary (Policy and Cyber Security) - $44.538M
- Other Reimbursements – $11.187M
- Working Capital Fund (National Information Technology Center, Enterprise Network Services, Client Technology Services, Administrative Support) - $429.439M
I. Organizational Overview

OCIO provides USDA agencies with IT policy guidance and oversight, data center, telecommunications operational support services, and end user support services. In line with the Clinger Cohen Act, policy, operational guidance, and oversight are provided in areas such as capital planning and investment control, cybersecurity, privacy, information technology architecture, telecommunications, information management and collection, and electronic government.

OCIO is leading USDA’s efforts to transform the Department’s delivery of information, programs, and services by using integrated services that simplify citizens’ interactions with their government. OCIO is designing the Department’s Enterprise Architecture to efficiently support USDA’s move toward consolidation and standardization. OCIO is strengthening USDA’s Computer Security Program to mitigate threats to USDA’s information and IT assets and to support the Department’s Homeland Security efforts. OCIO continues to facilitate the USDA IT capital planning and investment control review process by providing guidance and support to the Department’s Executive IT Investment Review Board, which approves all major technology investments to ensure that they efficiently and effectively support program delivery.

OCIO provides data center operations, application development, and wide-area network telecommunications services funded through the USDA Working Capital Fund and appropriations to all USDA agencies through the National Information Technology Center and the Enterprise Network Services with locations in Ft. Collins, Colorado; Kansas City, Missouri; and Washington, D.C. Direct ADP services are provided to the Office of the Secretary, Office of the General Counsel, Office of Communications, and Departmental Management.

OCIO also has direct management responsibility for IT desktop and end-user services through the Client Technology Services. This includes the consolidated IT activities for the Farm Service Agency, the Natural Resources Conservation Service, and Rural Development mission area.

The OCIO Headquarters is located in Washington, D.C. As of September 1, 2016, there were 998 full-time permanent employees funded by appropriated, reimbursed, and Working Capital Funds.

USDA’s FY2017 IT Portfolio consists of 32 major investments and 172 non-major investments totaling ~$3.2 Billion. From a security perspective, USDA has 597 operational systems. 172 of these systems contain personally identifiable information.
Agency’s Mission/Strategic Plan

- USDA IT Mission Statement: We serve the public by delivering the information and technology that energizes USDA’s mission.

- USDA IT Vision Statement: Business partners creating innovative solutions for food, farms, forests, and families.

- USDA IT Strategic Goals:
  - Safeguard public trust in USDA by securing systems
  - Strengthen foundational IT systems by modernizing USDA’s network
  - Accelerate the delivery of new services by adopting Cloud
  - Invest wisely in IT by leveraging FITARA (Federal Information Technology Acquisition Reform Act)

(The above strategic goals were developed in FY16 in collaboration with OCIO and CIOs across USDA through the USDA CIO Council. The language has changed from the IT Strategic Plan most recently published. An FY17-20 USDA IT 1 page strategy document is attached for reference.)

- A copy of USDA’s IT Strategic Plan, 2014-2018 with strategic goals can be found at: https://www.ocio.usda.gov/strategic-plan.

Key mission delivery performance measures

**IT Portfolio Management**
The Office of the Chief Information Officer conducts planning, education, management, analysis, and governance of USDA’s $3.2 billion annual IT investment portfolio. In FY2016, the IT investment portfolio is composed of 32 major IT investments and 172 non-major IT investments.

OCIO partners with USDA component agencies to create business relationships that support effective IT portfolio management processes and a strategic decision-making environment.

This environment consists of three key components:
- Executive decision-making
- Creating repeatable IT Governance and Portfolio Management processes
- Supporting portfolio management tools
USDA scores major investments on a monthly basis and non-major investments quarterly based on a common set of criteria:

- Overview
- Acquisition
- Program/Project execution and Risk Management
- Performance Management and Documentation

OCIO provides guidance to the agencies in the management and reporting of the agency portfolio, and coordinates and manages the submissions of the USDA IT Portfolio Summary and Major IT Business Cases to OMB. The performance of USDA’s IT portfolio of investments is publicly available via the OMB Federal IT Dashboard, www.itdashboard.gov.

**OCIO Bi-Weekly Cyber Security Scorecard**

In 2016, OCIO created a scorecard to provide USDA leadership increased visibility into the vulnerability management process and highlight key cybersecurity metrics for each of their organizations within USDA.

Every two weeks, USDA component agency heads and component CIOs are provided with a status of key cybersecurity hygiene factors, including critical internal and external vulnerabilities, status of Authority to Operate (ATO) activities, and PIV (Personal Identity Verification) enforcement for privileged and non-privileged users. The metrics that make up the scorecard are indicators of key measures in Federal Information Security and Modernization Act of 2014 (FISMA) law, Homeland Security Presidential Directive 12 (HSPD12), and other government mandates. Good performance in these measures reduce the overall risk to USDA assets and data. OCIO aggregates the key measure indicators on the scorecard providing a bi-weekly snapshot on agency performance.
A copy of the most recent biweekly USDA cybersecurity scorecard is below.

<table>
<thead>
<tr>
<th>Agency</th>
<th>Security Compliance Program Scorecard</th>
<th>Operational Security Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>USDA</td>
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<tr>
<td>FDA</td>
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<td>NRCS</td>
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<td>RUS</td>
<td></td>
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<tr>
<td>Rural Development</td>
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</tr>
</tbody>
</table>
Agency Overall Score

The Agency Overall Score column has a green, yellow, or red icon representing overall agency performance for a bi-weekly run of the scorecard. This rating is a composite score of six metric categories:

- User Accounts - % PIV Enforced
- Privileged Accounts - % PIV Enforced
- % of Plan of Action and Milestones (POA&Ms) on Schedule
- Overall Compliance Percentage
- Public Vulnerabilities
- Number of Vulnerabilities per Endpoint

Green represents that the agency is doing very well meeting their cybersecurity initiatives. Yellow represents that they are meeting the objectives but have room for improvement. Red means that they have performed poorly.

The rating in each of the categories is assigned a point value:

- 3 points for a green score
- 2 points for a yellow score
- 1 point for a red score
- Not Applicable categories have no value will not be calculated into the score

The score is determined by taking the sum of the points for the applicable categories divided by the number of applicable categories:

- Green indicates a score of 2.75 and greater
- Yellow indicates a score between 2.75 and 1.75
- Red indicates a score lower then 1.75

Metric Categories

The metric categories are measurements of an agency’s compliance and performance in a specific cybersecurity category that is either required by mandate or law.

- **User Accounts - % PIV Enforced:** Per Homeland Security Presidential Directive #12 (HSPD12), the U.S. Government is standardizing user identification and authentication to reduce fraud, enhance security, and increase efficiency. The standard produced from HSPD12 is the Personal Identity Verification (PIV) standard. The PIV standard provides a higher level of security for government systems by using a two-factor method to log on to government networks/systems and identity verification when the credential is issued. This metric is the percentage of regular accounts belonging to the general population of users that are using PIV for accessing systems. For FY16, OMB set a target that all agencies be 85% compliant with PIV enforcement. On the scorecard, Green indicates a score of 85% or higher compliance, Yellow indicates an agency has achieved at least 50% PIV compliance, and Red is anything lower than 50%.
• **Privileged Accounts - % PIV Enforced:** These accounts are for users that have elevated privileges to systems or data. This includes system administrators, network administrators, database administrators, or anyone who has some sort of administrative privileges or elevated privileges with data. Again, this metric is determining the percentage of administrative users who use PIV for performing administrative duties. For FY16, this target has been raised by OMB to 100% compliance. To achieve a Green rating, the agency must have 100% of privileged user’s access to systems using PIV. Yellow indicates a score between 99% and 95% and Red indicates a score below 95%.

• **% of POA&Ms on Schedule:** A POA&M is a Plan of Action and Milestones that is used to document weaknesses found either through an audit or assessment of the system. A POA&M is also a mechanism to document the plan to remediate the weakness outlined through milestones, and to provide the associated cost of remediating the weakness. When creating a POA&M, an agency provides the date they expect to remediate the weakness. If an agency’s POA&M has remained open beyond the completion date, it is considered delayed. This metric determines how well an agency is performing with the timely remediation of weaknesses on their systems. The calculation for the metric is the number of POA&Ms on schedule divided by the number of POA&Ms. A green score indicates 90% or more on schedule; Yellow is between 65% and 90% on schedule; Red is below 65%.

• **Overall Compliance Percentage:** FISMA mandates that government agencies use a security framework provided by National Institute of Standards and Technology (NIST) to implement cybersecurity best practices to protect government cybersecurity assets. The calculation for this metric is the Authority to Operate (ATO) Percentage score multiplied by the .25 then added to the On-Going A&A score multiplied by .75. If the agency has any infractions the score is then multiplied by .5. The normal calculation can be represented as \([\text{ATO Percentage} \times .25 + \text{On-Going Percentage} \times .75]\); when the agency has an infraction, the calculation is \([(\text{ATO Percentage} \times .25 + \text{On-Going Percentage} \times .75) \times .5]\).

• **Public Vulnerabilities:** This metric is an indicator of any critical vulnerabilities found by the Department of Homeland Security (DHS). DHS does weekly scans of all of USDA’s publicly accessible systems for known security flaws. This metric is binary: if a critical vulnerability exists, the score is Red; if no critical vulnerabilities exist, it is Green.

• **Vulnerabilities per Endpoint:** USDA also scans the network internally using tools to determine whether flaws exist on system endpoints.
(computers/servers/network equipment or other components that are part of a system) that could compromise security. The tools provide the number of vulnerabilities a system has. This metric is calculated by dividing the total number of critical vulnerabilities that exist on agency systems divided by the total number of endpoints the agencies maintain. A score of .5 or lower critical vulnerabilities per endpoint is Green; between .5 and 2 critical vulnerabilities is Yellow; Red is greater than 2 vulnerabilities per endpoint.

**Organization’s History**

The Clinger-Cohen Act of 1996 required the establishment of a Chief Information Officer (CIO) for all major Federal agencies. The Act requires USDA to maximize the value of information technology acquisitions to improve the efficiency and effectiveness of USDA programs. To meet the intent of the law and to provide a Departmental focus for information resources management issues, Secretary’s Memorandum 1030-30, dated August 8, 1996, established the Office of the Chief Information Officer (OCIO). The CIO serves as the primary advisor to the Secretary on Information Technology (IT) issues. OCIO provides leadership for the Department's information and IT management activities in support of USDA program delivery.
United States Department of Agriculture
2016 Presidential Transition
Office of the Chief Information Officer (OCIO)

Organizational Chart

Working Organization Reporting Structure, as of 10/03/16
Biographies of career staff in key leadership positions

Jonathan Alboum
Chief Information Officer
202-720-8833, Jonathan.Alboum@ocio.usda.gov

Jonathan Alboum was appointed the U.S. Department of Agriculture’s (USDA) Chief Information Officer (CIO) by Agriculture Secretary Tom Vilsack in June 2015. In this role, Alboum works with stakeholders across USDA’s 29 component agencies and staff offices and throughout Government to formulate IT strategies and to develop policies that support IT budget formulation and execution, portfolio management, governance, IT operations, and information security.

Prior to his appointment as CIO, Alboum held several leadership positions at the USDA and the General Services Administration (GSA). He most recently served as the Program Executive for USDA's Modernize and Innovate the Delivery of Agriculture Services initiative, where he provided executive leadership for a $400+ million SAP (Systems, Applications & Products in Data Processing) implementation that gives farmers and ranchers the flexibility to update customer information at any Farm Service Agency (FSA) county office, enables them to more efficiently manage multiple customer records, reduces improper payments, and provides program eligibility information through a single view. Before that, Alboum served at GSA as the Associate CIO for Enterprise Governance and Planning. During his tenure at GSA, he also led the creation of GSA’s consolidated IT organization and worked as the Deputy CIO for the Federal Acquisition Service. Mr. Alboum began his Federal government career at the USDA Food and Nutrition Service (FNS), where he served as the Deputy CIO and the CIO.

Alboum joined Government after working as a management consultant for both PriceWaterhouseCooper and Ventera Corporation. In these roles, he managed several large system implementations, gaining a depth and breadth of knowledge regarding how organizations use technology to transform their businesses and better serve their customers. Jonathan earned a MS in the Management of Information Technology from the University of Virginia's McIntire School of Commerce and a BS in Systems Engineering from the University of Virginia's School of Engineering and Applied Science.

Doug Nash
Deputy Chief Information Officer, Operations and Infrastructure
202-692-0060, Douglas.Nash@ocio.usda.gov

Doug Nash serves as USDA’s Deputy CIO for Operations and Infrastructure, where he is responsible for providing information technology services and solutions, technical expertise, leadership, and the strategic direction and vision essential to the effective and efficient operations of the USDA information technology enterprise.

Doug has spent his career in public service and the private sector, focusing on customer service, mission enablement, and innovation. He has worked for the federal government since 1991, and his most recent role was as Forest Service CIO. In addition, he has served
in a wide variety of senior leadership positions, including Deputy CIO, Director of Information Resources for the Eastern Region, and Director of the Information Solutions Organization. Prior to joining federal service he worked as a software engineer for TRW Space and Defense Sector, and was a senior consultant for Oracle Corporation’s Federal Services Division. He holds a Bachelor of Science degree in Management Information Systems from George Mason University, and is a retired United States Army Reserve officer.

Sue E. Bussells
Executive Officer, Enterprise Management
202-690-0064, Sue.bussells@ocio.usda.gov

Sue E. Bussells is the Executive Officer for Enterprise Management at the United States Department of Agriculture. She has more than 28 years of federal service. Most recently, she served as the USDA CIO’s Chief of Staff and key advisor. Her prior roles at USDA include a term serving as the acting CIO for USDA’s Rural Development Mission Area and five years as the Deputy CIO for the Farm Service Agency. Her federal career also includes working as the Chief Technology Officer for the Commodity Futures Trading Commission, working at the Department of Veterans Affairs where she was the Technical Infrastructure Manager, working at the U.S. Patent and Trademark Office, and serving as a project manager at the Office of Management and Budget.

Prior to coming to Washington, D.C. from Texas in 1999, Sue worked with the Department of Justice at the U.S. Border Patrol, overseeing the El Paso Sector as Senior Technology Manager. Ms. Bussells also held several project and program manager positions at the Department of Defense, responsible for a wide range of initiatives. Ms. Bussells has continued to lead her organizations through quality management, process improvements, and innovative changes, which helped one agency win the Malcolm Baldridge Quality Award for two consecutive years.

Sue is a decorated veteran and served in the United States Army as a Military Intelligence Analyst (Electronic Warfare). Ms. Bussells holds a bachelor’s degree in Computer Science (Science and Engineering Option) from Roosevelt University and a master’s degree in Computer Resources and Information Management from Webster University. She also has a Master’s Level Certification as a Chief Information Officer from the National Defense University, and she is a published author in the *International Journal of Enterprise Architecture*. In addition, she completed the Leadership for a Democratic Society Program at the Federal Executive Institute.

Chris Lowe
Chief Information Security Officer
202-590-5939, Christopher.Lowe@ocio.usda.gov

Christopher Lowe was named Chief Information Security Officer (CISO) in September, 2012. In his role, he serves as the Associate CIO leading both the Security Operations Center, and the Compliance and Program Oversight office.
Mr. Lowe joined the Office of the CIO in 2009 as the Associate CIO for Security Operations. He provides executive leadership in security operations, compliance, architecture, and risk management, and is responsible for securing USDA networks and systems by collecting, analyzing, integrating and sharing information among the USDA component services. Mr. Lowe coordinates cyber-security situational awareness, resources, and reporting for USDA organizations and personnel in order to protect USDA programs, information and assets.

Prior to OCIO, he was the Senior Agency Information Security Officer and the Associate CIO for Infrastructure and Operations at USDA’s Food Safety and Inspection Service (FSIS). He joined FSIS in late 2005, before which he spent 18 years in international federal IT consulting, most recently as a security engineer with Booz Allen Hamilton.

Mr. Lowe received a B.A. in International Studies from Wheeling Jesuit University. He also holds current professional credentials in both information security (Certified Information System Security Professional and as a Project Management Professional).

Ravoyne Payton
Associate Chief Information Officer (ACIO), Policy, e-Government and Fair Information Practices (PE&F)
202-690-0048, Ravoyne.Payton@ocio.usda.gov

Ms. Ravoyne "Ray" Payton currently serves as the Associate Chief Information Officer for Policy, e-Government and Fair Information Practices. Prior to this role she served as the Deputy Associate Chief Information Officer for Policy, e-Government and Fair Information Practices, and the acting Chief Privacy Officer (CPO). Ms. Payton joined USDA as the CPO in September 2009. She served in this role until October 2015. As the CPO, Ms. Payton reenergized the USDA Privacy Council, led an effort to bring personally identifiable training to the USDA training repository, AGLearn, and worked diligently to increase the awareness of protecting personal information entrusted to USDA. As the Acting Departmental FOIA Officer for eighteen months, Ms. Payton led the implementation and deployment of the Department’s first enterprise-wide FOIA tracking system and a public access link which allows the public to submit and track FOIAs online.

Prior to joining USDA, Ms. Payton worked at the United States Small Business Administration, Transportation Security Administration, General Services Administration, and the Defense Contract Audit Agency. Ms. Payton graduated from George Mason University with a bachelor’s in Government and Political Science. She also is a graduate of Troy State University with a Master’s degree in Public Administration with an emphasis in Information Technology.
Yvonne T. Stevenson
Associate Chief Information Officer, Information Resource Management
202-690-2118, Yvonne.Stevenson@ocio.usda.gov

Yvonne T. Stevenson is the Associate Chief Information Officer for Information Resource Management with USDA. She assists the CIO and Deputy CIO in providing leadership, strategic direction, and executive oversight of the Department’s $3.2 billion IT investment portfolio. Mrs. Stevenson establishes policy and IT governance over the diverse information technology programs across more than 29 USDA agencies and staff offices. She directly oversees IT capital planning and investment control process, enterprise architecture, and information management (records management, information collection, Directives/Regulations, etc.).

Prior to this position, Mrs. Stevenson served as the ACIO for Technology Planning, Architecture and E-Government. Mrs. Stevenson has over 30 years of Federal Government experience with the Department of Defense and the Department of Agriculture. She began her career with the Department of the Navy, Naval Facilities Engineering Command. She also served in a number of positions of increasing responsibility with the Department of the Army at the U. S. Army Missile Command (now Aviation and Missile Command). These positions included senior engineer, assistant Program Manager for Survivability for the Javelin Weapon System, and assistant PEO for Survivability and Advanced Technology for the PEO Tactical Missiles. Mrs. Stevenson was selected Product Manager for the U.S. Army Small Computer Program at Fort Monmouth, N.J. by the Acquisition Program Manager's Board. Mrs. Stevenson also served as the Acting Director and Deputy Director for Acquisition and Industrial Base Policy in the Office of the Assistant Secretary of the Army; Assistant Director for Enterprise Development in the Office of the Under Secretary of Defense for Acquisition Technology and Logistics; and Special Assistant for Energy Conservation to the Under Secretary of the Air Force. Mrs. Stevenson served as the Air Force Deputy Program Executive Officer for Combat and Mission Support prior to joining USDA.

Mrs. Stevenson is a distinguished graduate of the Army’s Senior Service College/War College Fellowship Program, the Federal Executive Institute’s Leadership for a Democratic Society, the Army’s Sustaining Base Leadership and Management Program, and the Advanced Program Manager’s Course. She is Level III certified in Program Management, Engineering, Test and Evaluation, and Production and Manufacturing. Mrs. Stevenson is a Doctoral candidate in the Doctorate of Business Administration Program at the Florida Institute of Technology.

Richard Coffee
Associate Chief Information Officer, Data Center Operations
202-690-0048, Richard.Coffee@ocio.usda.gov

Richard Coffee serves as the Associate Chief Information Officer of the National Information Technology Center (NITC), Enterprise Data Centers as of June 2014. Mr. Coffee provides executive leadership and strategic direction for 4 major USDA Enterprise
Data Centers: the NITC headquarters located in Kansas City, Missouri; the St. Louis, Missouri location for disaster recovery; the Beltsville, Maryland location for Washington, D.C. area development and test systems only; and Fort Collins, Colorado, where Enterprise Application Services are located. The NITC organization provides centralized, cutting edge shared computing technology and application services to USDA and other external federal agencies. The NITC organization provides 24x7 web-enabled technologies, offers service platforms including Infrastructure as a Service (IaaS), Platform as a Service (PaaS), Software as a Service (SaaS) and Professional Services (PS), a mainframe infrastructure with over 350 commercial off-the-shelf (COTS) products, and a secure private and public network throughout the United States with high assurances of confidentiality, integrity, and availability on all server architectures.

Mr. Coffee joined OCIO in April 2009 and served as the Senior Advisor to the Deputy Chief Information Officer providing senior level support in the coordination efforts of OCIO policy oversight and operations. Mr. Coffee then served as the Deputy Chief Information Officer for Technology Planning, Architecture and E-Government supporting the execution of an IT portfolio. In February 2011, Mr. Coffee accepted the position of the Associate Chief Information Officer for Cyber Policy and Oversight, and in August 2012, Mr. Coffee accepted the position as the Associate Chief Information Officer for Policy and Directives.

Before joining the USDA OCIO leadership team, Mr. Coffee served 10 years at the Small Business Administration as the Chief Enterprise Architect. Prior to his tenure at the SBA, Mr. Coffee served 10 years in the legislative branch of the federal government with the United States Senate Computer Center responsible for data center operations and vendor support. He also led the implementation of the U.S. Senate’s first computer–telephony integrated help desk system.

Mr. Coffee received his Bachelor of Science Degree in Information Technology Management and an Associate of Arts degree in Computer Programming from Strayer University. Mr. Coffee has also completed a graduate program in Cybersecurity Policy from the University of Maryland-University College.

Flip Anderson
FITARA Operations Officer
202-720-7649, Flip.Anderson@ocio.usda.gov

Flip Anderson has over 30 years of hands on and managerial experience in all aspects of information technology, including information management, information and physical security systems, and program management. He specializes in the development and management of Information and Knowledge Management systems with a strong background in Program Management and Systems Development.

During the past four plus years at USDA, Mr. Anderson served as the Deputy Associate Chief Information Officer for Information and Acting Associate Chief Information Officer for Information Resource Management. Mr. Anderson assists the Chief Information Officer
and Deputy Chief Information Officer in providing leadership, strategic direction, and executive oversight of the Department’s IT investments.

Mr. Anderson comes to USDA from private industry where he was a Senior Program Manager with Innovative Concepts Inc., an Elbit Systems of America Company. He was directly responsible for the development and management of the Department of Homeland Security Integrated Fixed Tower System and U.S. Department of Defense and Foreign Military Command and Control systems.

Prior to his time in private industry, Mr. Anderson served 26 years in the U.S. Army, where his last positions were as a Chief Information Officer and Product Manager of the Advanced Collaborative System.

Mr. Anderson has a Bachelor’s Degree in Psychology from Newman University, in Wichita, Kansas, a Masters in Information Technology from the University of Maryland-University College, and Chief Information Officer Certifications from the Federal Chief Information Officers University and the University of Maryland University College. His military education includes Senior Program Management Officers Course, Program Management Skills Course and Systems Acquisition Management from the Department of Defense Acquisition University, Fort Belvoir, VA where he achieved a Level III Certification in Program Management, Level II Certification in Systems Management, and certification in Army Test and Evaluation.

Biographies of political staff in key leadership positions

Joyce Hunter
Deputy Chief Information Officer, Policy and Planning
202-690-7307, Joyce.hunter@ocio.usda.gov

Joyce Hunter serves as Deputy CIO for Policy and Planning. Ms. Hunter has over 30 years of experience in the information technology industry. She has demonstrated a strong ability to build and sustain relationships with public/private stakeholders to lead innovative projects and inter-agency initiatives. Ms. Hunter previously served as the Chief Executive Officer of Vulcan Enterprises, an IT strategic planning consulting organization, where she provided executive advisory services, industry intelligence, policy evaluation and analysis, business development support, business IT alignment, and strategic business consulting.

The last 14 years of Ms. Hunter’s career have been dedicated to addressing the increasingly complex demands on the federal and commercial health community. She previously served over 10 years with Lotus Development Corporation, rising to the level of Major Account Executive and Global Account Manager. Ms. Hunter earned a BA from Villanova University, an MBA in Marketing from the University of Pennsylvania, Wharton School of Business, has a certificate in Emotional Intelligence, and is a Wharton Fellow.
Organizational Budget and Financial Management

Increases in OCIO Working Capital Fund (WCF) activity budgets from FY13 to FY14 resulted from the following customer demand:

- The Client Technology Services increase was due to customers requesting additional services such as information technology hardware refreshment.
- The National Information Technology Services increase was due to customers requesting additional services such as application development work for the General Services Administration.
- The Enterprise Network Service increase was due to the purchase of additional network capacity to meet customer demands.

<table>
<thead>
<tr>
<th>Office of the Chief Information Officer</th>
<th>Budget Authority FY 2009-2016 (Dollars in Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discretionary:</td>
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<tr>
<td>Policy</td>
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<tr>
<td>Actual</td>
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<td>Cyber Security</td>
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<td>Actual</td>
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<tr>
<td>Discretionary Sub-total</td>
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<td>Working Capital Fund:</td>
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<td>National Information Technology Center</td>
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<td>Enterprise Network Services/1</td>
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<td>Working Capital Fund Sub-Total</td>
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<tr>
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<td>398,664</td>
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<td>Total</td>
<td>$428,731</td>
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1. Enterprise Network Services is the consolidation of the National Telecommunications Services Office and other telecommunications services.
2. Computer Services Unit, Telecommunications Customer Services Center, and Network Services were consolidated with Client Technology Services in FY 2015.
3. Enterprise Shared Services was consolidated with National Information Technology Center in FY 2012.
4. Administrative Support Costs are those expenses incurred by staff offices in providing services to the WCF. Before 2013, it was a WCF-wide overhead reimbursement account. Starting in 2013, it came under the WCF Treasury symbol and was reported as a separate line item.
United States Department of Agriculture  
2016 Presidential Transition  
Office of the Chief Information Officer (OCIO)

Enterprise Workforce Data

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<th>G.S. Level</th>
<th>Total</th>
<th>Total Percentage</th>
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<tbody>
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<td>1%</td>
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<tr>
<td>SL</td>
<td>2</td>
<td>0%</td>
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<tr>
<td>GS 13- GS 15</td>
<td>469</td>
<td>47%</td>
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<tr>
<td>GS 8- GS 12</td>
<td>511</td>
<td>51%</td>
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<tr>
<td>GS 5 -GS 7</td>
<td>6</td>
<td>1%</td>
</tr>
<tr>
<td>GS 2 - GS 4</td>
<td>2</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total Staff</strong></td>
<td><strong>998</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
OCIO currently employs a workforce of 1,774 staff

- Of the 1,774 staff, 998 (56%) are Federal employees and 776 (44%) are contractors.
- Of the 998 employees, the following are full-time and part-time:
  - Full-time: 998 employees
  - Part-time: 0 employees
- OCIO does not employ additional seasonal employees or temporary employees to provide support during busier months
- Of our total Federal employee workforce, 228 (23%) are eligible to retire within the next year (by 9/30/17).
- Our headquarters is located in Washington, D.C., which houses 14% of our workforce
- OCIO has staff in 294 field offices across the United States to provide information technology support to our USDA customers
- The 998 employees are information technology specialists that provide a wide range of services to USDA customers; 139 are located in headquarters and 859 are located in field offices.

II. Policies and Regulations

Statutory Authorities


Important Policies and Regulations

USDA finalized and published the following 16 IT-related Departmental directives (policies/regulations) within the past year since August 1, 2015 (directive title, directive number, directive owner, effective date):

1. Cloud Computing, DR 3650-001. Office of the Chief Information Officer (OCIO) –National Information Technology Center (NITC), 09/30/15
2. Enterprise Architecture, DR 3185-001. OCIO-Information Resource Management (IRM), 06/28/16
3. Enterprise Geospatial Data Management, DR 3465-001. OCIO-Enterprise Geospatial Management Office (EGMO), 08/05/16
4. Information System Contingency Planning and Disaster Recovery Planning, DR 3571-001, OCIO-Agriculture Security Operations Center (ASOC), 06/01/16
5. Information Technology Capital Planning and Investment Control, DR 3130-013, OCIO-IRM, 07/08/16
6. Information Technology Cost Estimating, DR 3130-012, OCIO-IRM, 03/04/16
7. Information Technology Program and Project Manager Certification Requirements, DR 3130-011, OCIO-IRM, 02/04/16
8. Management of USDA IT Enterprise Initiatives Procedures, Departmental Manual (DM) 3107-001, OCIO-EM, 05/18/16
9. Network Class of Service and Quality of Service, DR 3300-006, OCIO-Enterprise Network Services (ENS), 06/01/16
10. Non-Major Information Technology (IT) Investments, DR 3130-009, OCIO-IRM, 11/18/15
11. Records Management, DR 3080-001, OCIO-IRM, 08/16/16
12. Secure Communication Systems, DR 3300-015, OCIO-ASOC, 07/14/16
13. Secure Domain Name System, DR 3300-025, OCIO-ENS, 03/18/16
14. Telecommunications & Internet Services and Use, DR 3300-001, OCIO-ENS, 03/18/16
15. USDA Chief Information Officers Council, DR 3105-001, OCIO-EM, 04/06/16
16. United States Department of Agriculture Enterprise Information Technology Governance, DR 3130-010, OCIO-IRM, 12/03/15

USDA Departmental directives (policies/regulations) are published/listed at the following Web pages:

- https://www.ocio.usda.gov/policy-directives-records-forms/directives-categories

The number of new USDA Departmental directives (policies/regulations) released per year (on average):

- FY2014 – 28
- FY2015 – 20
- FY2016 YTD – 33
- Average – 27 per year
United States Department of Agriculture
2016 Presidential Transition
Office of the Chief Information Officer (OCIO)

USDA Departmental forms are published/listed at the following Web page:


The total number of new and revised USDA Departmental forms released per year (on average):

- FY2012 – 46
- FY2013 – 31
- FY2014 – 23
- FY2015 – 16
- FY2016 YTD – 25
- Average – 28.2 per year

The percentage of USDA Departmental forms deemed significant/economically significant by the Office of Information and Regulatory Affairs (OIRA):

- 10.2% of USDA’s Departmental forms are reviewed and approved by OIRA.

USDA Departmental Directives to be Sunset:

1. Secretary’s Memorandum (SM) 1076-011, Realignment of the Departmental Management, Office of Homeland Security and Emergency Coordination (OHSEC), Executive Protective Operations Division, OHSEC, 10/02/15 – Will sunset 10/02/16

2. SM 1076-012, Lease Accountability and Strategy Division, OPPM, 11/05/15 – Will sunset 11/05/16

3. Departmental Notice (DN) 5090-006, USDA Purchase Card Program – Mandatory, Annual Refresher Training Requirements, OPPM, 05/12/16 – Will sunset 05/12/17

4. SM 1076-014, Delegation of Authority for the Organic Certification Cost Share Programs, OSEC, 08/03/16 – Will sunset 08/03/17

5. SM 1076-016, Establishment of an Office of the Chief Risk Officer for Rural Development, OSEC, 10/05/16 – Will sunset 10/05/17

6. SM 1076-015, Realignment of the Office of Advocacy and Outreach, OES, 10/18/16 – Will sunset 10/18/17
Overview of the policy/regulation review process

USDA agencies and staff offices use the Departmental Directives System and Forms System to issue policies, procedures, guidance, and forms which have general applicability to the employees and two or more USDA agencies or staff offices of the Department. Directives that are applicable to only one agency or staff office are not part of the Departmental Directives System. The USDA currently has 332 Departmental directives in effect. The system is described in Departmental Regulation (DR) 0100-001, Departmental Directives System. For a detailed discussion of policy coordination, contents, format, and illustration requirements, see Departmental Manual (DM) 0100-001, Procedures for Preparing Departmental Directives. The Departmental Directives System is managed by the OCIO Policy, E-Government, and Fair Information Practices Office. The Policy Office also provides assistance and guidance to Offices of Primary Interest (OPIs; the policy developers, sponsors, or owners), acts as a central control point to prevent overlapping, duplication, and conflict, manages the clearance process and reports status, and serves as a mandatory clearance office for all Departmental directives and Secretary’s Memoranda. Stakeholders and affected organizational units are included in the review process. The Office of Budget and Program Analysis (OBPA), the Office of the General Counsel (OGC), and the Assistant Secretary for Administration (ASA) also serve as mandatory clearance offices for all Departmental directives and Secretary’s Memoranda.

Permanent directives are continuing directives that are in force until specifically cancelled or superseded. Temporary directives are not to exceed one year of effectiveness and they cannot be renewed. OPIs must codify material of a permanent nature that was originally issued as a temporary directive. All such material is to be codified within one year after issuance as a Departmental Regulation (DR) or a Departmental Manual (DM).

- **Departmental Regulations (DR) – Permanent directive:** DRs cover policy – they promulgate Departmental policy; delegate authority; establish responsibility; establish statutory or interagency committees; and prescribe very high-level procedures governing USDA activities and operations.

- **Departmental Manuals (DM) – Permanent directive:** DMs cover process, procedure, and standards – they are used for detailed, relatively lengthy technical guidance that is procedural in nature and Department wide in scope.

- **Departmental Notices (DN) – Temporary directive:** DNs announce policy or procedure of Department wide interest that is temporary or of a one-time nature, permanent policy or procedure that requires immediate dissemination, or delegations of authority from Assistant Secretaries or other General Officers pending publication in the Federal Register.

- **Secretary’s Memoranda (SM) – Temporary directive:** SMs establish or announce changes in major policy concerning the missions and programs of the Department, direct or implement action on these programs, or redirect or
change policy or action in these areas. Examples include actions by which law requires the endorsement of the Secretary and delegations of authority by the Secretary.

The USDA currently has 265 approved Departmental forms in effect, not including Word format, PDF format, language, or other variants. The system is described in Departmental Manual (DM) 3020-001, Departmental Forms Manual. The Policy Office also provides assistance and guidance to forms developers, sponsors, or owners, evaluates forms on the basis of their content, design, effectiveness, and alignment with the Departmental directives containing instructions for their use, checks for compliance with the Paperwork Reduction Act, privacy, Section 508, and other legal or regulatory requirements, manages and coordinates the clearance process and reports status, and serves as a mandatory clearance office for all Departmental forms. Some USDA Departmental forms also require clearance and periodic review and renewal (3-year cycle) with OMB (e.g., those that require information collection from the public).

**Integrated Information Technology Governance Framework (IITGF)**

USDA’s Integrated Information Technology Governance Framework (IITGF) is a holistic set of processes, procedures, and guidelines that assist the Office of the Chief Information Officer’s (OCIO’s) customers to improve mission delivery. It does this by providing structure around the budget formulation, budget execution, enterprise architecture, capital planning, IT security, Section 508, records management, and portfolio/project management processes.

Implementing the IITGF satisfies the following goals:

- **Provides a coherent and effective project management methodology to guide IT project management at USDA.** The methodology is intended to consistently deliver IT capabilities that provide maximum support to USDA business needs within approved cost and schedule constraints.

- **Better integrates IT project planning and execution with IT Governance, including more effective multi-disciplinary reviews of IT projects by the stakeholders and IT executive governance bodies.**

- **Enables the CIO to have insight and access to the approval process of an investment throughout the System Development Life Cycle, which includes incremental development methodologies.**

Governance decision making is differentiated at multiple levels in the IITGF. In addition, USDA has strengthened the existing governance system to ensure that the CIO actively engages with all key stakeholders involved in the governance structure graphic below. The governance system provides clear lines of authority from the Secretary and Deputy Secretary to the CIO. The CIO, or designee, will engage at the Department-level and throughout all Bureaus and Staff Offices, using existing governance bodies in the key areas of finance, budget, acquisition, and human resources. These bodies consist of Departmental
and Bureau leadership in the specific subject-matter area. The CIO will engage directly with each group, ensuring active involvement in policy decisions that are related to information technology.

**Executive Information Technology Investment Review Board (E-Board)** - Composed of the Department’s senior leaders. The Board’s responsibilities includes ensuring that proposed investments contribute to the Secretary’s strategic vision and mission requirements, employing sound IT investment methodologies, complying with Departmental enterprise architecture, employing sound security measures, and providing the highest return on the investment or acceptable project risk. The E-Board provides the Secretary with recommendations for review and decision authority.

**Integrated Advisory Board (IAB)** - The IAB is comprised of three councils and one group: Enterprise Architecture Advisory Council, Capital Planning Advisory Council, Enterprise Security Governance Council, and the Critical Partners Advisory Group. The IAB is a key component of the Integrated IT Governance Framework structure that ensures the accountability and success of IT governance objectives. The prime purpose of the IAB is to create a forum for technology leadership to ensure that all technology decisions align with Department and Agency/Staff Office level goals, strategies, objectives, and mission needs.

**Agency-level Investment Review Boards (IRBs) and Integrated Project Teams (IPTs)** - Agency-level IRBs will review and approve investments before they enter the USDA IITGF process. Agency-level IPTs assist in providing technical review and governance to proposed system development efforts. Any agency-level proposed or existing initiatives that are or become an enterprise, shared service, or major IT investment, will be submitted to the Department for review and approval by the USDA CIO, as well proceeding through the governance boards, including the IAB and E-Board.

**GAO and OIG Audits**

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United States Department of Agriculture  
2016 Presidential Transition  
Office of the Chief Information Officer (OCIO)

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III. Congressional Relations and Issues

Over the past year, Congress has taken an increased interest in two key areas: Federal IT system modernization and cybersecurity.

**IT Modernization**
The presence of aging IT systems in the Federal government has generated significant interest from both OMB and Congress. Outdated programming languages, old parts, hardware and software no longer supported by vendors, associated cybersecurity risks, and the increasing cost of maintaining so-called “legacy” IT systems are recognized as areas of concern. OMB recently drafted guidance requiring agencies to identify, prioritize, modernize, retire, and replace legacy systems. Congressional interest in this issue has led to several requests for information from Federal agencies, including USDA, since October 2015:

- United States Department of Agriculture, Rural Development Mission Area, Agriculture Appropriations Committee Hearing, Questions for the Record (October 2015) – Senator Udall; focused on the age of IT systems at USDA

- Congressional Letter: The Honorable Jason Chaffetz, Chairman, Committee on Oversight and Government Reform, U.S. House of Representatives (December, 2015); focused on Legacy definition that considered antiquated software, elevated maintenance costs, and security risks and costs

- Legacy IT Briefing to the Committee on Agriculture, U.S. House of Representatives (July 2016)

GAO also released report 16-468: “Information Technology: Federal Agencies Need to Address Aging Legacy Systems” in June 2016. USDA concurred with GAOs recommendations to address obsolete IT investments in need of modernization or replacement. USDA also concurred that the Secretary of Agriculture should direct the USDA CIO to identify and plan to modernize or replace legacy systems as needed and consistent with OMB’s draft guidance, including time frames, activities to be performed, and functions to be replaced or enhanced. To ensure success, USDA’s OCIO collaborates with and provides guidance to the sub agencies and staff offices in decommissioning, modernizing, and developing systems. In our efforts to improve this process, USDA plans to take the following actions.

1) We will convene a team comprised of the Enterprise Architecture Division (EAD), Capital Planning and IT Governance Division (CPIGD), the Agriculture Security
United States Department of Agriculture
2016 Presidential Transition
Office of the Chief Information Officer (OCIO)

Operations Center (ASOC), and other subject matter experts in the areas of cloud computing and shared services to collaborate on industry and federal best practices and procedures, along with those attributes that uniquely identify USDA’s footprint.

2) Develop and implement a department wide plan to review, select and prioritize the modernization of legacy systems.

With the size, complexity and elaborate missions within USDA, we recognize the challenge in addressing this initiative and the time needed to implement this plan. The team described above will utilize the most current IT Asset Inventory collected for the OMB Quarterly Integrated Data Collection (IDC), submitted in May 2016, to begin developing this Modernization plan. We will provide milestone status updates and provide a final plan once completed. As the plan is socialized, implemented, and measured, USDA will provide progress reports.

USDA has decommissioned more than two dozen legacy IT systems in the last five years. USDA has incorporated a disposition plan into the Department’s Integrated Information Technology Governance Framework (IITGF), which involves collaboration and communication between different parts of the Office of the Chief Information Officer, including Capital Planning and Investment Control (CPIC), Enterprise Architecture, and IT Security. Through this framework, OCIO will continue to implement and oversee the decommissioning of agencies and offices’ IT systems.

Two of USDA’s top three mission-critical legacy IT systems will be replaced within the next three years, including the Automated Timber Sales Accounting system (ATSA) and the Resource Ordering and Status System (ROSS), both used by the Forest Service. Our third priority for modernization is the Payroll Personnel System, which is upgraded routinely to keep it functional and secure. An evaluation of this system is underway to inform our modernization efforts. Four of USDA’s five oldest legacy IT hardware and infrastructure investments also will be replaced within the next 10 months, and the fifth is scheduled to be replaced in two years.

USDA employs a number of older programming languages in mission-critical investments. These languages, however, continue to meet USDA’s needs, and it is not clear the benefits of replacing them justify the costs. Additionally, although USDA uses some software and operating systems in which the vendor no longer provides regular support, in most cases, USDA is receiving support from vendors under extended support agreements or IT contractors under Operations and Maintenance (O&M) contracts. A number of unsupported operating systems also are being migrated to USDA’s cloud-based Virtual Data Center, which is expected to be completed by the end of 2017.

Cybersecurity
Two data breaches at the U.S. Office of Personnel Management (OPM) in 2014 and 2015 were announced publicly in June 2015. In what appeared to be a coordinated campaign to collect information on government employees, attackers extracted the personnel files of 4.2
million former and current government employees and security clearance background investigation information on 21.5 million individuals. Additionally, fingerprint data of 5.6 million of these individuals was stolen. A Congressional investigation regarding these incidents was conducted, resulting in a report released by the House Committee on Oversight and Government Reform in September 2016. Congressional interest in the topic continues. USDA’s CIO was tentatively scheduled to testify with two other agencies at a hearing with the Committee on Oversight and Government Reform in September 2016, but the hearing has been postponed until November 2016. The expectation is that this will be the first of a series of hearings focused on Federal agencies’ cybersecurity programs.

The Cybersecurity Act of 2015 requires agencies to notify Congress within seven days of a Major Incident (cybersecurity-related). In May 2016, USDA became the first Department to develop and successfully test, in coordination with DHS US-CERT, new procedures for notifying Congress.

USDA also created a scorecard this year to provide USDA agency leadership increased visibility regarding the effectiveness of their cyber hygiene programs. Building awareness of the need to make continuous improvements in our cybersecurity posture has been instrumental in the progress USDA has made, enabling the Department, for example, to raise the employee use of PIV (Personal Identity Verification) smartcards from 6 percent to over 90 percent in the last year. Every two weeks, USDA component agency heads are provided with a status of key cybersecurity hygiene factors and those areas where their organizations have opportunities to take additional steps.

On a monthly basis, USDA conducts penetration assessments to identify security vulnerabilities and then develop plans to remediate them. During FY15, USDA also created a list of High Value Assets (HVAs) and has worked with DHS to perform assessments of several over the past year.

In addition, our Agriculture Security Operations Center is proactively researching, testing, and implementing tools that USDA can use better to detect, prevent, and mitigate cybersecurity attacks. For instance, USDA is an early adopter of the DHS CDM (Continuous Diagnostics and Testing) program. Today, we are implementing the components of Phase 1, having fully deployed one of four tools while we are actively piloting the remaining three. USDA has also volunteered to be early adopters for Phase 2 of the CDM program. Similarly, USDA is fully participating in the DHS Einstein program, which improves its ability to defend federal/civilian Executive Branch agency networks from cyber threats. Just as USDA was an early adopter of Einstein 1 and 2, we were a pilot agency to test the first version of what is now known as Einstein 3A and fully implemented in October 2016.

As with Einstein 1 and 2, DHS is deploying Einstein 3 Accelerated (E3A) to enhance cybersecurity analysis, situational awareness, and security response. With E3A, DHS and USDA will not only be able to detect malicious traffic targeting federal government networks, but also prevent malicious traffic from harming those networks. This will be accomplished through delivering intrusion prevention capabilities as a Managed Security Service provided by Internet Service Providers (ISP). Under the direction of DHS, ISPs
will administer intrusion prevention and threat-based decision-making on network traffic entering and leaving participating federal/civilian Executive Branch agency networks. In an effort to support employees against the social engineering cyber-attacks they face, like email phishing, USDA has successfully explored opportunities to increase the likelihood that employees will respond appropriately to threats. Although employees are already required to train annually to recognize and respond to phishing emails, USDA recognizes that technical safeguards like warning messages are also needed to render the email phishing attacks less effective. Through an anti-phishing campaign during 2016, USDA was able to achieve a greater than 50% reduction in the click rate of simulated phishing attempts on USDA employees.

USDA annually reports its FISMA cybersecurity and privacy performance, and our cybersecurity team works diligently to ensure that the Department fulfills all its reporting obligations to OMB and Congress. USDA’s security personnel continuously update their information system inventories to ensure they are accurate, as required by FISMA law. Each year, USDA is audited by its Office of the Inspector General (OIG), which provides additional valuable findings for us to consider and address as part of a comprehensive cybersecurity strategy.

IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

Office of Management and Budget
The Office of Management and Budget (OMB), Office of E-Government and Information Technology (E-Gov), headed by the Federal Government’s Chief Information Officer (CIO), develops and provides direction in the use of Internet-based technologies to make it easier for citizens and businesses to interact with the federal government, save taxpayer dollars, and streamline citizen participation. OMB provides guidance on IT capital planning, E-government, cybersecurity, and IT shared services initiatives like data center optimization. OMB also collects information from USDA and other agencies on IT portfolio performance. USDA meets regularly with OMB to discuss best practices, to provide feedback on OMB proposed and existing policies, and to review the health of USDA’s major IT investments.

A program review for the NRCS Conservation Delivery Streamlining Initiative (CDSI) was conducted with OMB on September 1, 2016. Additional quarterly reviews of major investments have been put on hold until further notice.

Department of Homeland Security
The Department of Homeland Security (DHS) works with each federal civilian department and agency to promote the adoption of common policies and best practices that are risk-based and able to effectively respond to the pace of ever-changing threats. USDA works collaboratively with DHS to build and report metrics related to the Federal Information
Security Management Act (FISMA). USDA is also working with DHS to take advantage of tools to identify cybersecurity risks on an ongoing basis (see CDM hot topic) and to improve situational awareness and provide early warning about intrusion threats (see E3A hot topic).

**Department of Justice**
The Department of Justice is the Executive Agent (EA) for the Freedom of Information Act (FOIA) program. As the EA, the Department of Justice provides oversight and guidance to all federal agencies. USDA provides quarterly and annual reports to the Department of Justice, which in turn rates each agency in a FOIA scorecard. This report contains detailed statistics on the number of requests received and processed, response times, the final disposition of each request, as well as other vital statistics regarding the administration of FOIA. The FOIA Improvement Act of 2016 added three new requirements to agencies’ Annual FOIA Reports. Agencies must now also proactively make available the raw data elements used in the creation of their final Annual FOIA Reports, include the number of times a statutory exclusion was used, and include the number of records that were made available for public inspection. As of January 2013, federal agencies were also given quarterly reporting requirements. These reports capture the number of requests received, processed, and backlogged, as well as progress on the closure of the agencies’ ten oldest pending perfected FOIAs, which are then displayed on FOIA.gov. Lastly, the Attorney General’s 2009 FOIA Guidelines require the Chief FOIA Officer (in USDA’s case the CIO) to also submit to the Attorney General a narrative report detailing the steps taken by the agency to improve FOIA compliance and transparency. This Chief FOIA Officer Report then serves as the basis for the Department of Justice’s annual assessments of agency Chief FOIA Officer Reports.

**USDA National Information Technology Center (Federal Shared Services Center)**
OCIO’s Data Center Operations (DCO) provides four lines of business through the National Information Technology Center (NITC), which collectively offer world class data center hosting and services to accommodate customer requirements to ensure program and project success.

Data Center Operations (DCO) offers data center hosting services to accommodate customer requirements (i.e., federal, state and local governments) for their business goals and technology requirements. The DCO provides secure, reliable, scalable, shared, and cost effective IT hosting solutions through the Hosting business line and the Commercial Cloud Services business line. The Hosting environment meets or exceeds the federal security requirements for FISMA high, moderate, and low impact systems. In recognition of this security posture, the Federal Risk and Authorization Management Program (FedRAMP) has announced the organization as an authorized FedRAMP Compliance Cloud Services Provider (CSP), effective June 21, 2013, for Infrastructure as a Service (IaaS). DCO represents USDA’s commitment to provide a FedRAMP compliant CSP (Agency ATO) to USDA agencies, staff offices, and non-USDA customers.
Data Center Operation – Hosting Services;
Encompasses cloud, managed, and collocation data center hosting services as well as key professional and security services to provide cost-effective enterprise class hosting solutions. Cloud services include standardized software, platform, and IaaS offerings that are delivered via secure, fully managed infrastructure that include ongoing technology refresh, key inheritable operational controls, and are competitive to the marketplace.

Enterprise Application Services;
Consists of two main divisions, Applications Engineering Division and Applications Solutions Division. The Applications Engineering Division of EAS provides program management and software engineering services across USDA agencies and Non-USDA agency customers. The Applications Solutions Division (ASD) of EAS provides innovative IT solutions that support the mission of USDA to specific agencies and non-USDA agency customers.

Commercial Cloud Services (CCS);
Provides strategy support on behalf of USDA to enable agencies to assess, plan, and leverage commercially available cloud offerings. Per department cloud policy, NITC has the role of Cloud Broker.

AgLearn Training Services;
The primary services of AgLearn include application and database hosting and maintenance services, AgLearn licensing and help desk support for end users and agency AgLearn administrators. AgLearn provides support for testing and implementation of custom agency specific online training, administration and delivery of mandatory training programs such as Cyber Security, Ethics, and Civil Rights, and acquiring, integrating and promoting external training within AgLearn. AgLearn also provides training and educational services for a fee to four external federal organizations (Broadcasting Board of Governors, Defense Nuclear Safety Board, Export-Import Bank, and the Institute of Museum and Library Services).
## NITC Customers

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<td>Departmental Administration</td>
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<td>Government Accountability Office</td>
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<td>Grain Inspectors and Packers Administration</td>
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<td>General Services Administration</td>
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<tr>
<td>Dept of Health &amp; Human Services</td>
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</table>
### Stakeholder group overview

OCIO provides data center operations, application development and wide-area network telecommunications services funded through the USDA Working Capital Fund and appropriations to all USDA agencies through the National Information Technology Center and the Enterprise Network Services with locations in Ft. Collins, Colorado; Kansas City, Missouri, and Washington, D.C.

OCIO also has direct management responsibility for IT desktop and end-user services through the Client Technology Services. This includes the consolidated IT activities for the Farm Service Agency, the Natural Resources Conservation Service, and Rural Development mission area.

#### Federal CIO Council

The CIO Council is the principal interagency forum on Federal agency practices for IT management. Originally established by Executive Order 13011 (Federal Information Technology), and later codified by the E-Government Act of 2002, the CIO Council’s mission is to improve practices related to the design, acquisition, development, modernization, use, sharing, and performance of Federal Government information resources.

<table>
<thead>
<tr>
<th>Agencies</th>
<th>AgLearn</th>
<th>Commercial Cloud Services</th>
<th>EAS</th>
<th>Hosting</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Agricultural Statistics Service</td>
<td>X</td>
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<tr>
<td>National Institute of Food &amp; Agriculture</td>
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<tr>
<td>Natural Resources Conversation Service</td>
<td>X</td>
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<tr>
<td>Office of Advocacy and Outreach</td>
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<td>Office of Budget Planning and Administration</td>
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<td>Office of the Chief Economist</td>
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<td>Office of the Chief Financial Officer</td>
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<td>Office of the Chief Information Officer</td>
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<td>Office of the Asst Sec for Civil Rights</td>
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<td>Office of Communications</td>
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<td>Office of the General Counsel</td>
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<td>Office of Government Ethics</td>
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<td>Office of Homeland Security and Emergency Coordination</td>
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<td>Office of the Inspector General</td>
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<td>Office of Operations</td>
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<tr>
<td>Office of Procurement &amp; Property Mgmt</td>
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<td>Office of the Secretary</td>
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<tr>
<td>Rural Development</td>
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<tr>
<td>Risk Management Agency</td>
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<tr>
<td>Railroad Retirement Board</td>
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</table>
The CIO Council serves the following key objectives:

- Develop recommendations for the Office of Management and Budget on Federal Government IT management policies and requirements;
- Establish government-wide priorities on information technology policy and monitor their implementation;
- Assist the Federal Chief Information Officer (Federal CIO) in the identification, development, and coordination of multi-agency projects and other innovative initiatives to improve Federal Government performance through the use of IT;
- Promote collaboration and community building among Federal Agency CIOs for purposes of sharing best practices, transferring knowledge, and developing a unified approach for addressing Federal IT challenges;
- Serve as a forum for collaboration on intra-agency IT portfolio management to reduce duplicative IT investments and drive the efficient use of IT resources across agencies within the Federal Government;
- Work with the Office of Personnel Management to assess and address the hiring, training, classification, and professional development needs of Federal employees in areas related to IT management;

**Key Issues**: Topics of interest reflect administration priorities and congressional interest. Attention has been particularly focused on IT modernization, cybersecurity, implementation of FITARA, and IT workforce hiring practices, recruitment and retention. USDA’s CIO participates fully in the Federal CIO Council monthly meetings and activities.

V. **Top Issues**

**Hot Topics**

**FEDERAL INFORMATION TECHNOLOGY ACQUISITION REFORM ACT (FITARA)**

Since enactment of FITARA, the Department has been establishing a process to effectively implement the Act and ensure that USDA’s IT Governance process fulfills Congressional intent and OMB guidance. FITARA remains a hot topic as additional implementation activities are needed to improve the coordination of CXO officials engaged with IT management, including the CIO, CFO, the Chief Human Capital Officer, the Chief Acquisition Officer, and the Budget Director. Furthermore, discussions will continue as to the allocation of resources necessary to ensure that USDA has an effective FITARA governance process.
Background

The Federal Information Technology Acquisition Reform Act was enacted on December 19, 2014, and outlines specific requirements related to the following:

- Federal Chief Information Officer authority enhancements
- Enhanced transparency and improved risk management in IT investments
- Portfolio Reviews
- Expansion of training and use of IT cadres
- Federal Data Center Consolidation Initiative (FDCCI), more recently known as the Data Center Optimization Initiative
- Maximizing the benefit of the Federal Strategic Sourcing Initiative (SSI)
- Government-wide software purchasing programs

In order to provide more specific guidance for the implementation of FITARA, OMB Memorandum M-15-14, Management and Oversight of Federal Information Technology, was issued. The objectives of M-15-14 states that covered agencies shall conduct a self-assessment that identifies current conformity with or gaps in conformity with a Common Baseline and Implementation Plan (herein known as the Common Baseline), and articulate an implementation plan describing the changes it will make to ensure that all Common Baseline and milestone and action table responsibilities are either implemented or provisioned for by December 31, 2015.

This self-assessment shall include a discussion of how Agency senior leaders and program leaders will work in partnership to facilitate the successful implementation of the Common Baseline and milestone and action table and how the Agency CIO will be enabled as a strategic partner integrated in shaping Agency strategies, budgets, and operations.

Details

- In response to the M-15-14 mandate, the United States Department of Agriculture developed the United States Department of Agriculture Federal Information Technology Acquisition Reform Act Common Baseline and Implementation Plan, dated November 14, 2015, which reinforces the role and authority of USDA’s CIO in establishing an inclusive, integrated governance process that manages IT as a strategic resource.
- In addition, the USDA established the Actions and Milestones Table, which captures the progression of tasks related to the success of the common baseline. The USDA Common Baseline establishes a framework for USDA to implement the specific authorities that FITARA gives to the Chief Financial Officer (CFO) Act Agency CIOs, and builds upon the responsibilities outlined in the Clinger-Cohen Act of 1996. The Common Baseline speaks to the roles and responsibilities of other applicable senior Department officials including the CFO, the Chief Acquisition Officer (CAO), Senior Procurement Executive (SPE), the Chief Human Capital Officer (CHCO), and the Director, Office of Budget and Program Analysis (OBPA) (the USDA CIO, CFO, CAO, SPE, CHCO and OBPA Director, as a group, shall herein be identified as the CXOs).
USDA also developed FITARA scorecards in the following domains:

1. IT Security
2. IT Investment Health
3. FAC P/PM Program Manager Certification
4. Data Center Consolidation/Optimization
5. Privacy Compliance
6. Acquisition Approval Request Compliance
7. Open Data Compliance
8. Section 508 Compliance

The Scorecards are designed to evaluate and score performance of the Agencies and Staff Offices in order to delegate authority down to the component CIOs. The USDA CIO will use these scorecards as part of his assignment plan strategy, providing empirical data to assist in assigning responsibility down to the component CIOs.

**Achievements**

1. Common Baseline submitted and was the first approved by OMB – August 2015
2. Implementation plan submitted and the only one approved in December 2015
3. Developed communication and coordination plan to collaborate with the CXO’s
4. FITARA DR in final clearance
5. Adoption of the ACT/IAC maturity model
6. Development of the IT Human Capital Plan
7. Provided updated information to OMB on the USDA Common Baseline Plan and Self-assessment in April and August 2016
8. USDA plans to implement the assignment plan and scorecard process in the 1st quarter of FY17.

**FITARA Next Steps**

USDA and the Agencies and Staff Offices will be instrumental in achieving FITARA compliance in FY 17. Many of the required actions will be implemented at the component Agency and Staff Office level.

1. Improve visibility and understanding of IT-related resources and investments and their relationship to mission priorities
2. Clarify and support the CIO and IT management authorities and accountabilities at all levels of leadership and management throughout the Department
3. Work collaboratively with OMB, the CXOs, the component CIO’s, OCIO ACIO and Directors, and other agency leaders to update the FITARA Common Baseline Plan, Milestones and Actions table quarterly as required by OMB and due by April 30, August 30, and November 30, 2017.
4. Complete the FITARA Signature Process Improvement Initiative.
   a. **Strategic Goal:** Management Initiative - Improve USDA services in support of people, processes, and information. Develop and implement streamlined processes that enable sound IT investment decisions and risk management. Experience cost and time savings when processes are
optimally designed so that less time is spent resolving and clarifying policies and procedures.

b. **Strategic Objective:** To establish a streamlined effective process to ensure effective acquisition and use of technology.

c. **Performance Goals:** Reduce the length of time from policy development to process implementation with respect to IT acquisitions. Adjust processes timely.

5. Develop and Submit the FITARA CIO Assignment Plan by April 30, 2017. Publish the FITARA CIO Assignment Plan to the USDA’s public website and include in the USDA public data listing within 30 days of receiving OMB approval of plan.


7. Assist USDA agencies and Staff Offices in establishing an inclusive governance process that will enable effective planning, programming, budgeting, and execution for IT resources.

8. Implement the IT Management Maturity Model by April 30, 2017. The IT Management Maturity Model includes explicit linkages to elements of the OMB Common Baseline and OMB’s Agency Submission Review and Analysis Plan where the team believes a Department would have achieved the requirements of the Common Baseline. The USDA target is for all components to obtain a Level 2 Evolving Maturity rating by 03/31/2017, Level 3 by 12/31/2017.

9. USDA did not receive additional funding to implement FITARA. USDA will need to identify a funding strategy for full implementation in FY17.

**CYBER SECURITY -- CONTINUOUS DIAGNOSTICS AND MITIGATION (CDM)**

**Background**

The Department of Homeland Security’s CDM Program provides federal departments and agencies with capabilities and tools that identify cybersecurity risks on an ongoing basis, prioritize these risks based upon potential impacts, and enable cybersecurity personnel to mitigate the most significant problems first. Congress established the CDM program to provide adequate, risk-based, cost-effective cybersecurity, and more efficiently allocate cybersecurity resources.

CDM is being implemented in three phases with a fourth phase anticipated. The CDM phases, objectives, and tools/capabilities are shown in the table below. USDA is working with DHS to implement Phase 1, and initiating the planning for Phase 2.
<table>
<thead>
<tr>
<th>CDM Phases</th>
<th>Objective</th>
<th>Tools / Capabilities</th>
</tr>
</thead>
</table>
| 1          | What is on the Network? | • Hardware Asset Management  
              • Software Asset Management  
              • Configuration Settings Management  
              • Vulnerability Management  
              • CDM Cybersecurity Dashboard |
| 2          | Who is on the Network?  | • Access Control Management  
                          • Security-Related Behavior Management  
                          • Credentials and Authentication Management  
                          • Privileges |
| 3          | What is happening on the Network? | • Respond to and Mitigate Events  
                           • Audit and Monitoring Management  
                           • Risk Management  
                           • Boundary Protection |

**Key Details**

- USDA fully participates in the CDM program and volunteered as early adopters in Phase Two.
- The Phase 1 capabilities are:
  - **Hardware Asset Management (HWAM)** Identify unauthorized and unmanaged devices that are likely to be used by attackers as a platform from which to extend compromise of the network.
  - **Software Asset Management (SWAM)** Identify unauthorized software on devices that is likely to be used by attackers as a platform from which to extend compromise of the network.
  - **Configuration Settings Management (CSM)** Identify configuration settings (CCE) on devices that are likely to be used by attackers to compromise a device and use it as a platform from which to extend compromise to the network.
  - **Vulnerability Management (VUL)** Identify vulnerabilities (CVE) on devices that are likely to be used by attackers to compromise a device and use it as a platform from which to extend compromise to the network.
- We are currently implementing the capabilities of Phase One:
  - Hardware Asset Management (HWAM) solution, ForeScout CounterACT is 75% deployed. This is increasing Cybersecurity staff’s knowledge of systems on USDA networks and directly reducing exploitable cyber-attack
United States Department of Agriculture
2016 Presidential Transition
Office of the Chief Information Officer (OCIO)

surface by providing information about unauthorized or unmanaged devices.

- Software Asset Management (SWAM) solution, RES ONE, is currently 15% deployed, enabling access and control of the services and technologies employees need while reducing the risk of data breaches and cyber-attacks.

- Configuration Settings Management (CSM) and Vulnerability Management (VUL) solutions, IBM BigFix, is 100% deployed, enabling hardening of security configurations of systems on the network and timely detection and remediation of vulnerabilities of systems.

- DHS Cyber Security Dashboard and Security Event Integration Management (SEIM), using RSA Archer and Splunk, respectively, will be implemented by June of 2017. The SEIM collects and aggregates data from the Phase 1 solutions, correlates the data into meaningful events, notifies USDA’s Security Operations Center (SOC) of the event’s criticality and severity, and produces reports and feeds data to the dashboard. Upon implementation, USDA FISMA reporting will be streamlined through partial automation, with less human error.

- USDA is exploring options for funding out-year operations and maintenance costs after DHS funding ends after FY17. The projected annual cost to USDA to operate, maintain, and management the CDM Phase 1 tools, people, and processes after FY17 are:

<table>
<thead>
<tr>
<th>Cost Description</th>
<th>Total Cost</th>
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<tbody>
<tr>
<td>Operations and Management</td>
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<tr>
<td>Labor</td>
<td>6,948,967.00</td>
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<tr>
<td>Training</td>
<td>400,000.00</td>
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<tr>
<td>Total</td>
<td>$ 15,908,967.00</td>
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</table>

- The request for additional funds will cover new CDM Phase 1 costs. First, it will fund FTEs and contractors for Tier II and III support, and cyber security analysis using CDM Phase 1 tools, capabilities, data, and processes:

  - Provide USDA’s 34 agencies/offices with CDM subject matter expertise, direct services, assistance, and guidance, in using Phase 1 tools, capabilities, and data, and integrate DHS’ CDM CONOPS and Phase 1 management processes (for asset, configuration, and vulnerability management) into agency IT and security operations.

- Next, additional funds will cover FTEs and contractors for CDM Phase 1 tool/software systems engineers (Jr. and Sr. Levels) and Tier I Help Desk Support:

  - Provide USDA’s 34 agencies/offices with enterprise-wide access and operations and management support to CDM Phase 1 tools and capabilities, continuously administering, operating, maintaining, modernizing, and
enhancing the CDM Phase 1 tools and ancillary hardware/software, virtual environment, and SAN storage.

- Additional funds will also be used for FTEs and contractors to provide agencies/offices with direct services and support for CDM tools and processes that require OCIO and ASOC to assess, prioritize, respond, and remediate vulnerabilities in near real-time, as well as, develop and/or update USDA Continuous Monitoring policies and procedures:
  - USDA Continuous Monitoring Policies and Procedures, and CONOPS;
  - Security Products Operations, Management, and Maintenance;
  - Monitoring Security Tools, Information, Events, Threats, and Vulnerability State;
  - Triage, Analysis and Reporting; and Response and Remediation;
  - Liaising and Integration with USDA Agencies’ IT Operations, Security, and Mission/Program Processes, and
  - Promote Ongoing Assessment and Authorization of USDA IT Systems

- Finally, additional funds will be used to fund License Renewal and Vendor Maintenance and Support costs for the CDM Phase 1 tools—ForeScout CounterACT, IBM BigFix, RES Workspace Manager, Splunk, and RSA Archer, and the ancillary hardware and software (e.g. Dell and HP servers, Gigamon network taps, VMware virtualization software, etc.) for the ASOC Security Enclave environment where the CDM Phase 1 tools are hosted.

- Without the additional funds, OCIO and the Office of Information Security (OIS) will not be able to maintain, operate, and manage the CDM solutions required in OMB M-14-03, and will not be able to develop, implement, and maintain the USDA-wide CDM policies, procedures, and CONOPS for Continuous Monitoring required by DHS and the Federal CIO and OMB.

NATIONAL INFORMATION TECHNOLOGY CENTER (NITC)
Becoming a Federal-wide Interagency Shared Service Provider

**Background**

USDA has the opportunity to become an OMB/GSA sanctioned Interagency Shared Service Provider Data Center. As the business of USDA evolves, the IT infrastructure that supports the Department must change. Since 1992, the Data Center Operations (DCO) / National Information Technology Center (NITC) has an established a business model that support customers internally and externally in a shared service capacity today. NITC has successfully provided services to USDA and Federal Agency customers in varying capacities (Hosting, Application Development and Cloud technologies). The DCO/NITC has extensive experience in all aspects and a proven business model that supports service delivery in a shared service methodology. The DCO/NITC has 12 external customers that leverage NITC services which allow those customers to focus on meeting mission needs and business
delivery. The DCO/NITC has demonstrated significant value by leveraging efficiencies through the shared service model that has provided USDA with $30.1 million in savings over the past five years.

**Key Details**

The DCO/NITC service model offers several factors that contribute to OCIO’s ability to reduce rates. Offering shared services to a broader range of customers allows reduced costs through growth that leverages scalability and strategic sourcing – volume discounts. Labor costs per service/unit, as processes improve and services are centralize, can lower the unit costs offering savings through efficiencies. Shared costs (Facility, Security Governance, Customer Service, and Management) are spread over more units of production, resulting in lower unit costs per service. In addition, the automation of processes reduces manual effort and resourcing services which drives faster performance and quicker delivery of functional capabilities.

USDA Agencies will gain value for mission business functions as the DCO/NITC leverage expanded customer innovation requirements to service enable and broaden the portfolio of services and capabilities. Agencies will gain access to these services as they are made available on a broader enterprise & federal government-wide scale. They will get access to expanded service catalogs that allow them to leverage the additional capabilities to solve mission needs and deliver business value. Agencies’ IT investments for infrastructure capabilities are lowered through economies of scale. Providing a diverse portfolio of services positions the agencies to make business value decisions on their delivery of technology and innovation efforts that support transformation. Expanding customer numbers will drive value through process automation, efficiencies through expanded capabilities, and stronger experience with lessons learned that can be shared with all customers.

**Risk Consideration Factors**

The most prevalent considerations are the security risks and the DCO/NITC approach to mitigating them. The DCO/NITC has provided secure “multi-tenant” services that included Non-USDA Agencies since 1992. The DCO/NITC services are designed to segment customer’s information logically utilizing industry best practices that provides proven Cloud Provider security experience. The DCO/NITC Cloud Hosting Services includes Federal Information Security Management Act (FISMA) 800-153 Rev 4 “High” controls to protect Agencies’ systems from Cyber-attacks. The FISMA requirements call for continuous annual monitoring and auditing of system security controls. In addition, the DCO/NITC FISMA standards with additional Federal Risk Authorization Management Program (FedRamp) security controls for cloud services. We leverage industry partners to assess our security practice to validated DCO/NITC solutions receiving a clean audit for the past five years. The DCO/NITC will implement DHS mandated Continuous Diagnostics and Monitoring (CDM) Program to provide additional security assurances such as Disaster Recovery Preparedness – “USDA Insurance Program”. The DCO/NITC ensures all facets of the Disaster Recovery Infrastructure are thoroughly tested and documented for Agencies two times per year (Spring and Fall DR exercises).
United States Department of Agriculture
2016 Presidential Transition
Office of the Chief Information Officer (OCIO)

**Action Taken**
The DCO/NITC met with OCFO WCF Board on September 21, 2016, and received approval to submit an ISSP letter of interest to GSA. OCIO submitted the ISSP letter of interest on to GSA on September 30, 2016. GSA enthusiastically acknowledged receipt of USDA’s letter of interest.

**Next Steps**
The following activities are scheduled to be completed in the first quarter of fiscal year 2017:
- The DCO/NITC will seek concurrence from the EBoard to become an ISSP.
- OCIO will brief the full USDA CIO Council
- Develop business strategy - leveraging success/best practices from previous NITC experience
- If approved, OCIO will submit final ISSP Application to GSA package

**Timeline**

<table>
<thead>
<tr>
<th>Deliverable / Decision</th>
<th>Details</th>
<th>Date</th>
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<tbody>
<tr>
<td><strong>January</strong></td>
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<tr>
<td>Finalize Bring Your Own Device (BYOD) / Personally Owned Equipment (POE) solution and make available to USDA agencies for use</td>
<td>Provide enhanced mobile offerings to USDA customers</td>
<td>1/31/17</td>
</tr>
<tr>
<td>FY18 Budget Submission</td>
<td>Aligning Agencies’ budget submissions with IT investment cost information. (this date is subject to change due to transition year)</td>
<td>TBD</td>
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<tr>
<td><strong>March</strong></td>
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<tr>
<td>Obtain eBoard and GSA approval to establish NITC data center as Federal shared service provider</td>
<td>Establish the USDA NITC data center to become a federal government shared service data center, which would expand NITC services across the federal government</td>
<td>3/1/2017</td>
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<tr>
<td>Timeframe</td>
<td>Event Description</td>
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<tr>
<td>Controlled Unclassified Information Program Directive Published</td>
<td>The CUI Program, administered by the National Archives and Records Administration (NARA) will replace how USDA currently protects unclassified information such as Sensitive, but Unclassified (SBU)</td>
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<tr>
<td>April</td>
<td>FITARA Self-assessment</td>
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<td>FITARA self-assessment plan, updated FITARA common baseline, and FITARA IT Management Maturity Model due to OMB</td>
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<td>3/31/2017</td>
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<tr>
<td>May</td>
<td>USDA Enterprise Roadmap Update</td>
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<td>Annual USDA Enterprise Roadmap update - an annual summary of information technology (IT) initiatives that implement the agency’s Information Resources Management (IRM) Strategic Plan</td>
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<td>5/31/2017</td>
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<td>USDA IT Asset Inventory Submission</td>
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<tr>
<td></td>
<td>Annual USDA IT Asset Inventory submission – a complete inventory of all USDA systems, subsystems and associated data about them</td>
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<tr>
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<td>5/31/2017</td>
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<tr>
<td>June</td>
<td>Implement new customer facing services including eVPN 2, Managed Print Services 2, and MS O365 upgrades</td>
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<td>Deliver new and enhanced productivity tools</td>
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<td>6/30/2017</td>
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<td>Support FMMI and NFC data center migration to cloud</td>
<td>Provide technical support to NFC's FMMI and data center migration to the cloud</td>
<td>6/30/17</td>
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<tr>
<td>Other Key FY17 Activities</td>
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<tr>
<td>One USDA Network: Develop Concept of Operations for attaining &quot;One USDA Network&quot; finalize Statement of Objectives, and issue solicitation</td>
<td>Network Modernization - USDA Initiative to consolidate Agency network environments</td>
<td>10/16-8/17</td>
</tr>
<tr>
<td>Begin construction and initial work to relocate S-100 legacy data center to alternate location in the USDA South Building</td>
<td>Modernize data center facilities that support critical IT infrastructure servicing USDA’s headquarters</td>
<td>10/15-10/17</td>
</tr>
<tr>
<td>Finalize USDA Cloud Strategy, bring on agencies to Azure cloud services, onboard Amazon as the next USDA commercial cloud service, and build NITC cloud brokering capacity.</td>
<td>Continue implementation of OMB’s Cloud First Policy</td>
<td>10/16-9/17</td>
</tr>
</tbody>
</table>

Appendix A: Acronyms

- **AAR**: Acquisition Approval Request
- **ACIO**: Associate Chief Information Officer
- **ACT/AC**: American Council for Technology/ Industry Advisory Council
- **API**: Application Programming Interface
- **ASOC**: Agriculture Security Operations Center
- **BPA**: Blanket Purchase Agreement
- **CDO**: Chief Data Officer
- **CIO**: Chief Information Officer
- **CISO**: Chief Information Security Officer
- **CTS**: Client Technology Services
- **CPIC**: Capital Planning and Investment Control
- **CSAM**: Cyber Security Assessment and Management System
- **CSP**: Cloud-Service Provider
- **CUI**: Controlled Unclassified Information
- **CXO**: Senior Agency Official such as CAO, CFO, CHCO, CIO, COO (per OMB M-15-14)
- **DCIO**: Deputy Chief Information Officer
- **DCO**: Data Center Operations
- **DM**: Departmental Manual
- **DME**: Development, Modernization, and Enhancement
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>EA</td>
<td>Enterprise Architecture</td>
</tr>
<tr>
<td>EAR</td>
<td>Enterprise Architecture Repository</td>
</tr>
<tr>
<td>E-Gov</td>
<td>E-Government</td>
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<tr>
<td>ELA</td>
<td>Enterprise License Agreement</td>
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<tr>
<td>EVM</td>
<td>Earned Value Management</td>
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<tr>
<td>FedRAMP</td>
<td>Federal Risk and Authorization Management Program</td>
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<tr>
<td>FISMA</td>
<td>Federal Information Security Modernization Act of 2014</td>
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<tr>
<td>FITARA</td>
<td>Federal Information Technology Acquisition Reform Act</td>
</tr>
<tr>
<td>FOIA</td>
<td>Freedom of Information Act</td>
</tr>
<tr>
<td>FSC</td>
<td>FOIA Service Center</td>
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<tr>
<td>GIS</td>
<td>Geographic Information System</td>
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<tr>
<td>IaaS</td>
<td>Infrastructure as a Service</td>
</tr>
<tr>
<td>IDC</td>
<td>Integrated Data Collection</td>
</tr>
<tr>
<td>IITGF</td>
<td>Integrated Information Technology Governance Framework</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>IV&amp;V</td>
<td>Independent Verification and Validation</td>
</tr>
<tr>
<td>IRM</td>
<td>Information Resource Management</td>
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<tr>
<td>KPI</td>
<td>Key Performance Indicator</td>
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<tr>
<td>LAN</td>
<td>Local Area Network</td>
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<tr>
<td>MDM</td>
<td>Mobile Device Management</td>
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<tr>
<td>NARA</td>
<td>National Archives and Records Administration</td>
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<tr>
<td>NIST</td>
<td>National Institute of Standards and Technology</td>
</tr>
<tr>
<td>NITC</td>
<td>National Information Technology Center</td>
</tr>
<tr>
<td>OCIO</td>
<td>Office of the Chief Information Officer</td>
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<tr>
<td>Open Gov</td>
<td>Open Government</td>
</tr>
<tr>
<td>PE&amp;F</td>
<td>Policy, E-Government, and Fair Information Practices</td>
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<tr>
<td>PII</td>
<td>Personally Identifiable Information</td>
</tr>
<tr>
<td>PIV</td>
<td>Personal Identity Verification</td>
</tr>
<tr>
<td>PM</td>
<td>Program Manager</td>
</tr>
<tr>
<td>POA&amp;M</td>
<td>Plan of Action and Milestones</td>
</tr>
<tr>
<td>P/PM</td>
<td>Program/Project Manager</td>
</tr>
<tr>
<td>SME</td>
<td>Subject Matter Expert</td>
</tr>
<tr>
<td>STEAM</td>
<td>Science, Technology, Engineering, Agriculture, and Math</td>
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</table>
WHAT WE DO: OUR MISSION
The Office of Human Resources Management (OHRM) provides overall Human Resources policy, guidance, administration and oversight for USDA Staff Offices, Mission Areas and Agencies. OHRM administers programs and policy pertaining to HR Policy, Labor/Employee Relations, Executive Resources Management, Equal Opportunity Accountability, Virtual University-Talent Management, Strategic HR Planning and Accountability, Diversity, Recruitment and Work/Life, and HR Enterprise Systems Management. OHRM Operations Division provides human resources operational support to Departmental Management and Staff Offices.

WHO WE ARE: OUR WORKFORCE
Our workforce consists of 130 employees from a variety of disciplines including HR professionals, educational, information technology and security specialists. Twenty one members of our team are remote employees located in 10 states.

WHO WE SERVE: OUR CONSTITUENTS
We provide HR guidance and IT services to all Staff Offices, Mission Areas, and Agencies. HR operational services are provided to all USDA Senior Executives, Leaders and Scientists, Political Appointees and Departmental Management and Staff Office Employees.

KEY UPCOMING DECISIONS
- Biennial requests for allocations to OPM for SES, SL and ST positions – March 2017
- Employee Engagement Strategy and goals for the next Federal Employee Viewpoint Survey – February - Survey takes place in May
- Develop and Implement a new Senior Executive Candidate Development Program – A minimum of 6 months is needed to develop, recruit and select candidates. The program takes an additional 18 months for a candidate to complete

BUDGET HIGHLIGHTS FY 2016
- Funding is mainly for salaries and comes through many funding streams. Absorbing COLA’s may require attrition.
- HR Operations was stood up this year with appropriated funds.
- HR Enterprise Systems is supported through the working capital fund for oversight and management of USDA HR IT systems.
I. Organizational Overview

The Office of Human Resources Management (OHRM) provides overall Human Resources policy, guidance, administration and oversight for USDA Staff Offices, Mission Areas and Agencies. OHRM administers programs and policy pertaining to HR Policy, Labor/Employee Relations, Executive Resources Management, Equal Opportunity Accountability, Virtual University-Talent Management, Strategic HR Planning and Accountability, Diversity, Recruitment and Work/Life, and HR Enterprise Systems Management. OHRM Operations Division provides human resources operational support to Departmental Management and Staff Offices.

OHRM, through its operating divisions, serves as a liaison between USDA, the Office of Personnel Management, Office of Management and Budget, the White House Counsel’s Office, labor organizations, employee organizations, and management/supervisor associations; and fosters innovation in all human resource areas in all disciplines throughout USDA.

Within OHRM, the Chief Human Capital Officer, the chief policy advisor on all human resources management issues at USDA, serves on the Chief Human Capital Officers Council to advise and coordinate the activities of members’ agencies on such matters as the modernization of human resources systems including the HR skills gaps as well improved quality of human resources information, and legislation affecting human resources’ operations and organizations.

Agency’s Mission/Strategic Plan

The OHRM Vision is to provide model strategic human resources management leadership, partnering with mission areas to attract and deploy a high-performing diverse USDA workforce. Our Mission is to ensure that USDA attracts and retains a high-performing workforce, well-equipped for today’s mission and well-prepared for tomorrow’s challenges. OHRM provides leadership and direction for administering USDA’s human resources programs and initiatives, and provides related analysis and advisory assistance to the Secretary, Mission Areas, Staff Offices and other policy officials to support informed decision making regarding USDA’s human resources programs.

OHRM Goals and Objectives

- Transform OHRM into a model Federal Human resources organization for effective program delivery by enhancing leadership, promoting employee engagement and focusing on improving customer and employee satisfaction.
- Develop and implement measureable statistics to continue improvement of Federal Employee Viewpoint Survey results.
- Support USDA strategic goals through the alignment of Human Capital Plans, ensuring human capital goals are linked to strategic goals and integrated into workforce planning holding USDA accountable for HR strategies, goals, management policies and programs.
Promote a diverse and high performing workforce by effectively developing human resources policies and human capital programs that support the recruitment, hiring, development, effective performance, and retention of employees.

Develop an effective Presidential Transition Program for Appointees and Executives across USDA

Key mission delivery performance measures

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

**USDA Strategic Objective 5.1:** Develop a customer-centric, inclusive, and high-performing workforce by investing in and engaging employees to improve service delivery

**USDA Strategic Objective 5.2:** Build a safe, secure, and efficient workplace by leveraging technology and shared solutions across organizational boundaries

**USDA Strategic Objective 5.3:** Maximize the return on taxpayer investment in USDA through enhanced stewardship activities and focused program evaluations

Specific performance measures include:

- The Cultural Transformation Milestones and Metrics Report (CT) was established as part of the USDA strategy to address low morale and weak performance. Cultural Transformation is the process of creating a workplace where all employees and customers are treated with dignity and respect, and provided the opportunity for success. This transformation was accomplished through education, training, and experiential learning to establish a common philosophy and approach to the cultural transformation process. The CT report addresses issues regarding diversity and inclusion as part of a high-performance organization. The CT Report includes the following department wide goals and objectives:
  - Decrease in the veteran’s attrition rate, with the goal of eventual parity of Veteran and non-Veteran attrition rates.
    - Achieve the President’s 25% Veteran hiring goal by analyzing Veteran responses to the Federal Employee Viewpoint Survey, increasing the number of non-competitive hiring events by partnering with Veteran groups, conducting veterans listening sessions across the country, and creating Veterans mentoring programs and seminars for new veterans to USDA.
United States Department of Agriculture  
2016 Presidential Transition  
Office of Human Resources Management (OHRM)

- Number of cases ER/LR cases reviewed resulting in discipline or adverse action. Seven hundred forty-one cases reviewed against 245 individuals.
- Achieve 80 day Time to Hire for OHRM – currently at 86 days
- Certificate Use Rate – obtain 80% use rate of hiring certificates – currently at 45%
- Achieve 4% increase in hiring of persons with targeted disabilities - currently at 1.09%

- Move to a ranking of 10 in the “Best Places to Work”. USDA was ranked 11 out of 19 large Agencies in 2015. HR staff in OHRM rate USDA number 4 in terms of best places to work for HR staff. OHRM is ranked by its staff significantly above the government wide average in global satisfaction, employee engagement, and leadership.


Organization’s History

OHRM is a staff office in Departmental Management and reports to the Assistant Secretary for Administration. In addition, through its Executive Resources Division OHRM works directly with the Office of the Secretary and the White House Liaison to provide human resources support to political appointees, Senior Executives, Senior Leaders and Senior Science and Technology Service employees.

The USDA Departmental Human Resources program has had several names prior to the current organizational structure. The current OHRM was started in the fall of 2009 and provides HR oversight and administration at the department level. We also administer day to day operational HR services for the Departmental Management and certain Staff Offices while our main focus is Departmental HR policies and programs. Prior names included the Office of Human Capital Management and the Office of Personnel. Effective July 29, 2009, Secretary Vilsack established the office of Departmental Management combining several staff offices in order eliminate duplicate functions and organizational layering, improve quality of services and communications, and streamline processes and improve transparency to customers. The Office of Human Capital Management was changed to the Office of Human Resources Management (OHRM). OHRM was established to rebuild a human resource management program to meet human capital challenges at USDA. In 2012 all executive resources services were moved from the Agencies and consolidated in OHRM as part of the Administrative Solutions Project, Blueprint for Stronger Service.

The OHRM staff includes Policy, Virtual University, Diversity Recruitment and Work/Life, Executive Resources Management, HR Operations, Strategic HR Planning and Accountability, HR Enterprise Systems Management, and the Employee Relations/Labor
Relations division which includes EO Accountability. The divisions in OHRM provide a wide variety of support services for USDA.

The Policy Division prepares departmental regulations and issues guidance from the Office of Personnel Management and the Office of Management and Budget as it relates to Human Resources to include compensation, hours of duty, leave, performance management, employee recognition, employment, reorganization, classification, position management. Virtual University provides administration of USDA policy as it pertains to employee development and training programs. Diversity, Recruitment, and Work/Life Division sets departmental policy and provides leadership and oversight for diversity, Special Emphasis, recruitment for the hiring of a diverse workforce, and workplace initiatives to support employees and enhance the overall quality of life and wellness of the USDA workforce. The Executive Resources Management Division administers policy pertaining to the Department’s Executive Level employees as well as providing operational support for the Office of the Secretary and immediate organization. The Employee and Labor Relations Division develops and administers policies on labor-management relations, grievances, employee conduct, unacceptable performance, discipline, adverse actions, drug testing, employee assistance program and workplace violence and also provide operational services in these areas to Departmental Management and the Staff Offices. HR Enterprise Systems provides for execution of integrated USDA-wide human resources’ information technology systems. The HR Operations Division provides operational human resources functions for Departmental Management including all of the Staff Offices. The Strategic HR Planning and Accountability Division directs implementation of the Human Capital Accountability Framework title 5, CFR, Part 250 which provides a systematic means by which USDA monitors and analyzes performance on all aspects of human capital management policies, programs, and activities as they support the USDA Strategic Plan, USDA Strategic Human Capital Plan, and mission accomplishment and to ensure effectiveness and efficiency, and compliance with law and regulation and adherence to merit systems principles.
United States Department of Agriculture
2016 Presidential Transition
Office of Human Resources Management (OHRM)

Organizational Chart
Biographies of career staff in key leadership positions

Roberta Jeanquart
Director, Office of Human Resources Management and Chief Human Capital Officer
202-690-2994, bobbi.jeanquart@dm.usda.gov

Roberta “Bobbi” Jeanquart serves as Director of OHRM and the Chief Human Capital Officer for USDA. She provides vision and leadership to USDA-wide human resources programs, including human resources policy, employee and labor relations, recruitment and diversity, and workforce and succession planning to name just a few. In addition, she serves as the USDA representative to the Chief Human Capital Officers Council. Ms. Jeanquart was also appointed by the Deputy Secretary to serve as USDA’s Senior Accountable Official for implementation of the Executive Order on Improving the Senior Executive Service and also was appointed to serve on the People and Culture Workgroup that helped develop the President’s Management Agency. Ms. Jeanquart has served in a number of leadership positions since joining USDA in 2009 including Deputy Assistant Secretary for Congressional Relations and Chief of Staff for Departmental Management. She is a graduate of USDA’s Senior Executive Service Candidate Development Program. Ms. Jeanquart has 11 years’ experience working on Capitol Hill serving as an associate staff to the House Agriculture Appropriations Subcommittee. She also served for 10 years as the executive director of the National Association of Resource Conservation and Development Councils a national non-profit organization. Ms. Jeanquart is a native of Wisconsin and holds a bachelor of arts in political science from Marquette University and completed her graduate studies in comparative politics at the University of Toledo.

Marsha Wiggins
Deputy Director, Office of Human Resources Management
202-690-2994, marsha.wiggins@dm.usda.gov

Marsha Wiggins currently serves as the Deputy Director for OHRM. She is responsible for providing oversight and direction to the OHRM staff responsible for activities directly affecting the delivery of Federal HR management programs, strategies and initiatives to more than 100,000 employees both national and internationally. Ms. Wiggins joined USDA in 2011 as the Chief Human Resources Officer for the Marketing and Regulatory Programs (MRP). Ms. Wiggins implemented Hiring Reform and established the MRP HR Center of Excellence. Prior to joining USDA, she spent 18 years with the US Customs Service managing global teams responsible for protecting the movement of people and goods entering and leaving the United States. She held the position of Deputy Executive Director for Human Resources Management Services in the Office of the Secretary, Department of Homeland Security. She led an HR Integrated Project Team as part of the Secretary’s Administrative Solutions Project. She is a native Washingtonian, and a graduate of George Washington University.
Karlease Kelly  
**Provost, U.S. Department of Agriculture Virtual University**  
202-720-0185, karlease.kelly@dm.usda.gov

Karlease Kelly serves as the Provost of the USDA Virtual University in OHRM. Dr. Kelly provides vision and leadership and coordinates with all USDA Training Officers and human resources professionals on employee development and training policies and programs including managing the USDA’s Senior Executive Service Candidate Development Program. She oversees USDA’s implementation of Federal training policies such as mentoring, individual development planning, details, new supervisor training, the Presidential Management Fellows program, intern training and development, and other programs to increase employee satisfaction and effectiveness. She is a member of the federal Chief Learning Officers Council, and is Deputy Chief Human Capital Officer for USDA. Dr. Kelly has over sixteen years of government service in USDA.

Patricia L. Moore  
**Executive Director, Executive Resources Management**  
202-720-8629, patty.moore@dm.usda.gov

Patricia L. Moore “Patty” currently serves as the Executive Director of USDA’s Executive Resources Management Division. She began her career with USDA over 37 years ago going through the ranks in human resources management serving in various roles to include employment, pay and leave administration, human resources policy, human resources systems and executive resources management ultimately serving as the Executive Director, Executive Resources Management Division in OHRM. Patty’s oversight and leadership were critical to the successful centralization of executive resources management into a fully functioning policy and operating division that provides guidance, oversight, and leadership to USDA Executive Level and Political employees on a USDA-Wide basis. Her management of this consolidation led to reduced costs and consistency of process throughout USDA. Patty led USDA to the first full certification of its executive performance management system.

**Biographies of political staff in key leadership positions**

N/A
United States Department of Agriculture  
2016 Presidential Transition  
Office of Human Resources Management (OHRM)

Organizational Budget and Financial Management

OHRM is funded through the DA Direct Appropriations account, Working Capital Fund, and through reimbursable agreements including Shared Services (greenbook) accounts.

Enterprise Workforce Data

- OHRM employs a workforce of 130 employees of which the following are full-time and part-time
  - Full-time: 130 employees
  - Part-time: 0 employees

- Of our total workforce, 20% are eligible to retire within the next year

- Our headquarters is located in Washington, D.C. which houses 85% of our workforce while the other 15% are considered remote employees. OHRM does not have any field offices; however, the “remote” employees use workplace flexibilities to work from their homes or local USDA offices.

- OHRM consists of 68% employees in the 201 and 203 series. The remainder of the employees consist of management analysts, training and development specialists, administrative support, EO accountability specialists, personal security specialists, and IT Information specialists.

II. Policies and Regulations

OHRM has lead the implementation of a number of Human Resources related legislation and Executive Orders in USDA including:

- Executive Order 13583 – Establishing a Coordinated Government-wide Initiative to Promote Diversity and Inclusion in the Federal Workforce;
- Executive Order 13518 – Veterans Employment Initiative;
United States Department of Agriculture  
2016 Presidential Transition  
Office of Human Resources Management (OHRM)

- Executive Order 13548: Increasing Federal Hiring of People with Disabilities  
- Executive Order 13164: Establishing Procedures to Facilitate the Provision of Reasonable Accommodation.

Statutory Authorities

Office of Personnel Management provides the rules that are applicable to civil service positions in the executive branch of the Government for administration of human resources policies, programs, and authorities through 5 U.S. Code, Part II, and the Title 5, Code of Federal Regulations, Parts 1-699, Parts 700-1199, and Parts 1200-End. Administration of these programs and policies is further delegated to the Secretary of Agriculture through Title 7, CFR. The Secretary has further delegated this authority to the Assistant Secretary of Administration, who has delegated the authority to administer personnel management authorities and to formulate and issue Department policy, standards, rules and regulations relating to human resources management for USDA to the Chief Human Capital Officer (CHCO)/Director, Office of Human Resources Management. The Director of OHRM hereby redelegates to Staff Offices, Mission Areas, Agencies, authority to exercise human resources authorities under Title 7 CFR § 2.91 and as prescribed in USDA’s Departmental Regulations or OHRM Advisory Notices. As noted in these directives and advisories, those non-delegable duties/authorities retained by OHRM for the various authorities described may not be further redelegated to the Mission Area Human Resources Directors. OHRM provides oversight on the use of the Human Resources authorities by the Agencies. OPM and OHRM’s Strategic Planning and Accountability Division periodically audit the human resources functions of the Agencies within USDA to ensure effective use of the authorities and to ensure adherence to merit systems principles.

Important Policies and Regulations

OHRM develops and implements a number of human resources related departmental regulations.

*Finalized within the last year:*
USDA Commuter Transit Subsidy Benefits Program DR 4080-811-04  
Senior Executive Service (SES) Performance DR 4040-430-004  
Compensation Policy DR 4040-534-002  
Advances in Pay DR 4050-550-003  
USDA Pathways Programs DR 4740-005  
USDA Telework Program DR 4080-811-002  
Welfare & Recreation Organizations DR 4020-251-001  
Volunteer Programs DR 4230-001  
Special Emphasis Programs DR 4230-002  
Reasonable Accommodation Procedures DMR 4300-002  
Reasonable Accommodations for Employees and Applicants with Disabilities DR 4300-008  
Senior Science and Technology Service DR 4090-920-002  
Organizations DR 1010-001
In addition, OHRM has established the Mission Area Human Resources Board (MAHRD) which provides a forum for Mission Area HR Directors to discuss and provide guidance on policy.

OHRM also supports the Secretary’s Executive Resources Board which develops policy and guidance for Senior Executives, Senior Leaders and the Senior Scientific and Technology Service. The board is made of representatives from each of the Mission Areas and provides recommendations to the Secretary.

**Overview of the policy/regulation review process**

OPM provides the regulations governing the administration of human resources programs for Federal departments. This authority is delegated to each Department for administration and implementation. Each Department is responsible for administering these authorities and developing implementing policy for their components. OHRM develops regulations and procedural guidance for Staff Office, Mission Area and Agency servicing HR office for implementation and administration of HR authorities. The CHCO and Deputy CHCO are the chief policy advisors on all human resources management issues at USDA and are charged with providing oversight and administration of HR activities across USDA to ensure the selection and development, training and management of a high-quality, productive workforce.

OHRM provides oversight, guidance, advice and counsel on the administration and implementation of HR policies across USDA components. This is accomplished through the OCIO Departmental Directives System. Implementing policy provisions are developed, subject to the OCIO directives clearance process, and issued for implementation as Departmental Regulations, Departmental Manuals, Departmental Notices, and Secretary’s Memoranda for implementation.

OHRM assists the Office of Personnel Management (OPM) with audits of human resources functions and reviews and provides guidance on all Agency audit responses to OPM.

**GAO and OIG Audits**


This report examines: (1) how the workforces of USDA's service center agencies changed from fiscal year 2003 to fiscal year 2012, (2) the extent to which USDA's policy on supervisory ratios aligned with OPM guidance in fiscal year 2012, and (3) the extent to which USDA’s service center agencies followed leading practices when closing offices and reducing staff in fiscal year 2012. GAO recommends, among other things, that USDA take actions to revise its supervisory ratios policy; amend its policy on organizational changes to follow leading practices; and require RD and FSA to document links between various incentives and reshaping or strategic goals. USDA generally agreed with GAO's findings, but disagreed with one finding and recommendation on supervisory ratios.

GAO was asked to review workforce planning for federal veterinarians. This report examines (1) department-wide efforts USDA and HHS have made for their routine veterinarian workforces, (2) the extent to which USDA has identified the veterinarians needed for emergency response to an animal disease outbreak, and (3) the steps OPM and other federal agencies have taken to achieve the goals of the government-wide strategic plan for the veterinarian workforce. GAO reviewed USDA, HHS, and government-wide workforce plans and interviewed relevant officials. GAO recommended that USDA assess and address veterinarian workforce needs for emergency response to an animal disease outbreak, and that OPM review agencies’ use of direct-hire authority for veterinarians and monitor and evaluate progress and obtain leadership support for achieving government-wide veterinary workforce goals. USDA partially agreed, noting that it has taken steps to assess its emergency needs.

III. Congressional Relations and Issues

Overview

- **Use of Administrative Leave.** Congress and GAO are concerned that the use of administrative leave has exceeded reasonable amounts. As a result, OHRM issued an Advisory to all Mission Areas, Agencies, and Staff Offices in October 2015 that states that no agency may not keep an employee on administrative leave beyond 30 consecutive calendar days in relation to an investigation, management inquiry, or disciplinary matter without the approval of the Director, OHRM. Agency Heads retain the authority to approve administrative leave for up to 30 calendar days, but only when an investigation or management inquiry of alleged misconduct is pending, during the notice period preceding formal discipline, or in a circumstance in which workplace safety could be compromised. Extensions of an initial administrative leave determination ultimately exceeding 30 calendar days will be considered upon submission of documentation to OHRM's Director of Employee and Labor Relations Division for review.

An agency may place an employee on administrative leave, consistent with the October 2015 Advisory, pending investigation or when the continued presence of the employee in the workplace may pose a threat or cause loss of, or damage to, government property, or services. Prior to placing an employee on administrative leave, an agency must consider other options such as an indefinite suspension, reassigning/detailing the employee, use of available leave, telework, or placing the employee on absent without leave.

Agencies may grant administrative leave to employees who cannot report to work due to: (1) an act of God, (2) a terrorist attack, or (3) another condition that prevents such employees from safely traveling to or performing work at an approved location.

Various legislative proposals have been under consideration in Congress to further limit the use of administrative leave.
Management of the Veterinary Medical Officer workforce. USDA and the Department of Health and Human Services veterinarians perform crucial work for public and animal health and for emergency response to an economically devastating or highly contagious animal disease – where USDA has a lead role. In 2009, USDA and the Department of Health and Human Services committed to department-wide efforts to address veterinarian workforce challenges, such as recruitment. In 2010, OPM issued a strategic plan for Federal veterinarians to help improve recruiting initiatives and emergency response plans. Congress asked the GAO to review workforce planning for Federal veterinarians.

Congress takes a keen interest in the organizational structure of USDA and currently requires notification of any significant reorganization in any Mission Area, Agency, or Staff Office which involves the movement of 5 people or more.

IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

- The Office of Personnel Management
- The Office of Special Counsel
- The Federal Labor Relations Authority
- The Merit Systems Protection Board
- Department of Interior
- Department of Labor
- The Chief Human Capital Officers Council – USDA’s CHCO serves on this Council to advise and coordinate the activities of members’ agencies on such matters as the modernization of human resources systems, improved quality of human resources information, and legislation affecting human resources operations and organizations. The Council is composed of the Director of the Office of Personnel Management (OPM), who serves as chairman, the Deputy Director for Management of the Office of Management and Budget (OMB), who acts as vice chairman, the CHCOs of the 15 Executive departments, and the CHCOs of 12 additional agencies designated by the OPM Director. Additionally, the Council has an Executive Director who coordinates and oversees the activities of the Council.
- USDA participates in the quarterly meetings of the National Council on Federal-Labor Management Relations (NCFLMR). The key issues are to develop strategies for supporting agency-level management forums and promoting partnership efforts between labor and management. The Deputy Secretary or Deputy Assistant Secretary for Administration have served as USDA designees to this council.
Stakeholder group overview

Internal USDA Stakeholders

- **HR Policy Board**, led by the Director, OHRM, and comprised of the Mission Area HR Directors. The purpose of Board is to serve as a steering group and decision-making body for key Departmental HR initiatives, policies and programs including enterprise HR information technology systems. The Board is led by the Director of the Office of Human Resources Management who serves as its Chair.

- **USDA Cultural Transformation Officer Council.** Secretary Vilsack established the Transformation Officer’s Council, comprised of SES representatives from each of the Mission Areas, Agencies, and Staff Offices, to establish annual Metrics and Milestones to measure progress toward the cultural transformation of USDA, and to monitor progress through monthly meetings and monthly reports to the Secretary. An annual end of year report is also issued.

- USDA’s Chief Learning Officer serves as the Chair of the Federal Chief Learning Officer Council. The Chief Learning Officer Council meets monthly to share best practice and maximizing the use of limited government resources to deliver effective and engaging learning and development opportunities to all Federal employees. The Chief Learning Officer Council has a Memorandum of Understanding to work with the Federal CHCOs Council.

- The Virtual University leads the USDA Training Officers Council, which meets bi-monthly to ensure there is consistency, quality, efficiency, and access throughout USDA regarding employee development and training. This group plays a vital role in addressing the human capital needs of USDA.

Federal Government Stakeholders

- **OPM Accountability Program Managers Council.** The Director for Strategic HR Planning and Accountability in OHRM co-chairs this council, which meets quarterly. The focus of the council is to improve Federal Human Capital Management.

- **OPM, Diversity and Inclusion in Government (DIG) Council.** The DIG was established in 2015 and operates under joint direction of OPM, OMB, and the Equal Employment Opportunity Commission. The DIG Council’s origins are rooted in the efforts of a 60+ Partners Working Group.
  - The DIG Council helps to develop guidance to cultivate workplaces supportive of inclusion, collaboration, employee engagement, transparency, information sharing, cognitive diversity, and equity for all Federal employees to enable the Federal Government to achieve “high-level organizational performance.”
  - Its formation fulfills Executive Order 13583, which established a coordinated government-wide initiative to promote diversity and inclusion in the Federal
workforce and provides a forum to improve senior leadership engagement and collaboration in strategic and operational diversity and inclusion priorities.

- **OPM, Office of Diversity & Inclusion (OPM ODI), 60+ Partners Working Group.** ODI hosts bi-monthly, Federal-wide meetings with Diversity and Inclusion agency staff to share best practices, information and support, and to implement Executive Orders and Presidential Memoranda.

- USDA participates in the quarterly meetings of the *National Council on Federal-Labor Management Relations (NCFLMR)*. The key issues are to develop strategies for supporting agency-level management forums and promoting partnership efforts between labor and management. The Deputy Secretary or Deputy Assistant Secretary for Administration have served as USDA designees to this council.

**External Non-Profit Groups**

*National Association of Federal Veterinarians (NAFV).* NAFV is a professional organization that serves as an advocate for member veterinarians in the Federal service. USDA meets periodically with this organization to discuss issues that impact the veterinarian profession – recruitment, retention, and training and development.

OHRM’s Diversity, Recruitment & Work/Life Division established Memoranda of Understanding (MOU) with the following external non-profit organizations that are affiliated with various special emphasis, veterans, and student interests. Each MOU directly relates to supporting an Executive Order and/or Federal regulation.

- Asian American Government Executives Network (AAGEN)
- Association of University Centers on Disabilities (AUCD)
- The American Legion
- Blacks in Government (BIG)
- Consortia of Administrators from Native American Rehabilitation Inc. (CANAR)
- Conference on Asian Pacific American Leadership (CAPAL)
- Council of State Administrators of Vocational Rehabilitation (CSAVR) and National Employment Team
- Federal Asian Pacific American Council (FAPAC)
- Federally Employed Women (FEW)
- Federal Managers Association (FMA)
- Hmong National development, Inc. (HND)
- League of United Latin American Citizens (LULAC)
- National Association of Hispanic Federal Executives (NAHFE)
- National Disability Mentoring Coalition (NDMC)
- National Image, Inc.
- National Coalition for Equity in Public Service (NCEPS)
- OPM - Pathways Programs (OPM)
- Puerto Rico Department of Economic Development and Commerce (PR DEDC)
- Society of American Indian Government Employees (SAIGE)
- Veterans Administration (VA for Vets)
Recent engagements with stakeholder groups

- The USDA Labor Relations Office has been attending NCFLMR since 2012. The reason for the engagements are to support the creation of agency-level management forums and promoting partnership efforts between labor and management. Outcomes are metric driven and reviewed annually.

V. Top Issues

Hot Topics

- **Secretary’s Executive Resources Board.** Each Federal agency is required by 5 U.S.C. § 3393(b) to establish one or more Executive Resources Boards (ERB’s), the members of which shall be appointed by the Secretary. The ERB conducts the merit staffing process for career entry into the Senior Executive Service (SES), entrants into the Presidential Management Fellow Program, and other functions relating to the management of the Department’s executive resources, as delegated by the Secretary, to include the oversight of HR matters related to SES and Senior Level (SL) and Scientific or Professional (ST) employees. Departmental Regulation DR-1061-003 dated November 4, 2014, establishes the policy for USDA’s ERB. The ERB is comprised of a Chairperson, a Vice Chairperson, and a mix of SES and SL/ST employees representing their Mission Areas, Agencies, and Staff Offices. The ERB meets monthly to discuss executive resources policies and procedures impacting SES and SL/ST employees and makes recommendations to the Secretary. **A new Chairperson will need to be appointed by the incoming Secretary.** The Vice Chairperson currently is a career executive and will continue the business of the Board until a new Chairperson is appointed. The current Chair is Acting Deputy Secretary Scuse.

- **2018/2019 Biennial Allocation Process.** Pursuant to 5 U.S.C. § 3133(a), Federal agencies are required – during each even-numbered calendar year (CY) – to examine their needs for Senior Executive Service (SES) positions for each of the two fiscal years beginning after such calendar year, and to submit to OPM a written request for each of such fiscal years. Although not expressly required by statute, Federal agencies conduct the same examination and submit a similar written request to OPM for their positions in the Senior Level (SL) and Scientific and Professional (ST) systems. OPM allocates SES, SL, and ST positions to Federal Departments and in accordance with these reviews. USDA’s current allocations are:

  - 399 SES slots
  - 42 SL slots
  - 49 ST slots

Through this process, called the biennial allocation process, OPM reviews organizational missions, plans, and structures to assess the extent to which executive resources are being used in
an efficient manner. OPM conducts this process as a part of the overall strategic management of the Government’s executive resources pool. The biennial allocation process requires OHRM, Executive Resources Management Division to conduct an assessment of all USDA executive resources needs and allows Mission Areas, Agencies, and Staff Offices to submit requests for new SES, SL, and ST allocations as appropriate, based upon changing or shifting mission critical work. As part of this process, Mission Areas, Agencies, and Staff Offices are also required to review the SES position designations (career reserved or general, career, and non-career) for all encumbered and vacant positions.

The Executive Resources Management Division currently is in the process of meeting with each Mission Area, Agency, and Staff Office to determine their executive needs for OPM data call that is anticipated in December of 2016 for the 2018/2019 biennial. A preliminary response to OPM on USDA’s anticipated needs will be due upon the receipt of the data call. A formal justification and accompanying documentation is required to be submitted in the first quarter of calendar year 2017 if USDA intends to request any additional executive allocations.

- **Certification of USDA’s SL/ST Performance System.** USDA has full certification of its SL/ST performance appraisal system, which expires October 27, 2017. To maintain this certification, USDA is required to submit a renewal request by April 27, 2017. Full certification allows USDA to pay SL/ST employees above the Executive Level III pay rate up to the Level II pay rate and have access to the higher aggregate pay limit for a period of 2-years. USDA has maintained full certification since October 28, 2011. The incoming Secretary will be required to approve the request based upon the recommendation of the ERB.

- **Executive Performance Appraisal Process.** Chapter 43 of Title 5, United States Code (USC) requires Federal agencies to provide for performance management of SES and SL/ST employees. Title 7 USC § 7657 requires the Secretary to develop a performance appraisal system for members of the Senior Science and Technology Service (SSTS). USDA has three performance appraisal systems that govern the SES, SL/ST, and SSTS employees. These are pay-for-performance compensation systems and require the Secretary's approval of all performance recommendations. USDA's performance cycle is from October 1 to September 30. For the fiscal year 2017 performance cycle, all eligible SES, SL/ST, and SSTS employees must be on established performance plans as of October 31, 2016. A fiscal year 2017 performance compensation plan and the establishment of any new or revised Departmental initiatives for fiscal year 2017 will need to be incorporated into fiscal year 2017 executive performance plans as soon as practical.

- **Moratorium on Senior Executive Service Qualifications Review Boards.** In accordance with 5 CFR 317.502(d), OPM may suspend processing of an agency’s SES Qualifications Review Board cases when the agency head departs or announces his or her departure. This is done to ensure the incoming head of the agency has the full opportunity to exercise his or her prerogative to make or approve executive resource decisions that impact the agency’s performance during his or her tenure. Upon the appointment of a new Secretary to USDA,
decisions will need to be made as to whether or not to approve any appointments or actions that have been suspended.

• **SAMMIES or Samuel J. Heyman Service to America Medals Awards.** The SAMMIES are an annual award offered by the non-provide organization Partnership for Public Service to recognize outstanding public service. The event is known as the Oscars of government service. The respected award has a rigorous selection process. It is named for the founder of the Partnership for Public Service, Samuel J. Heyman. Nominations are open in October for seven different categories of public service. Nominations close on January 15th. The status of the nominations are shared in April. Winners are invited to attend the black tie event in early Fall.

• **Cultural Transformation.** Under Secretary Vilsack, USDA initiated a Cultural Transformation effort in 2008 in response to law suits and complaints that were filed regarding program access. The purpose of Cultural Transformation is to ensure that every customer and employee is treated with dignity and respect and given an opportunity to succeed. Some of the themes associated with Cultural Transformation include effective employee communication and community outreach, process improvement, performance management, labor relations, employee development, workforce diversity and inclusion, and employee engagement. Overall, the initiative has been linked with a number of successes in making USDA a model workforce and driving high performance. An action plan has been developed annually with milestones and metrics for workforce diversity and inclusion; labor relations; leadership and employee development and accountability; training; and hiring reform.

• **Honor Awards.** The Lincoln Honor Awards Program is a non-monetary recognition program with a 66-year history. These awards are the most prestigious awards presented by USDA. The awards recognize noteworthy accomplishments that significantly contribute to the advancement of USDA’s strategic goals, mission objectives, and overall management excellence. Employees at all grade levels are eligible for recognition, as well as external organizations who partner with USDA to accomplish the mission of USDA.

• **USDA Senior Executive Service Candidate Development Program (SES CDP).** OHRM manages the SES CDP, which is governed by Federal regulation, as part of USDA’s succession planning effort. The regulation requires merit-based competition and specifies training and development. The 18 to 24 month program prepares a talented and diverse group of candidates to step into executive roles. Successful graduates of the program receive SES certification from OPM. Because they compete for entrance into the program, this certification enables graduates to be placed without further competition into executive positions. The USDA Executive Resources Board oversees the SES CDP.

• **Land Management Workforce Flexibility Act.** This Act (PL 114-47) was signed into law on August 7, 2015, and allows certain current and former land management agency employees who are serving or have served under a time-limited appointment to compete for any permanent position in the competitive service at a Land Management Agency, or any other agency, under “internal” merit promotion procedures. Land Management Agencies include:
OHRM has issued instructions to agencies to provide implementing instructions to servicing HR offices to ensure compliance with this Act.

• Per Executive Order 13522, in order to evaluate the effectiveness of labor-management collaborations in improving government efficiency, the Labor Relations Branch is responsible for leading the efforts for conducting an annual USDA Labor-Management Climate Assessment Survey for all USDA agency-level labor-management forums to measure the labor-management relationship across the entire USDA. Determining barriers for building effective partnership efforts between labor and management within USDA continues to be a hot topic.

• Affordable Care Act and Casual Employees.
USDA’s Forest Service (FS) has the authority to hire on the spot certain emergency workers to cope with sudden and unexpected emergencies related to wildland firefighting responsibilities and other hazardous incidents. In 2015, FS hired 7,212 emergency workers who are termed “casual hires.” Most of the casual hires work a few days or a few weeks, and are hired from the local area where the fire is located. However, there are occasions where the employees work for extended periods during the fire season. On October 17, 2014, OPM issued a regulatory change to 5 CFR 890 that applied the requirements of the Affordable Care Act (ACA) to temporary employees who work full time for more than 90 days. We initially believed that this change did not apply to casual hires. After consultation with Office of Personnel Management and the USDA Office of the General Counsel, it was determined that health benefits coverage must be offered under the ACA to this group of casual hires if they work more than 130 hours in a month for three consecutive months. These casual hires are paid by the Department of the Interior (DOI), who also employ casual hires. USDA is collaborating with DOI to ensure all qualifying employees are offered coverage beginning in January 2016 and throughout the summer fire season.

Timeline

December

• The Biennial Allocation Request to support the allocation of new SES, SL, and ST slots is due to the OPM by March 31, 2017.
January

- Honor Awards. Decisions are required in January/February for the fiscal year 2017 Secretary’s Honor Awards ceremony. Decision include whether to have the ceremony, the theme, and the timing of the ceremony, which usually falls in September or November.

- A new Chairperson for the Executive Review Board needs to be appointed within 30 calendar days after the appointment of a new Secretary.

- As soon as practical after the appointment of a new Secretary, decisions will need to be made as to whether or not to approve any new SES appointments or actions that have been suspended.

February

- Black History Month Observance. Observances take place in the Jefferson Auditorium. Senior-Level Appointees or the Secretary are Speakers at these events.

- No later than the end of February, determine whether to maintain Executive Order 13522, Creating Labor-Management Forums To Improve Delivery of Government Services, and if so, whether to develop different success metrics, to continue with labor-management forums, annual labor relations climate assessment surveys, and to develop alternate methods/procedures for administering the Pre-Decisional Involvement (PDI) process.

- Begin USDA Senior Executive Service Candidate Development Program (SES CDP). The recruitment, announcement and selection process to launch the program takes approximately 6 months. Candidates once selected typically complete the program in 18 months.

March

- Women’s History Month Observance.

- The Biennial Allocation Request and justifications to support the allocation of new SES, SL, and ST slots is due to OPM by March 31, 2017.

- Nominations for Presidential Rank Awards are generally due to OPM by March 31, 2017.

April

- Certification renewal for USDA’s SL/ST performance system is due to OPM by April 27, 2017.

May

- Asian Pacific American Islander Heritage Month Observance.
• The 2017 Federal Employee Viewpoint Survey (FEVS). OPM administers the FEVS annually. The FEVS includes indices that measure employee satisfaction and engagement. Employee engagement, which is defined as the willingness of employees to give discretionary effort toward reaching organizational goals, has been linked by studies to higher mission performance. The non-profit organization, Partnership for Public Service, uses results from the FEVS to produce the Best Places to Work in Government rankings every December. The FEVS is administered to a random sample of permanent full and part-time employees beginning in May. OHRM will follow the timeline and guidance established by OPM to prepare for the survey. Timeline: To be announced by OPM. The survey typically launches in May and is open for 6 weeks.

**June**

• LGBT Pride Month Observance.

• An approved compensation plan for the SES is due to USDA Executives by June 30, 2017. Any new or revised Departmental initiatives will need to be incorporated into executive performance plans as soon as possible, but no later than June 30, 2017, if executives are expected to be held accountable and rated on them during the fiscal year 2017 performance cycle.
Appendix A: Acronyms

- CFR  Code of Federal Regulations
- CHCO  Chief Human Capital Officer
- CLF  Civilian Labor Force
- DAM  Deputy Administrator for Management
- DEU  Delegated Examining Unit
- DR  Departmental Regulation
- ECQ  Executive Core Qualifications
- eOPF  Electronic Official Personnel Folder
- ERB  Executive Resources Board
- FEHB  Federal Employee Health Benefits
- FERS  Federal Employees Retirement System
- FOIA  Freedom of Information Act
- HCAAF  Human Capital Assessment and Accountability Framework
- HSPD-12  Homeland Security Presidential Directive Number 12
- IDP  Individual Development Plan
- JOA  Job Opportunity Announcement
- MAHRD  Mission Area Human Resources Director
- PDI  Pre-Decisional Involvement
- PPP  Prohibited Personnel Practice
- PRB  Performance Review Board
- QRB  Qualifications Review Board
- QSI  Quality Step Increase
- RNO  Race, National Origin
- SCD  Service Computation Date
- SES CDP  Senior Executive Service Candidate Development Program
- ST  Scientific and Professional
- SL  Senior Leader
- TSP  Thrift Savings Plan
- ULP  Unfair Labor Practice
- VERA  Voluntary Early Retirement Authority
- VSIP  Voluntary Separation Incentive Pay
- WGI  Within Grade Increase
WHAT WE DO: OUR MISSION
The Office of Operations (OO) provides leadership, direction, coordination, and guidance in activities throughout the National Capital Region relating to: facilities management, space management, engineering and architecture, physical and technical security, energy conservation, environmental sustainability and waste management, occupational safety and health, environmental compliance, and occupant emergency planning and emergency management. In addition, OO provides centralized business services including mail management, printing and duplication, a nationwide disability resource center, office supplies, shipping/receiving, warehouse and labor services, a Consolidated Forms and Publications Distribution Center and Centralized Excess Property Operations.

WHO WE ARE: OUR WORKFORCE
OO’s workforce is made up of approximately 198 on-board full-time equivalents (FTE) located in Washington, DC and Beltsville, Maryland. In addition, OO staff are supplemented by approximately 300 contract support staff.

WHO WE SERVE: OUR CONSTITUENTS
OO serves all USDA employees in the USDA Headquarters Complex and George Washington Carver Center (GWCC). OO ensures a safe and secure facility infrastructure and offers administrative services in the National Capital Region (NCR) in support of USDA Mission Areas and Agencies.

KEY UPCOMING DECISIONS
New South Building and GWCC Modernization Project Strategy: To address the many life safety and accessibility deficiencies, as well as the failing operational systems, USDA has developed a strategy to update complete modernization of the South Building.

People’s Garden Site Improvements and Perimeter Security Plan: Multi-phased project on the grounds of the USDA Headquarters Complex received National Capital Planning and Commission of Fine Arts concept approval in 2014. Upon approval, there is a 4-year limit to begin work or risk expiration of approval. Total project cost is estimated at $28M and includes critical security enhancements around the perimeter of the Complex.

BUDGET HIGHLIGHTS FY 2016
OO is funded through various streams including direct appropriations, Working Capital Fund (WCF), as well as Departmental shared cost programs (Greenbook). The Table below represents OO FY2016 funding (dollars shown in millions):

<table>
<thead>
<tr>
<th></th>
<th>Amount (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ag. Buildings (BOM)</td>
<td>$64M</td>
</tr>
<tr>
<td>WCF (MMSC/MRS)</td>
<td>$21M</td>
</tr>
<tr>
<td>Shared Cost (TARGET &amp; Medical)</td>
<td>$2M</td>
</tr>
<tr>
<td>Direct appropriation</td>
<td>$2M</td>
</tr>
<tr>
<td>FY2016 TOTAL OO FUNDS</td>
<td>$89M</td>
</tr>
</tbody>
</table>
I. **Organizational Overview**

The Office of Operations (OO) provides leadership, direction, coordination, and guidance in activities throughout the National Capital Region relating to: facilities management, space management, engineering and architecture, physical and technical security, energy conservation, environmental sustainability and waste management, occupational safety and health, environmental compliance, and occupant emergency planning and emergency management. In addition, OO provides centralized business services including mail management, printing and duplication, a nationwide disability resource center, office supplies, shipping/receiving, warehouse and labor services, a Consolidated Forms and Publications Distribution Center (CFPDC), and Centralized Excess Property Operations (CEPO).

**Agency’s Mission/Strategic Plan**

Overall, OO supports USDA Strategic Goal 5 to *Create a USDA for the 21st Century that is high-performing, efficient, and adaptable*, as well as the following USDA Strategic Objectives: 5.1 – *Develop a customer-centric, inclusive, and high-performing workforce by investing in and engaging employees to improve service delivery;* 5.2 – *Build a safe, secure, and efficient workplace by leveraging technology and shared solution across organizational boundaries;* and 5.3 – *Maximize the return on taxpayer investment in USDA through enhanced stewardship activities and focused program evaluations.*

Internally within OO’s 2016-2017 Strategic Plan, OO has the following Mission Statement, Vision Statement, and Strategic Goals/Priorities. The following is a link to the plan: [http://www.hqnet.usda.gov/oo/docs/ ОО-SP%202016-2017%20%20FULL.pdf](http://www.hqnet.usda.gov/oo/docs/ ОО-SP%202016-2017%20%20FULL.pdf)

**OO Mission Statement:**
- Implement Technology & Innovation
- Deliver Customer Service
- Collaborative Marketing
- Develop People
- Model Stewardship
- Visible Leadership
- Highest Quality
- Constant Readiness

**OO Vision Statement:**

**OO Strategic Goals/Priorities:**
1. Improve Employee Engagement and Satisfaction
2. Improve Customer Satisfaction
3. Improve Services
4. Streamline Processes and Procedures
5. Reduce Operating Costs
Key mission delivery performance measures

Internally within OO’s 2016-2017 Strategic Plan, OO has established performance indicators for each of the 5 OO Strategic goals identified above.

In addition to this, OO has several key performance measures as part of the Agriculture Buildings and Facilities budget submission that support USDA Strategic Goal 5, and Objectives 5.1, 5.2, and 5.3 identified above. The following is an excerpt from the 2017 Agriculture Buildings and Facilities 2017 President’s Budget:

<table>
<thead>
<tr>
<th>Key Performance Measures</th>
<th>Actual</th>
<th>Estimate/Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduce utility consumption 1/</td>
<td>6%</td>
<td>3%</td>
</tr>
<tr>
<td>Backlog of deferred facility maintenance is stabilized and growth reduced by percentage amounts 2/</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

1/ Executive Order 13693 “Planning for Federal Sustainability in the Next Decade,” signed February 2015, mandates reduction of energy usage in Federal buildings by 2.5% per year between 2015 and 2025 to promote building energy conservation, efficiency, and management. OO is able to support this through energy conservation projects throughout USDA Headquarters Complex (South and Whitten Buildings) and GWCC. Examples in FY2016 include: installation of new ceilings and energy efficient lighting in the remaining hallways of the Whitten Building 4th floor; completion of the Whitten Building photovoltaic panel project with the installation of 320 panels estimated to produce 365,000 kilo-watts hours of power with an estimated cost avoidance of $50K.

2/ Performance measure targets are tracked against the Building Evaluation Report (BER) amount of approximately $145 million in deficiencies completed in 2014 (with escalation factored as appropriate) for any increases above the base for deferred maintenance. The BER evaluated existing conditions of the USDA Headquarters Complex and GWCC buildings, including: architectural elements, mechanical, electrical and plumbing systems, handicap accessibility, life and fire safety, elevators, structural integrity, and hazardous materials and provided a detailed reporting of deficiencies requiring repair or replacement.

Organization’s History

The Office of Operations was established January 12, 1982 under 7 CFR §2810.2. Delegations of authority to the Director, OO appear at 7 CFR 2.96 (https://www.law.cornell.edu/cfr/text/7/2.96). OO is a staff office under Departmental Management, reporting to the Assistant Secretary for Administration (ASA).
Biographies of career staff in key leadership positions

Duane Williams
Director of Operations
202-720-3937, Duane.williams1@dm.usda.gov

Duane Williams currently serves as the Director for the Office of Operations in Departmental Management. Prior to accepting that position, Mr. Williams served as the Deputy Director for the Office of Operations. He also served as the Deputy Director of Human Resources for Rural Development Agency prior to his appointment to the Office of Operations. Mr. Williams started his career with the Agricultural Marketing Service (AMS) 29 years ago as a Marketing Specialist in the Perishable Agricultural Commodities Act Branch, a regulatory program in AMS. During his time in AMS, he held multiple leadership and management positions. He is a 1986 graduate of North Carolina Agricultural and Technical State University, where he earned his Bachelor of Science degree in Economics with a concentration in Transportation and Logistics. He is also a graduate of USDA’s Senior Executive Service Candidate Development Program, administered through American University’s Key Leadership Program.

James Brent
Deputy Director of Operations
202-720-3937, James.brent@dm.usda.gov

Mr. Brent is the Deputy Director of the Office of Operations (OO). This Office is responsible for providing facilities management services, security, and operational support for agencies occupying USDA’s Headquarters complex, the GWCC and USDA leased facilities in the National Capital Region. Prior to joining OO, Mr. Brent served as USDA’s Employee Engagement Program Manager and Director of Diversity, Recruitment and Work/Life in the
Mr. Brent served as the Deputy Director of Manufacturing and Operations at the Bureau of Engraving and Printing. In this capacity, he provided leadership over the production, warehousing and shipment of approximately 4 Billion United States currency notes annually. Mr. Brent has worked at USDA since 2013 and for the Federal government for more than 26 years.

Mr. Brent has a passion for leadership development and employee engagement. He graduated from the Virginia Commonwealth University in Richmond Virginia in 1988 with a Bachelor of Science Degree in Business Administration and Management.

Tracey King
Chief of Staff/Management Analyst
202-720-3938, Traceyd.king@dm.usda.gov

Tracey King is a Management and Program Analyst with the Office of Operations and serves as the Chief of Staff providing direct support to the Director of Operations.

Ms. King joined the Office of Operations in 2001 and has an extensive knowledge of the functional responsibilities of administrative customer service oriented organizations, including finance/budget, procurement, human resources, property, and facilities management. She directs budget formulation, financial management, strategic planning activities in the Office of the Director, provides guidance and support to the OO Division Directors on managerial and administrative issues, and provides advice and guidance to the Office of the ASA on OO strategies, functions, etc.

Mrs. King started her Federal career in 1988 as a Procurement Assistant with the Naval Research Laboratory and joined USDA Rural Development where she served in various positions as a Procurement Analyst, Contract Specialist, and Management Analyst between 1993 -2001 before joining the Office of Operations.

She possesses the ability to analyze, communicate, and coordinate on a wide variety of administrative topics, crossing organizational and agency lines.

Morris Tate
Director, Program and Policy Support Staff
202-720-4134, Morris.tate@dm.usda.gov

Morris Tate serves as the Director, Program and Policy Support Staff, responsible for providing advice and assistance to Office of Operations (OO) senior management in the areas of strategic planning, oversight of OO’s management control program, and development of standard operating procedures and Departmental and OO Directives. In addition he serves as OO’s Labor Relations Officer, Telework Champion, and Management Control Officer. Morris previously served as the Chief, Washington Area Service Division, where he was responsible for operations and maintenance, repair and alterations, physical security, parking, concessions, and the USDA Child Development Center.
Prior work experience includes:

- Deputy Director, Facilities Division, Marine Corps Base, Quantico, Virginia;
- Deputy Maintenance Officer, Marine Corps Base, Quantico, Virginia;
- Facilities Maintenance Control Director, Marine Corps Air Station, Kaneohe Bay, Hawaii;
- Structural Engineer, private consulting firm, Honolulu, Hawaii
- Director of Transmission Design, Western Farmers Electric Cooperative;
- Engineering Consultant – foundations, soil mechanics, and construction materials testing, Norman, Oklahoma;
- Civil Engineer, Soil Conservation Services, Champaign Illinois, Kailua Kona, Hawaii, and Honolulu, Hawaii; and
- Laboratory Technician, Oklahoma Testing Laboratories.

Mr. Tate has a Bachelor of Science degree in Civil Engineering and a Master of Science degree in Civil Engineering from the University of Oklahoma. Mr. Tate is a graduate from the Federal Executive Institute and a licensed Professional Engineer in Hawaii and Virginia.

Carlos Casaus
Director, Materiel Management Service Center
301-394-0400, Carlos.casaus@dm.usda.gov

Carlos Casaus is the Director of the Materiel Management Service Center in Beltsville, Maryland. He oversees logistics support services to USDA and select non-USDA agencies in the Washington D.C. metro area.

Mr. Casaus came to USDA, Office of Operations, in August of 2006; and in July 2012, he was selected as Director of the Materiel Management Service Center. Prior to this selection, he served as Acting Director and was the Deputy Director of the Center. Previously, Mr. Casaus worked as a Financial Advisor in the financial services industry in Spain and Portugal. Prior to his work in financial planning, he served in the United States Air Force. During his 22-year Air Force career, Mr. Casaus served in key leadership positions such as Technical Training Instructor, Supply Superintendent, and Inspector General (IG) Supply Management Inspector. He earned numerous decorations including Defense Meritorious Service, Air Force Commendation, and Air Force Achievement, and National Defense Service medals. Mr. Casaus holds a Master’s degree from Webster University in Management, a Bachelor’s degree from Columbia College in Business Administration, and Associate degrees in Education and Logistics Management.

Thomas Hoffman
Director, Facilities Management Division
202-720-2804, Thomash.hoffman@dm.usda.gov

Mr. Hoffman joined the US Department of Agriculture, Office of Operations in 1999. He serves as the Director of the Facilities Management Division. Mr. Hoffman supervises the team that
designed and built the George Washington Carver Center (GWCC) and was responsible for the renovation of the early phases of the South Building Modernization, most recently Wing 5, through the American Recovery and Reinvestment Act (ARRA). Mr. Hoffman will continue to lead the Modernization Team in the renovation of the South Building and reconfiguration of the GWCC.

Mr. Hoffman guided the site selection team for Patriots Plaza III (PP3), which was USDA’s first major lease consolidation in the National Capital Region. He oversaw the development of the Housing Plan for PP3. He and his team coordinated the renovation of the USDA Child Development Center at the Yates Building which achieved gold certification from the United States Green Building Council. His team oversaw the design and development of the 5000 panel photo-voltaic farm at the GWCC, which provides for almost 50% of the campus’ electrical needs. A smaller installation at the Jamie L. Whitten Building was recently completed and is currently in the commissioning stage.

An Architect by background, Mr. Hoffman holds a Masters of Architecture degree from Clemson University and is licensed to practice in the District of Columbia. He also received his undergraduate degree, a Bachelor of Design, from Clemson. Throughout his career, Mr. Hoffman has championed energy conservation and sustainable design. In 2008, Mr. Hoffman became a Leader in Energy and Environment Design (LEED) Accredited Professional (AP). He graduated from the Federal Executive Institute Leadership for a Democratic Society in 2012.

Gilbert Stokes
Director, Protective Operations Division
202-720-6270, Gilbert.stokes@dm.usda.gov

Gilbert (Butch) Stokes Jr. comes with many years of operational and technical security experience, and was appointed as Director of Security for the Protective Operations Division on October 5, 2014. Mr. Stokes is a local native, and has spent almost his entire government career here at USDA, starting in 1989 as a file/mail clerk, and then joining the Office of Operations Security Staff in 1994 starting as a security assistant, and then elevating to a security specialist. Mr. Stokes left USDA in 2000 for a brief period to join the Bureau of Engraving and Printing security staff, but quickly returned in 2001. He became the Chief of the Technical Security Branch in 2003, and then became the Chief of the Security Programs Branch established in 2011.

D’Ann V. Clayton
Director, TARGET Center
202-690-0443, D'Ann.clayton@dm.usda.gov

D’Ann V. Clayton serves as the Director of the TARGET Center and oversees the nationwide operations of USDA’s Accessible Technology and Disability Resources Program.

Ms. Clayton brings a wealth of knowledge from projects in the information systems, quality management, and petroleum-chemical industries. In 2006, Ms. Clayton joined USDA, Animal and Plant Health Inspection Service (APHIS), as a Management Analyst to implement quality
assurance initiatives in Biotechnology Regulatory Services (BRS) and obtain ISO 9001:2008 certification on BRS’ permitting products.

Prior to her appointment in 2010 as the Director of the TARGET Center, Ms. Clayton served as the Special Emphasis Disability Employment Program Manager at APHIS-BRS. In 2009, she was awarded the APHIS Administrator’s Civil Rights Award for demonstrating considerable commitment and dedication to facilitating employment opportunities for persons with disabilities and increasing the awareness of disability issues throughout the organization.

Ms. Clayton holds a B.S. Degree in Chemical Engineering from Howard University, and is certified as a Project Management Professional (PMP).

**Dennis Banks**  
**Acting Deputy Director, Mail and Reproduction Management Division**  
202-720-8393, Dennis.banks@dm.usda.gov

Dennis Banks, better known as Dee, is currently the Acting Deputy Director of the Mail and Reproduction Management Division (MRMD) in the Office of Operations, US Department of Agriculture (USDA).

After serving his country in the US Army, Mr. Banks worked at the Xerox Corporation for ten years where he was trained in Total Quality Management and Lean Six Sigma. He has also been trained in Project Management at George Mason University. Mr. Banks left the Xerox Corporation to become a small business owner, where he earned a listing as an Honorable Professional of the National Directory of Who’s Who. He went on to lead major operations for such notable companies as Reprographics Technologies, Canon, and Home Depot.

Mr. Banks came to USDA after thirty plus years of success in the private sector where he mastered Business Process Re-Engineering, Finance, Work Flow Analysis, Process Improvement, and Cost Cutting Measures, which consistently helped businesses to improve their efficiency and effectiveness by 15 to 30 percent. He is in the process of using those skills to re-engineer the way that MRMD delivers services to its customers.

**Carmelnita Fossum**  
**Director, Executive Services Division**  
720-8482, Carmelnita.fossum@dm.usda.gov

Carmelnita Fossum was selected as the Director of Executive Services Division on May 15, 2016, after serving as Acting Director. As Director of Executive Services Division Ms. Fossum is responsible for providing administrative support services for the Office of the Secretary, the ASA, as well as the Under Secretaries for the USDA Mission Areas, which includes travel support. She is also responsible for customer service support activities at the George Washington Carver Center, Patriots Plaza III facility and the South Building Customer Services Office, which supports USDA’s Parking and Conference Scheduling in the South and Whitten Buildings.
Ms. Fossum is from Leavenworth, Kansas, and moved to the area to attend Howard University in Washington, DC on a Reserved Officer’s Training Corp, Quality Enrichment Scholarship in the School of Communications. Ms. Fossum started her career at USDA in October 1988 in the Office of Personnel where she worked for three years assisting with entry level employees entering the government through the Civil Service Examining Unit. In 1991, she began working in the Office of Operations where she has held many positions to include the Branch Chief of the Night Services Division, Acting Branch Chief of the Contracts Staff, and the last ten years as the Deputy Director of the George Washington Carver Center overseeing the facility, contracts, and government and contract employees.

Edward Hogberg
Director, Safety, Sustainability and Emergency Operations Division
202-720-3893, Edward.hogberg@dm.usda.gov

Ed Hogberg is the Director, Safety, Sustainability and Emergency Operations Division (SSEOD). In this capacity, he provides leadership and direction for the Office of Operations (OO) sustainability, safety and health, medical services, concessions, environmental management, and emergency management programs in USDA’s Headquarters Complex and George Washington Carver Center in the National Capital Region. Mr. Hogberg came to USDA, Office of Operations in 2003 and was selected as the Director SSEOD on October 21, 2012. Prior to his work with USDA, Mr. Hogberg was on active duty with the United States Air Force, where he served as a safety manager at Andrews Air Force Base, MD. Mr. Hogberg was on Active duty with the Air Force for ten years serving around the globe in logistics management and safety management. Mr. Hogberg holds a B.S. degree in Environmental Management from the University of Maryland University College and a Masters of Public Administration from American Military University.
Organizational Budget and Financial Management

OO is funded by the following sources, (see FY2016 Budget Highlights in the Fact Sheet for amounts totaling $88.6 million):

- **Agriculture Buildings and Facilities, Building Operations and Maintenance.** This account finances the repair, improvement, maintenance, physical security, sustainability and energy conservation activities at the USDA Headquarters Complex and the George Washington Carver Center in Beltsville, MD, including the administrative costs for the building management and support staff. Since 1984, USDA has been delegated the responsibility for managing, operating, maintaining, repairing, improving and securing the Headquarters Complex, which encompasses 14.1 acres of grounds and 2 buildings containing approximately 2.5 million gross square feet of space, as well as the USDA-owned GWCC that comprises 350,000 gross square feet, located on 45 acres.

- **Working Capital Fund (WCF).** Within OO, the WCF finances the following activity centers:
  - Materiel Management Services Center (MMSC; formerly Beltsville Service Center) – provides centralized excess property operations and consolidated forms and publication distribution.
  - Mail and Reproduction Services (MRS; formerly Mail and Reproduction Management Division) – provides mail services and copier/duplicating activities.
  - WCF Administrative Support Costs (ASC) account established for the management and oversight of WCF activities. This is a limited funding source in OO.

- **Shared Cost/Program Reimbursable (Greenbook).** This account funds OO functions/staff as follows:
  - TARGET Center - Supports the Department's workforce diversity and Federal Workforce 2001 policies and provides information on technologies to ensure equal access to electronic technologies and automated systems essential to today's jobs for people with visual, hearing, speech, mobility, or dexterity impairments. The program now includes the oversight of sign language interpreter services.
  - Medical Services - Provides preventative health measures such as health screening, nutritional principles and fitness awareness that lead to a higher quality workforce environment for employees, and contractors in the National Capital Region (includes the Headquarters complex, the George Washington Carver Center and the Patriot Plaza offices).

- **DA Direct.** Available for Departmental Administration (DA) to provide for necessary expenses for management support services to offices of the Department and for general administration, security, repairs, and alterations, and other miscellaneous supplies and expenses not otherwise provided for and necessary for the practical and efficient work of the Department. This is a limited funding source in OO and funds approximately 11 full-time equivalents (FTE) providing administrative program support, travel management, serves as liaison for coordination and management of facilities modifications and repair and alterations for the Office of the Secretary and Mission Area Under Secretaries in the NCR.
OO Budget authority for the period FY2009 through FY2016 (for all OO accounts) is shown below and included in the attached Excel spreadsheet.

<table>
<thead>
<tr>
<th>Office of Operations</th>
<th>Budget Authority FY 2009-2016 (Dollars in Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discretionary:</td>
<td></td>
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<tr>
<td>Agriculture Buildings and Facilities, Bldg Operations &amp; Maint.</td>
<td>$61,843</td>
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<td>GSA Rental Payments¹</td>
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<td>DHS Security¹</td>
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<td>Discretionary Sub-total</td>
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<tr>
<td>Reimbursements:</td>
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</tr>
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<td>OO Working Capital Fund²</td>
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</tr>
<tr>
<td>Shared Cost Programs³</td>
<td>1,595</td>
</tr>
<tr>
<td>Reimbursements Sub-total</td>
<td>27,938</td>
</tr>
<tr>
<td>Total</td>
<td>$297,842</td>
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</tbody>
</table>

¹ Beginning in 2015 GSA Rent and DHS Security were included in Agency Budgets.
² Includes Materiel Management Service Center and Mail & Reproduction Services. Beginning in 2013 includes admin support costs (ASC)
³ Includes TARGET Center/Interpreting and Medical Services. Prior to 2015, Shared Cost included USDA HQ Visitors Center and Interpreting.

Narrative for Major Budget Changes
In 2009, the Agriculture Buildings and Facilities, Building Operations and Maintenance (BOM) account was given $61,843,000, however a later sequestration order of $30,610,833 resulted in a total BOM in 2009 of $31,232,167. In addition, in 2013, BOM was provided $48,528,000 and an additional $27,906,000 for “life safety projects.” The $27,906,000 was later rescinded along with an additional $2,094,000, resulting in a total BOM of $46,434,000 in 2013.

General Services Administration (GSA) Rental Payments and Department of Homeland Security (DHS) were decentralized in 2015 and included in Agency Budgets.
Enterprise Workforce Data

Office of Operations
Workforce FY 2009-FY 2016

GS Level Distribution

WS SES, 1%

GS 13- GS 15, 33%

GS 5 - GS 7, 31%

GS 8- GS 12, 21%

Wage Grade, 15%
• OO has a workforce of approximately 198 on-board FTE located in Washington, DC and Beltsville, Maryland. Of the total positions, 2 are part-time and the remainder are full-time.
• OO has a diverse workforce with approximately 40 percent of the workforce performing warehouse, supply management, materials handling, motor vehicle, printing, copying/duplicating, and mail management functions. The remaining workforce includes positions performing architect/engineering, facilities management/operations, quality assurance, electrical and mechanical, security, emergency management, sustainability, safety/occupational health, and administrative/management/program analysis functions.
• OO does not employ seasonal employees. During the summer months, OO typically supports several paid and unpaid interns including Pathways and the Thurgood Marshall program. During FY2016, OO had one (1) Pathways student.
• During FY2015, OO employed one (1) temporary employee.
• Of our total workforce, 54 employees are eligible to retire by September 30, 2017.
United States Department of Agriculture
2016 Presidential Transition
Briefing Material Template – Agency Level

• OO has 141 bargaining unit employees.
• Our headquarters is located in Washington, D.C. with approximately 80% of staff at this location. The additional 20% are located in Beltsville, Maryland.
• OO is a headquarters based staff office and does not have any regional offices.

II. Policies and Regulations

Statutory Authorities

Delegations of Authority for OO are found at 7 CFR §2.96.

USDA has been delegated the responsibility for managing, operating, maintaining, repairing, improving and securing the Headquarters Complex buildings under the 1984 Delegation of Authority from GSA. USDA has custody and control of these facilities.

With respect to OO’s responsibility for management and operations of the USDA Headquarters Complex GWCC, and leased facilities in the NCR, USDA complies with:

• Executive Order (EO) 13693 “Planning for Federal Sustainability in the Next Decade,” signed on March 19, 2015
• OMB Memorandum M-12-12, Section 3, “Reduce the Footprint,” dated March 25, 2015
• Departmental Regulation (DR) 1620-002, “USDA Space Management Policy,” dated May 17, 2004
• Agriculture Property Management Regulations (AGPMR)

Important Policies and Regulations

OO does not have overall regulatory or departmental nationwide policy responsibilities (with the exception of the Nationwide Mail Management program). However, OO does issue USDA Headquarters policy for OO functions under its delegated authority. Within the last year, the following Departmental Regulations (DR) are underway or have been finalized:

• DR 1650-001, Physical Security Program (finalized March 3, 2016). This regulation establishes policy, standards, and responsibilities, to develop and maintain a comprehensive physical and technical security program for USDA facilities in the National Capital Region (NCR).
• DR 1633-001 Employee Parking and Ridesharing (review underway). This regulation prescribes the United States Department of Agriculture policies for implementing the employee parking and ridesharing programs for the headquarters complex.

The Office of Procurement and Property Management (OPPM), a Staff Office within DM, has overall policy responsibility for USDA’s real property nationwide and issues policy through Departmental Regulation’s supplemented by AGPMR’s. OO has overall responsibility for space
in the NCR and in coordination with OPPM, follows appropriate DR’s and AGPMR’s when working with Agencies in the NCR on space requests.

Overview of the policy/regulation review process

OO follows Departmental guidance issued by the Office of the Chief Information Officer contained in DM-0100-001 entitled “Procedures for Preparing Departmental Directives,” to ensure appropriate formatting and clearance procedures are followed when issuing and updating DR’s.

As mentioned above, with respect to real property in the NCR, OO is responsible for assigning and coordinating all space actions within the NCR and complies with policy and guidance issued through DR’s and AGPMR’s by OPPM (who has overall USDA nationwide real property responsibility).

Recently in preparation for modernization, OO, through the ASA’s office issued a Memorandum to Subcabinet Officials, Agency Heads, and Staff Office Directors on April 22, 2016, emphasizing the importance of compliance with the OMB “Reduce the Footprint” initiative, as well as DR-1620-002, and AGPMR Advisory 16-01 “Space Utilization Rate Policy,” mandating an average of 150 square feet per person or less. In addition, the Memorandum restricts construction of new private offices, satellite offices, conference rooms, kitchenettes, break-rooms, and storage rooms. Additionally, the Memorandum discussed leveraging alternate work schedules and telework strategies combined with hoteling and/or desk sharing.

GAO and OIG Audits

OO does not have any Office of Inspector General or Government Accountability Office audits.

III. Congressional Relations and Issues

Overview

USDA Headquarters Modernization

Congressional Report on Headquarters Modernization (in response to House Report 113-468) was delivered to Office of Management and Budget (OMB) and a meeting was held on September 15, 2016 between OMB, and the following USDA officials: Dr. Gregory Parham, Assistant Secretary for Administration, Todd Batta, Assistant Secretary for Congressional Relations, and Mike Young, Director, Office of Budget and Program Analysis. The meeting provided an opportunity for USDA to discuss the new South Building and GWCC Modernization project strategy (discussed in greater detail in paragraph VI a., below). A copy of the report can be provided upon request.
IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

OO partners and collaborates with the following Federal Departments or organizations with respect to functional responsibilities within OO including: facilities management, space management, engineering and architecture, physical and technical security, energy conservation, environmental sustainability and waste management, occupational safety and health, environmental compliance, occupant emergency planning and emergency management, centralized Departmental business services including mail management, printing and duplication, a nationwide disability resource center, office supplies, shipping and receiving, warehouse and labor services, a Consolidated Forms and Publications Distribution Center (CFPDC), and Centralized Excess Property Operations (CEPO):

- General Services Administration (GSA)
- Department of Homeland Security (DHS)
- Department of Energy (DOE)
- Federal Protective Service (FPS)
- District of Columbia Department of Transportation (DCDOT)
- National Park Service (NPS)
- National Capital Planning Commission (NCPC)
- Commission of Fine Arts (CFA)
- District of Columbia State Historic Preservation Office (DCSHPO)
- United States Postal Service (USPS)
- Government Printing Office (GPO)
- Office of Management and Budget (OMB)

For the most part, OO is a customer for major services including HR, IT, Finance, etc. The exceptions are as follows:

OO’s Materiel Management Service Center (Working Capital Fund activity) maintains a Centralized Excess Property Operation with disposition responsibility of excess property for all USDA agencies in the Washington Metropolitan Area. Serves as one of several government authorized federal surplus property Sales Centers and provides excess property support to government agencies via Memorandum of Understanding (MOU). In addition, they provide a Consolidated Forms and Publications Distribution Center to support USDA agencies nationwide as well as other government agencies through MOU’s.

OO’s Mail and Reproduction Management Division (MRMD) has more direct customer interaction with USDA employees than any other organization in USDA. MRMD is responsible for the USDA nationwide Mail Management Program, Departmental Mailing List Service, Transportation Operations, and Copier/Duplicating Services.
The Technology and Accessible Resources Give Employment Today (TARGET) Center provides resources to agencies nationwide in the areas of accessible technologies and reasonable accommodations for employees with disabilities.

**Stakeholder group overview**

Specifically, during FY2016, OO engaged in the following:

**American Federation of State, County and Municipal Employees, Local 2846:**
Approximately 141 of OO employees are bargaining unit employees represented by American Federation of State, County and Municipal Employees (AFSCME) Local 2846. A collective bargaining agreement (CBA) referred to as the 2010 Collective Bargaining Agreement effective as of September 30, 2012, is in place between the OO of the United States Department of Agriculture and AFSCME Local 2846. The following excerpts, from Sections A-C of the CBA are provided for information:

“Section A. Parties to the Agreement
The parties to this Agreement are the U.S. Department of Agriculture, Office of Operations, (OO)Washington, D.C. metropolitan area, hereinafter known as the “Agency,” “Employer,” “OO,” or “Management” and AFSCME Local 2846, hereinafter known as the “Union.”

Section B. Unit of Recognition
The unit of recognition covered by this Agreement is that unit certified by the Federal Labor Relations Authority in Case No. WA-RP-05-0054. The Employer recognizes the AFSCME, Local 2846, as the exclusive representative of all employees (hereinafter sometimes referred to as “employees” or “bargaining unit employees”) in the bargaining unit as defined below.

Section C. Bargaining Unit Coverage
This agreement covers all professional and non-professional employees employed by the USDA, OO in the Washington, D.C. metropolitan area including professional and nonprofessional employees, but excluding all guards, management officials, supervisors, employees described in title 5, United States Code (U.S.C.), Section 7112 (b)(2), (3), (4), (6) & (7).”

OO has a Labor Management Forum which meets regularly to discuss pre-decisional and other issues as they arise. The OO Forum includes representation by all OO Division Directors and all Union officers (President, Vice President, Council representative, and stewards). OO has a very harmonious relationship with the Union. In FY2016, there were no major issues.

**National Park Service:**
NPS holds ownership of USDA grounds on the North side of the Whitten Building and has parking oversight on Jefferson Drive. Therefore, OO regularly coordinates with NPS on issues impacting the grounds around the Whitten Building, including events on or around the Mall. Examples include, but not limited to: July 4th, Inauguration, opening of the Smithsonian National Museum of African American History and Culture, protests, and other events as necessary.
GSA:
OO has initiated direct discussions with GSA Executives to develop a common understanding on how both Agencies will support facility projects and initiatives of mutual interests. This effort has resulted in a significant improvement in the relationship for both Agencies and paved the way for critical discussions including modernization of the South Building, GSA requirements for USDA rent payments, and the National Liberty Memorial (to name a few). During FY2016, OO and GSA held monthly teleconferences.

Senior Executive Customer Service Advisory Council (SECSAC):
During FY2016, OO formed the SECSAC. Representative include senior leaders and/or Deputies for Management from Departmental Management, Rural Development, Agricultural Research Service, Farm Service Agency, and Natural Resources Conservation Service, whose tenure and experience at USDA will provide a myriad of benefits in support of OO’s Customer Relationship Management (CRM) Program. Members will help shape OO’s strategy to be a more customer centric organization and to be viewed by its customers as a service provider of choice. The SECSAC will guide OO in two broad objectives. First, it will focus on our service delivery standards. Second, it will advise on quality, timeliness, and the effectiveness of the services OO provides and define data and information requirements that our customers need to track delivery of services. The first meeting of the SECSAC was held during the 3rd quarter of FY2016.

V. Top Issues

Hot Topics

- **New South Building and GWCC Modernization Project Strategy**
The USDA, OO has been working for over 25 years (beginning with the 1995 Modernization Project) with extremely limited funding to maintain and modernize the historic USDA Headquarters Complex. With mounting deferred maintenance, aging infrastructure, long-standing life safety issues (unabated hazardous materials, lack of critical fire safety systems, outdated electrical systems, etc.), and non-compliance with contemporary building and accessibility codes, the USDA Headquarters is the only agency headquarters in Washington, D.C. that has not been modernized. The business-as-usual model of requesting modernization funds from Congress has not provided a viable means for funding the over $140 million in deferred maintenance or the funding required to complete modernization.

To address the many life safety and accessibility deficiencies, as well as the failing operational systems, USDA has developed a strategy to complete modernization. The goals and objectives of the new modernization strategy are to correct the serious deficiencies with the South Building and to achieve operating cost reductions both by reducing the footprint through the elimination of all leases in the NCR and by improving energy efficiency. While continuing to reduce USDA’s real property footprint is important through elimination of leased facilities, each day that
the South Building remains without proper fire protection, which would be corrected through the installation of an automatic sprinkler system, the safety of all occupants and visitors is seriously compromised. Likewise, modernization will allow the Department to achieve energy reduction goals, which will lower present operating expenses.

The Appropriations Committees have directed USDA to provide a report on Modernization activities. The report will provide information on the history of the Modernization project and may also outline options for the funding of future renovation activities. Included amongst future Modernization phases will be the development of a change management and space plan to ensure that appropriate consideration is given to the potential impacts on agency and office staff affected by construction and renovation activities. As the Modernization proceeds, OO will begin working with all the agencies and offices located in the national capital region to gather information about agency/office specific space needs, which will inform the modernization plan. The modernization plan also will require negotiations with various labor unions, which have not yet begun.

- **People’s Garden Site Improvements and Perimeter Security Plan**

  The HQ Perimeter Site Improvement and Security Plan is the plan for improving security and sustainability around HQ buildings by incorporating mandatory security protection elements into the sustainability features of the HQ grounds in support of Executive Orders 13693 and 13508. This plan is a product of cooperation between USDA, the National Capital Planning Commission, GSA, the DC State Historic Preservation Office, and the National Park Service. Site improvements under this plan are separate and apart from the larger USDA South Building and GWCC Modernization plan.

  USDA commissioned the People’s Garden Site Improvements and Perimeter Security project to expand the People’s Garden Initiative across its headquarters’ grounds with a focus on sustainability, landscape enhancement, and education. In addition, as the only federal office building on the National Mall which also houses a Cabinet level position, USDA required a perimeter security plan. The scope of the project includes the expansion of the People’s Garden theme with sustainable practices site-wide; integration of low impact development practices site-wide including bioretention swales, permeable and pervious paving, soil cells for street trees and rain gardens; integration of Level IV Perimeter Security; and a reduction of on-site parking.

  The People’s Garden site improvements and perimeter security is a multi-phase project that encompasses the entire grounds of the USDA Headquarters Complex. Following presentations, USDA received conceptual approval of the site development plans from the National Capital Planning Commission (NCPC) and the Commission of Fine Arts (CFA) in July 2014. Upon approval, Federal Agencies have a 4-year approval limit to begin construction or face a new requirement to obtain approval again. OO has requested funding in the FY2018 budget to for this project.
The HQ People’s Garden is OO’s Garden and the USDA flagship demonstration garden that supports public engagement in support of the Agricultural Marketing Service nationwide People’s Garden initiative.

- **National Liberty Memorial**
  The National Liberty Memorial (Memorial) was authorized on January 2, 2013, by Section 2860 of Public Law 112-239 (Jan. 2, 2013). It allows the National Mall Liberty Fund D.C. (Fund) to establish a memorial on eligible Federal land to honor the more than 5,000 slaves and free black persons who served as soldiers and sailors or provided civilian assistance during the American Revolution. On September 26, 2014, P.L. 113-176 approved the establishment of the Memorial within Area I, the area comprising the central Monumental Core of the District of Columbia and its environs. Potential sites within Area I for the Memorial includes properties under the control of GSA and Department of the Interior. The three sites include: the Interior South Triangle (Virginia Avenue/19th Street), Freedom Plaza, and the **west side of the Jamie L. Whitten Building** (the preferred site of the Fund given its proximity to the Washington Monument, its location along 14th Street as a gateway into and out of the city, and high volume of pedestrian traffic the site receives). The site also has a connection to the National Museum of African American History and Culture.

  GSA, as the property owner has the overall lead responsibility for this project. However, USDA has and continues to be committed to working with our partners. The next step in the process is the development of a Memorandum of Understanding (MOU) between GSA, USDA, and the Fund to include: roles and responsibilities; information on design development; and narrative that supports and articulates the role of African Americans in the Revolutionary war and its relationship to Agriculture.

- **USDA Child Development Center**
  USDA has a long history of providing child care facilities for children of its employees. Since 1991, this service has been provided at the Sidney R. Yates Building (a GSA-owned facility), located at 201 14th Street, SW, Washington, DC 20250. Prior to completion of the renovation of the Yates Building, the site was located in the basement. On September 9, 2014, USDA held a grand opening and ribbon-cutting to officially open the newly constructed state-of-the-art Child Development Center (CDC). The project (administered by GSA), was a design build contract, designed by MTFA (Michael T. Foster Architects) and constructed by Grunley. The CDC serves up to 80 toddlers and infants 6 weeks – 5 years of age, and is conveniently located on the first floor of the Yates Building near USDA leased and owned facilities in the Central Business District. The first floor location is safer and provides multiple on grade egress points. In addition, the space provides a healthier learning atmosphere with an abundance of natural light featuring green building materials. Bio based and rapidly renewable materials were utilized along with energy
efficient lighting and high performance mechanical systems. The classroom entrance vestibules were inspired by barns and the linoleum floor patterns were inspired by cultivated fields. The classroom doors mimic the original doors used in this landmark building, which is listed on the National Register of Historic Places.

The CDC playground recently reopened in early October 2016 after being closed for the GSA-managed exterior brick re-pointing project.

- **Park Center Lease**
  The lease at the Food and Nutrition Service Building, Park Center in Alexandria, VA, expires 5/31/2017. The General Services Administration (GSA) is analyzing the six, Final Proposal Requests (FPRs) received September 23rd. The current time frame for occupancy of the new facility is between June 1, 2017 and May 31, 2018. An extension of the Park Center lease will likely be required. General requirements for the replacement facility include: ISC Level III security requirements; the offered space must be contiguous and accommodated in no more than one building; must be within 2,640 walkable linear feet of an existing Metrorail station. As the liaison for space in the NCR, OO has assisted FNS and GSA with developing the Program of Requirements and other logistics; however, GSA has the lead on the leasing acquisition and award. The result of the award of the new lease will directly affect FNS and the Office of Hearings and Appeals that also has staff housed in the Park Office Center. Staff for these agencies will need to eventually be relocated to the new facility following the lease award and build out time at the new facility.

- **Implementation FY 2017 Projects**
  - Design of room S-0410 to accommodate relocation of S-100 data center (total cost $3.5 million)
  - Replacement of blue flagstone at Whitten apron terrace ($200k)
  - Replace mini-mall chiller ($295K)
  - TV studio HVAC repairs and enhancements ($200k)
  - Design and construction for GWCC Solar panels and wind turbines ($750K)
  - Perimeter Fencing at GWCC ($300K)
  - Replacement of Whitten basement floor tile ($412k)
  - Enhancement to People’s Buffet ($175K)
## Appendix A: Acronyms

**OO Commonly used acronyms:**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGPMR</td>
<td>Agriculture Property Management Regulations</td>
</tr>
<tr>
<td>ASA</td>
<td>Assistant Secretary for Administration</td>
</tr>
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<td>CEPO</td>
<td>Centralized Excess Property Operations</td>
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<td>CFA</td>
<td>Commission of Fine Arts</td>
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<td>CFPDC</td>
<td>Consolidated Forms and Publications Distribution Center</td>
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<td>CFR</td>
<td>Code of Federal Regulations</td>
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<td>District of Columbia State Historic Preservation Office</td>
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<td>Department of Homeland Security</td>
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<td>Full Time Equivalent</td>
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<td>Government Printing Office</td>
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<td>GSA</td>
<td>General Services Administration</td>
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<td>GWCC</td>
<td>George Washington Carver Center</td>
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<td>MMSC</td>
<td>Materiel Management Service Center</td>
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<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
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<td>MRMD</td>
<td>Mail and Reproduction Management Division</td>
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<tr>
<td>NCPC</td>
<td>National Capital Planning Commission</td>
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<td>NCR</td>
<td>National Capital Region</td>
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<td>NEF</td>
<td>Non-recurring Expense Fund</td>
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<td>Office of Operations</td>
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<td>Protective Operations Division</td>
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<td>Program and Policy Support Staff</td>
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<td>Safety, Sustainability and Emergency Operations Division</td>
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<td>TARGET</td>
<td>Technology and Accessible Resources Give Employment Today</td>
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<td>USDA</td>
<td>United States Department of Agriculture</td>
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<td>USPS</td>
<td>United States Postal Service</td>
</tr>
<tr>
<td>WCF</td>
<td>Working Capital Fund</td>
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</table>
WHAT WE DO: OUR MISSION

The Office of Homeland Security and Emergency Coordination (OHSEC) mitigates risk and safeguards USDA personnel, customers, assets, and information by leading Government-wide initiatives and championing USDA’s equities in homeland and national security. OHSEC is responsible for Departmental emergency operations, continuity of operations, security clearances, classified information, intelligence and counterintelligence, physical security policy, safety of ionizing radiation, and coordinating all homeland and national security policy, planning, and preparedness activities for USDA.

WHO WE ARE: OUR WORKFORCE

- 65 headquarters-based employees
- 6 Divisions and Office of the Director
- OHSEC FTE includes Emergency Management Program Specialist, Health Physicists and Adjudicators

WHO WE SERVE: OUR CONSTITUENTS

OHSEC’s professional workforce coordinates emergency management and security policy and operations with USDA Agencies and Staff Offices. OHSEC works across the federal government to provide USDA’s perspective on homeland and national security topics.

KEY UPCOMING DECISIONS

- Revise Secretary’s Critical Information Requirements.
- Decide on timeline for training of incoming leaders on emergency and continuity of operations responsibilities.
- Determine scope and implementation for security training for the 100,000-strong USDA workforce (e.g., Active Shooter Preparedness, Human Trafficking Awareness, Counterintelligence, Insider Threat, General Security Awareness, and Border Security).

BUDGET HIGHLIGHTS FY 2016

Besides a small direct appropriation, OHSEC is primarily funded through the Departmental Reimbursable Programs (DRP). The DRP funds the USDA Emergency Operations Center, Continuity Planning Division, Personnel and Document Security, HSPD-12 initiative, and Radiation Safety activities.

FY 2016 Budget Authority

- Homeland Security Appropriated
- DA Appropriation
- Radiation Safety
- COOP
- Emergency Ops
- Personnel and Document Security
- Classified National Security Info
- Facilities Infrastructure
- HSPD-12
WHAT WE DO: OUR MISSION
The Office of Procurement and Property Management (OPPM), an organization under the Departmental Management (DM) within USDA, oversees a $6 billion dollar procurement program and a large, diverse property portfolio that includes more than 20,000 buildings, 17,000 structures, and 40,000 vehicles. OPPM provides leadership, policy guidance, and services in the areas of procurement and category management, real and personal property, safety and health management, and environmental and sustainability programs through 7 divisions. In addition, OPPM oversees the Federal BioPreferred program, Purchase Card program, and Integrated Acquisition Systems. OPPM serves as the procuring office for the Office of the Secretary, DM staff officials, and USDA agencies, as requested.

WHO WE ARE: OUR WORKFORCE
As of September 2016, there are 115 full-time permanent positions across the 7 divisions including 103 staffed and 12 vacant positions. OPPM employs 1 person in Alabama, 1 person in Tabernash, CO, 1 person in Denver, CO, and 24 people in Ft. Collins, CO.

KEY UPCOMING DECISIONS
- Category Management- Identifying future categories of savings.
- Federal Information Technology Acquisition Reform Act (FITARA)
- Labor Compliance - Executive Order 13673, Fair Pay and Safe Workplace

WHO WE SERVE: OUR CONSTITUENTS
OPPM issues Department-wide policy and provides procurement services to DM staff offices and other agencies. We serve the USDA vendor community and stakeholders to include farmers and other groups. We also operate Department-wide procurement systems.

BUDGET HIGHLIGHTS FY 2016
Our overall budget authority is $38.1 million; 1) DA Direct account includes the Office of the Director, Sustainability, Procurement Policy Division, Property Management Division, and Safety and Health Division; 2) Procurement Operations Division has working capital fund (WCF) authority; 3) Procurement Systems Division has WCF authority for its Integrated Procurement Systems; 4) Hazardous Materials Management has appropriated no year funds; 5) LASD receives their funds from agency reimbursable agreements; and 6) BioPreferred receives mandatory funding from the Farm Bill.
United States Department of Agriculture
2016 Presidential Transition
Office of Procurement and Property Management (OPPM)

I. Organizational Overview

Executive Summary

The Office of Procurement and Property Management (OPPM), an organization under the Departmental Management (DM) within USDA, oversees a $6 billion procurement program and a large, diverse property portfolio that includes more than 20,000 buildings, 19,000 structures, and 40,000 vehicles. OPPM provides leadership, policy guidance, and services in the areas of procurement and category management, real and personal property, employee safety and health management, and environmental and sustainability programs through 7 divisions. In addition, OPPM oversees the Federal BioPreferred program and serves as the procuring office for the Office of the Secretary, DM staff offices, and USDA agencies, as requested.

Agency’s Mission/Strategic Plan

The Office of Procurement and Property Management (OPPM) provides department-wide policy, leadership and guidance for procurement, property, environmental stewardship, and employee safety. Ongoing OPPM mission delivery for acquisition, property, environmental and sustainability, and employee safety and health management processes across USDA are in alignment with and support the USDA Strategic Plan.

The Office of Procurement and Property Management (OPPM) does not have an individual Strategic Plan, but ensures that it aligns with and supports the USDA Strategic Plan. Information regarding OPPM programs may be found at: http://www.dm.usda.gov/oppm/.

Mission, goals and objectives for OPPM Program areas:

- **Procurement Policy**
  The Procurement Policy Division (PPD) serves to optimize USDA Acquisition outcomes in order to facilitate and maximize accomplishment of USDA’s agencies missions. PPD aspires to help buying activities optimize acquisition outcomes through comprehensive and innovative Customer Engagement, Compliance and Oversight.

- **Procurement Systems**
  The mission of the Procurement System Division (PSD) is to provide reliable and integrated data solutions, products, and services in support of USDA’s acquisition community, as well as consolidated oversight, guidance, and program assistance to the USDA Purchase and Fleet Card communities.

- **USDA’s Strategic Sourcing Initiative (AgSSI)**
  The USDA’s Strategic Sourcing Initiative (AgSSI) is a collaborative, cross-functional effort that encompasses over 100 subject matter experts across five Category Teams; Information Technology (IT) Hardware, IT Software, Real Property, Fleet and Lab Equipment and Supplies. The purpose of AgSSI is to permanently alter and enhance
the way USDA performs acquisition and procurement activities and functions with the intent of maximizing the return on taxpayer investment with no adverse impact to products procured and mission service delivery. To date, AgSSI has provided approximately $35 million in cost savings and avoidance through the use of changed business processes, shared resources, and consolidated acquisition methods.

One of the highest achievements for the AgSSI team is the ability to align with GSA and OMB on Federal initiatives and for the most part, USDA was ahead of these leading Agencies and was asked to share our business practices in SSI with them and other Federal Agencies. AgSSI complements the Federal Category Management work, providing insight into specific category groups and methods for tracking “Spend Under Management”, as well as having subject matter experts available as new category management policies emerge.

AgSSI is continuing work in each Category Team, identifying new areas to explore for potential savings and avoidance. Additionally, AgSSI is continuing to refine and update the Savings Tracker and Spend Cube to provide more comprehensive insight into USDA’s spending trends.

- **Procurement Operations**
  The Procurement Operations Division (POD) was converted to a Working Capital Fund Activity Center in Fiscal Year 2014, to provide a full range of cradle-to-grave procurement services to the Office of the Secretary of Agriculture, Departmental Management and Staff Offices, and other USDA Agencies.

- **Property Management**
  The Property Management Division (PMD) provides leadership, services and solutions to oversee the management of USDA’s real, fleet, and personal property assets.

- **Sustainability**
  In response to growing concerns about climate change, greenhouse gases, and depleting natural resources, USDA creates sustainable and innovative opportunities for farmers, ranchers, forest landowners, public land managers, and families in rural communities. USDA recognizes the significance of global climate change and utilizes this knowledge to create and maintain conditions under which humans and nature can exist in productive harmony. USDA has achieved a 31% reduction in Scope 1 and 2 Greenhouse gases compared to a 2008 baseline and 29.4% of our total electric energy use is from renewable energy. In its own operations, USDA is committed to fostering a clean energy economy and to improving the environment, complying with environmental laws and regulations, and leading by example.

- **Solar Energy**
  USDA is committed to the use of renewable energy for its operations, including the deployment of photovoltaic (PV) panels. In 2015, USDA installed a 1.6 megawatt solar array at the George Washington Carver Center in Beltsville, Maryland, the largest
Federal PV structure in the region. Throughout the United States, USDA has other large and small PV installations that are helping to reduce the nation’s dependency on fossil fuel-generated power and to save taxpayers’ dollars.

- **Lease Accountability and Strategy (LASD)**

The Lease Accountability and Strategy Division (LASD) ensures effective management and oversight of Service Center Agency leases to minimize costs and improve support for stakeholders and employees engaged in lease management.

As a result of the significant achievements and synergy gained as a result of the Center of Excellence for Leasing project, it was recommended by the Secretary and Mission Area Heads that USDA establish a permanent LASD to be administered through a Program Management Office (PMO) within Departmental Management, Office of Procurement and Property Management (OPPM). LASD will provide portfolio planning services and ensure effective management and oversight of Service Center Agency (SCA) leases, to minimize costs and improve support for stakeholders and employees engaged in lease management. Effective lease management creates the foundation for cost savings, accountability, and strategic space management.

The establishment of an LASD leverages shared resources, improves transparency, and supports data-driven decisions for strategic planning, streamlining and standardizing lease processes, and promoting cost-saving or cost avoidance strategies for the SCAs. LASD will strive to eliminate holdover leases, support long-range lease planning, and become a leader in accountability and compliance for other delegated agencies throughout the Department and the Federal government. This change will create a new organization comprised of a staff of 9 employees who will provide leasing services such as quality assurance reviews, performance monitoring, standardization of lease processes, and reporting to GSA and NFAC status of the leasing portfolio.

- **Environmental Management**

The Environmental Management Division (EMD) manages the BioPreferred program, the Hazardous Materials Management Program (HMMP), and the Sustainability Program.

The USDA Biobased Markets Program, known as the BioPreferred® Program, expands markets for biobased products through a mandatory federal procurement preference program and a voluntary certification initiative. For more information, see: [http://www.biopreferred.gov](http://www.biopreferred.gov).

The Hazardous Materials Management Program (HMMP) has the goal of protecting and restoring Natural Resources on USDA managed lands by prioritizing and addressing contamination in a manner that weighs risks to human health, impacts to the environment, and opportunities to form partnerships to leverage USDA resources.
EMD’s Sustainable Practices Team facilitates the development and implementation of sustainable policies, procedures with the goal to facilitate a net zero environmental footprint at USDA facilities.

- **Safety and Health Management**
  The mission of the Safety and Health Management Division (SHMD) is to develop Department wide policies governing workers compensation and promote and assist the development of USDA safety programs.

**Key mission delivery performance measures**

**Procurement Policy**

**Percentage of Overdue Reports in Contractor Performance Assessment Reporting System (CPARS)**

This information provides details on timely reporting of contractor past performance in CPARS as these reports are critical in helping to predict future contracting outcomes. The following chart shows the percentage of overdue reports by reporting year:

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>77.7%</td>
</tr>
<tr>
<td>2013</td>
<td>65.1%</td>
</tr>
<tr>
<td>2014</td>
<td>60.6%</td>
</tr>
<tr>
<td>2015</td>
<td>48.5%</td>
</tr>
<tr>
<td>2016</td>
<td>43.1%</td>
</tr>
</tbody>
</table>

**Federal Procurement Data System Verification & Validation (FPDS V&V) Success Rate**

This information illustrates percentage (%) of accurately completed data elements in the FPDS system. Accurate information in FPDS is critical to obtain data for various stakeholders in the ongoing effort to enhance contracting outcomes. The following chart shows the percent of data accuracy by reporting year.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>96%</td>
</tr>
<tr>
<td>2012</td>
<td>96%</td>
</tr>
<tr>
<td>2013</td>
<td>96%</td>
</tr>
<tr>
<td>2014</td>
<td>97%</td>
</tr>
<tr>
<td>2015</td>
<td>97%</td>
</tr>
</tbody>
</table>
Percentage of Certified GS-1102’s

Throughout the past few years USDA has consistently had over 500 GS-1102’s who serve as Contracting Officers, Contract Specialists, and Procurement Analysts. The chart below shows the percentage of those GS-1102’s who have completed all applicable certification requirements (training, education, experience).

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>84%</td>
</tr>
<tr>
<td>2012</td>
<td>90%</td>
</tr>
<tr>
<td>2013</td>
<td>92%</td>
</tr>
<tr>
<td>2014</td>
<td>93%</td>
</tr>
<tr>
<td>2015</td>
<td>94%</td>
</tr>
</tbody>
</table>

Solicitation / Contract Reviews

PPD conducts various types of pre-solicitation and/ or pre-contract reviews as part of a larger ongoing effort to provide oversight and monitor compliance of acquisition related statutes, regulations, policies, etc. The chart below shows the quantity of reviews conducted.

<table>
<thead>
<tr>
<th>Year</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>4</td>
</tr>
<tr>
<td>2012</td>
<td>5</td>
</tr>
<tr>
<td>2013</td>
<td>6</td>
</tr>
<tr>
<td>2014</td>
<td>11</td>
</tr>
<tr>
<td>2015</td>
<td>17</td>
</tr>
</tbody>
</table>

Procurement Systems

Integrated Acquisition System (IAS) Performance Indicators

This information illustrates the Procurement Systems Division’s two business lines, the Integrated Acquisition System (IAS), and Charge Card Service Center (CCSC) performance metrics and the five year historical data of the performance indicators.

**IAS System Availability:** Provide end-users an accessible, operational system to procure goods and services that meet the procurement community needs during published operating hours.

<table>
<thead>
<tr>
<th>Year</th>
<th>Availability</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>99.9%</td>
</tr>
<tr>
<td>2013</td>
<td>99.9%</td>
</tr>
<tr>
<td>2014</td>
<td>99.9%</td>
</tr>
<tr>
<td>2015</td>
<td>99.9%</td>
</tr>
<tr>
<td>2016</td>
<td>99.5%</td>
</tr>
</tbody>
</table>
Decrease the risks for fraud, waste, abuse, and misuse: CCSC has implemented strong monitoring controls and oversight via OMB A-123 processes, including questionable transactions reporting and monitoring, monitoring for inactive cards as well as personnel that have left the agency, and other monitoring reports. CCSC will continue to work towards eliminating the number of open A-123 corrective action plans (CAPS), which has already been significantly reduced from 17 in 2014 to 1 in 2015. Eliminating these CAPS will help address risk areas.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>27</td>
</tr>
<tr>
<td>2013</td>
<td>17</td>
</tr>
<tr>
<td>2014</td>
<td>17</td>
</tr>
<tr>
<td>2015</td>
<td>1</td>
</tr>
</tbody>
</table>

Property Management

Reduce office/warehouse footprint by 7.5% in 2018 from 2013 level (USDA Strategic Plan, Goal 5)

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>-1.205%</td>
</tr>
<tr>
<td>2014</td>
<td>-0.344%</td>
</tr>
<tr>
<td>2015</td>
<td>-0.309%</td>
</tr>
</tbody>
</table>

Reduce owned vehicle inventory by 5% in 2018 from 2013 level (USDA Strategic Plan, Goal 5)

<table>
<thead>
<tr>
<th>Year</th>
<th>Owned Fleet</th>
<th>Percent Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>42,681</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>39,416</td>
<td>-7.6%</td>
</tr>
<tr>
<td>2013</td>
<td>38,808</td>
<td>-1.5%</td>
</tr>
<tr>
<td>2014</td>
<td>38,267</td>
<td>-1.4%</td>
</tr>
<tr>
<td>2015</td>
<td>37,569</td>
<td>-1.8%</td>
</tr>
</tbody>
</table>

Reduce Greenhouse Gas Emissions from vehicles by 4% in 2017 compared to 2014 baseline (Executive Order 13693).

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>9.4%</td>
</tr>
</tbody>
</table>

Lease Accountability and Strategy

In alignment with Strategic Goal 5, Objective 5.3, the LASD has maximized the return on taxpayer investment in USDA through effective stewardship of resources and focused program evaluations by eliminating holdover leases with no negative impact to the working condition of employees and no additional cost to the pocketbook of taxpayers.
United States Department of Agriculture
2016 Presidential Transition
Office of Procurement and Property Management (OPPM)

The LASD focuses on streamlining the lease process and improving data integrity by sharing resources throughout the lease management project team and partnering with agencies.

Internal Performance Metrics for LASD are being developed.

Environmental Management

Sustainability

Reduction in direct greenhouse gas emissions (Scope 1 & 2) relative to 2008 baseline -

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>4.7%</td>
</tr>
<tr>
<td>2012</td>
<td>5.5%</td>
</tr>
<tr>
<td>2013</td>
<td>8.1%</td>
</tr>
<tr>
<td>2014</td>
<td>13.9%</td>
</tr>
<tr>
<td>2015</td>
<td>31%</td>
</tr>
</tbody>
</table>

Reduction in indirect greenhouse gas emissions (Scope 3) relative to 2008 baseline -

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>12.1%</td>
</tr>
<tr>
<td>2012</td>
<td>17.9%</td>
</tr>
<tr>
<td>2013</td>
<td>21.8%</td>
</tr>
<tr>
<td>2014</td>
<td>18.1%</td>
</tr>
<tr>
<td>2015</td>
<td>22%</td>
</tr>
</tbody>
</table>

Reduction in facilities energy use intensity relative to the 2003 baseline -

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>21.8%</td>
</tr>
<tr>
<td>2012</td>
<td>21.3%</td>
</tr>
<tr>
<td>2013</td>
<td>25.4%</td>
</tr>
<tr>
<td>2014</td>
<td>31.8%</td>
</tr>
<tr>
<td>2015</td>
<td>30%</td>
</tr>
</tbody>
</table>

Renewable energy use (as a percentage of total facilities electricity consumed) –

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>19.5%</td>
</tr>
<tr>
<td>2012</td>
<td>14.7%</td>
</tr>
<tr>
<td>2013</td>
<td>12.3%</td>
</tr>
<tr>
<td>2014</td>
<td>14.7%</td>
</tr>
<tr>
<td>2015</td>
<td>29.3%</td>
</tr>
</tbody>
</table>

Safety and Health Management

On July 19, 2010, President Obama established a 4-year Protecting Our Workers and Ensuring Reemployment (POWER) Initiative, covering fiscal years 2011 through 2016. Under the POWER Initiative, each executive department and agency will be expected to improve its performance in seven areas.
Organization’s History

The Office of Procurement and Property Management (OPPM) was established in 1994 concurrent with the enactment of the Federal Acquisition Streamlining Act and the establishment of Chief Acquisition Officer and the Senior Procurement Executive positions Federal wide. The Director of OPPM serves as the Senior Procurement Executive and is responsible for management direction of the procurement system of USDA, including implementation of the procurement policies, regulations, and standards of the agency. The Senior Procurement Executive directly reports to the Chief Acquisition Officer. At USDA the Assistant Secretary for Administration serves as the Chief Acquisition Officer.

The BioPreferred Program was established under the authority of section 9002 of the Farm Security and Rural Investment Act of 2002 (the 2002 Farm Bill), as amended by the Food, Conservation, and Energy Act of 2008 (the 2008 Farm Bill), and further amended by the Agricultural Act of 2014 (the 2014 Farm Bill), 7 U.S.C. 8102.

Organizational Chart
Biographies of career staff in key leadership positions

Lisa M. Wilusz  
Director  
202-720-9448, Lisa.Wilusz@dm.usda.gov

Lisa M. Wilusz serves as Senior Procurement Executive and Director for U.S. Department of Agriculture’s (USDA’s) Office of Procurement and Property Management (OPPM). Ms. Wilusz has over 20 years’ experience with the Federal government. She began her Federal career in 1995 as a contract specialist with USDA’s Food and Nutrition Service agency and worked four years as a procurement analyst supporting U.S. Department of Transportation’s Research and Special Programs Administration. Additionally, Ms. Wilusz has extensive experience managing enterprise level IT projects.

In her current role, Ms. Wilusz is responsible for providing department-wide policy, leadership and guidance for several functional areas including procurement, property, environmental stewardship, and employee safety. She oversees a $6 billion acquisition program and provides direct leadership for a procurement operations office that manages procurements with an annual value exceeding $500 million. Ms. Wilusz is leading efforts to strengthen USDA’s acquisition workforce and improve acquisition and property management processes across USDA.

As a Presidential appointee to the Ability One Commission, Ms. Wilusz serves as Vice Chair whose mission is to provide meaningful employment opportunities to persons who are blind or have significant disabilities. The AbilityOne Commission oversees a $3 billion procurement program that employs more than 45,000 disabled Americans who supply services and goods to support Federal programs. Finally, Ms. Wilusz oversees the Federal BioPreferred Program, which encourages the development and use of biobased products in Federal and private sectors.

Joseph A. Ware  
Associate Director  
202-720-9448, Joe.Ware@dm.usda.gov

Joseph A. Ware is Associate Director, USDA Office of Procurement and Property Management (OPPM). In this position he provides leadership for policy and oversight for USDA procurement, property, and environmental stewardship programs.

As Deputy Director in the Office of Small and Disadvantaged Business Utilization (OSDBU), he was instrumental in creating and fostering opportunities for small and disadvantaged businesses to participate in USDA contracting. He initiated and led outreach and technical assistance programs for constituents in underserved areas to expand the number of small businesses securing contracts to provide products and services to USDA and other federal agencies.
At the Office of the Chief Information Officer, he directed Clinger-Cohen Act implementation, USDA information technology (IT) capital planning and investment control, IT security and standards, and technical approvals for procurements.

He began his Federal career in 1973 at the Agricultural Stabilization and Conservation Service (now Farm Service Agency) as an economist and as staff assistant in the Office of the Administrator. Also at that agency as project manager for implementation of distributed computing, he initiated and implemented new management and technology functions while providing day-to-day user support for headquarters personnel and state offices.

**Biographies of political staff in key leadership positions**

N/A

**Organizational Budget and Financial Management**

<table>
<thead>
<tr>
<th>Office of Procurement and Property Management</th>
<th>Budget Authority FY 2009-2016</th>
<th>(Dollars in Thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discretionary:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procurement Operations</td>
<td>26,229 ($26,106) $25,389 $23,933 $29,652 $30,032 $31,155 $35,174</td>
<td></td>
</tr>
<tr>
<td>Departmental Administration Direct</td>
<td>26,106 $25,389 $23,933 $29,652 $30,032 $31,155 $35,174</td>
<td></td>
</tr>
<tr>
<td>Leasing Accountability</td>
<td>0 $0 $0 $0 $0 $0 $0 $0 $0 $2,500</td>
<td></td>
</tr>
<tr>
<td>Hazardous Materials</td>
<td>5,100 $5,125 $3,992 $3,592 $3,703 $3,592 $3,600 $3,618</td>
<td></td>
</tr>
<tr>
<td>BioPreferred Green Book</td>
<td>0 $0 $325 $357 $322 $312 $0 $0</td>
<td></td>
</tr>
<tr>
<td>Discretionary Sub-total</td>
<td>$26,229 $26,106 $25,389 $23,933 $29,652 $30,032 $31,155 $35,174</td>
<td></td>
</tr>
<tr>
<td>Mandatory:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BioPreferred</td>
<td>2,000 $2,000 $2,000 $2,000 $2,000 $0 $2,781 $2,781 $2,781</td>
<td></td>
</tr>
<tr>
<td>Mandatory Sub-total</td>
<td>$2,000 $2,000 $2,000 $2,000 $2,000 $0 $2,781 $2,781 $2,781</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$28,229 $28,106 $27,389 $25,933 $29,652 $32,813 $33,936 $37,955</td>
<td></td>
</tr>
</tbody>
</table>

United States Department of Agriculture
2016 Presidential Transition
Office of Procurement and Property Management (OPPM)
Enterprise Workforce Data

Workforce FY 2009-FY 2016

GS Level Distribution

GS 13- GS 15, 80%
GS 8 - GS 12, 17%
GS 5 - GS 7, 2%
GS 8-SES, 2%

United States Department of Agriculture
2016 Presidential Transition
Office of Procurement and Property Management (OPPM)
Office of Procurement and Property Management (OPPM), employs a workforce of 115 employees that are 100% full time.

Out of OPPM’s total workforce 17% are eligible to retire within the next year.

OPPM Headquarters is located in Washington, D.C which houses 76% of our workforce.

OPPM has 1 field office, located in Ft. Collins, Colorado, and 3 remote employees in other states. (See Workforce data excel sheet for locations).
II. Policies and Regulations

Statutory Authorities

Procurement Policy and Procurement Operations

USDA follows the Federal Acquisition Regulations (FAR) and USDA’s Agriculture Acquisition Regulations (AGAR), a supplement to the FAR. The following provides a list of key legislative and regulatory authorities, none of which have expired or will in the next year.

7 CFR 2.24 (a)(7) and (8) http://edocket.access.gpo.gov/cfr_2003/7cfr2.24.htm
This section of the Code of Federal Regulations outlines the delegations of authority which are made by the Secretary of Agriculture to the Assistant Secretary for Administration who also serves as USDA’s Chief Acquisition Officer (CAO). PPD works to assist the CAO in promulgating the responsibilities discussed therein.

7 CFR 2.93 http://edocket.access.gpo.gov/cfr_2007/janqtr/7cfr2.93.htm
This section of the Code of Federal Regulation outlines the delegations of authority which are made by the Assistant Secretary for Administration to the Director, Office of Procurement and Property Management who also serves as the Senior Procurement Executive (SPE). PPD works to assist the SPE in promulgating the responsibilities discussed therein.

Title 41 of the United States Code (41 U.S.C.)
The purpose of this Act is to enact certain laws relating to public contracts and to:
(1) Provide overall direction of Government-wide procurement policies, regulations, procedures, and forms for executive agencies; and
(2) Promote economy, efficiency, and effectiveness in the procurement of property and services by the executive branch of the Federal Government.

Property Management and Lease Accountability and Strategy

7 CFR 2.93 This section of the Code of Federal Regulations outlines the delegations of authority which are made by the Secretary of Agriculture to the Assistant Secretary for Administration who also serves as USDA’s Chief Acquisition Officer (CAO). PMD works to assist the CAO in promulgating the responsibilities discussed therein.

Public Law 106-580, Federal Property and Administrative Services Act of 1949


Environmental Management

**H.R.2642 Agricultural Act of 2014** The 2014 Farm Bill provides the legislative authority for the BioPreferred Program. The Farm Bill will expire at the end of 2018 and the program will need to be reauthorized.

**Comprehensive Environmental Response, Compensation, and Liability Act of 1980** (CERCLA), aka Superfund) Superfund is a Government program designed to fund the cleanup of sites contaminated with hazardous substances and pollutants.

**40 CFR 300.920 National Oil and Hazardous Substances Pollution Contingency Plan** This plan facilitates the Government’s response to both oil spills and hazardous substances.

**Executive Order 12580** Superfund Implementation and **Executive Order 13016** Amendment to Executive Order 12580. The Superfund Implementation delegates a number of Federal departments and agencies the authority and responsibility to implement certain provisions of CERCLA.


Safety and Health

**Federal Employees Compensation Act (FECA)** Worker’s Compensation for Federal Employees

**Occupational Safety and Health Act (OSHA)** Primary Federal law which governs occupational health and safety in the private sector and federal government.

Important Policies and Regulations

On average PPD issues approximately 8 acquisition policy related documents each year. The following policies were issued during fiscal year 2016:

- **Agriculture Acquisition Regulation (AGAR)**, Updated to include Fire Liability Clause
- **Procurement Advisory 126**, Use of Address Activity Codes for FPDS-NG Contract Reporting
- **Procurement Advisory 125**, USDA Purchase Card Program – Mandatory, Annual Refresher Training Requirements
- **Procurement Advisory 96A**, CPARS Evaluations
- **Procurement Advisory 53A**, USDA IT Acquisition Approval Request
- **Procurement Advisory 101B**, Shared First Policy in USDA Contracts
The following policies are pending and open for comment:

- **Procurement Advisory 53B**, USDA IT Acquisition Approval Request
- **Procurement Advisory 127**, Internet Protocol version 6 (IPv6) Recommended Contract Clause Language

**Environmental Management**

The BioPreferred Program currently has three regulations in process:

- A rule to designate product categories of intermediate ingredients and feedstocks for mandatory federal purchase. This rule was deemed not significant by OMB and is currently in departmental clearance. The rule should be published as a proposed rule in the next 30-60 days. This rule implements the Farm Bill requirement to designate intermediates.

- A rule to designate finished product categories made from intermediate ingredients and feedstocks for mandatory federal purchase. This rule has a work plan in the clearance process at USDA and then will be sent to OMB for review. This rule is the second step to implementing the Farm Bill requirement to designate intermediates and finished products made from those intermediates.

- A rule to designate complex assembly products for mandatory federal purchase. This rule has a work plan in place and has been deemed not significant by OMB. This rule is being drafted and will be proposed in 2017. This rule implements the Farm Bill requirement to designate complex products.

**Sustainability**

- Executive Order 13693 – Planning for Federal Sustainability in the Next Decade (March 2015)
- USDA Departmental Regulation DR-5600-005 – Environmental Management
- The White House issues new sustainability-related executive orders every 4-6 years
- The Sustainable Practices Team facilitates the issuance of new sustainability-related Departmental Regulations every 4-6 years

**Safety and Health**

- DR 4430-004 Workers Compensation Program
- DR 4410-005 Safety Management Program
- DR 4430-005 Workers’ Compensation Program: Return to Work
Overview of the policy/regulation review process

**Procurement Policy**
The Agriculture Acquisition Regulation (AGAR), located in the Code of Federal Regulations (CFR) at Title 48, Chapter 4, is issued under the authorities of the Secretary of Agriculture. It supplements the government-wide Federal Acquisition Regulation (FAR) and provides guidance to Department personnel involved in the procurement of goods and services.

The AGAR is revised as necessary to implement FAR changes or to add supplementary material that is specific and unique to the Department. Title 41 of United States Code (U.S.C.) 1707(a)(1) requires that a procurement policy, regulation, procedure, or form (including an amendment or modification thereof) must be published for public comment if it relates to the expenditure of appropriated funds, and has either a significant effect beyond the internal operating procedures of the agency issuing the policy, regulation, procedure or form, or has a significant cost or administrative impact on contractors or offerors. However, the Department may elect to publish or not to publish any rule in the Federal Register if the rule does not meet the above criteria of significant effect, cost or administrative impact on contractors.

**Procurement Systems**
PSD’s regulatory environment is determined by USDA’s Departmental Regulations. DR 5130-6 is the set of guidelines used for the CCSC Purchase Card program; DR 5400-006 is the set of guidelines used for the CCSC Fleet Card program.

The regulatory environment for IAS security is determined at the Departmental level issued through the Federal Information Security Management Act (FISMA) and the policies for IAS is determined by the Procurement Policy Division (PPD).

**Property Management**
USDA issues two sets of property regulations. The first are Agriculture Property Management Regulations (AGPMR) which are the Department-specific policies stemming from the Federal Management Regulations. The second are Department Regulations which address property issues not addressed in the Federal Management Regulations.

**Environmental Management**
Both the designation process which sets up product categories for federal purchase and the voluntary certification initiative are institutionalized through regulation. Currently, there are 97 product categories designated in regulation and the program designates new product categories periodically through the regulatory process.

HMMD program operates under the Departmental Manual, DM5600-001, and the Departmental Regulation, DR5600-005.

The Sustainable Practices Team’s operates under the requirements of the statutes, policies, and regulations listed in Sections II (a) and II (b) above and E.O. 13693, Planning for Federal Sustainability in the Next Decade.
United States Department of Agriculture
2016 Presidential Transition
Office of Procurement and Property Management (OPPM)

GAO and OIG Audits

Procurement Policy

- **OIG - 03/25/2016** - OPPM's Oversight of Contractor Past Performance Reporting Requirements (PDF), (Report No. 89099-0001-12, Issued March 2016)

- **OIG - 04/28/2015** - Assessment of USDA's Contracting Officer's Representatives (PDF) (Report No. 50099-0002-12, Issued March 2015)

- **OIG - 10/01/2014** - Review of USDA Contract Databases (PDF), (Report No. 89901-0001-13, Issued September 2014)

Procurement Systems

The following audits were conducted by the USDA OIG in the last four years in which the IAS program was subjected to review as part of other OPPM audits.

- **OIG - 50901-01-13** “Review of Contractor Payments”

- **OIG - 92501-01-12** “Review of Procurement Operations”

- **OIG - 89901-0001-13** “Review of USDA Contract Databases”

The following audit was conducted by the USDA OIG in the last four years on the CCSC program:

- **OIG - 50024-0001-13** “Review of the Department’s US Bank Purchase Card and Convenience Check Data”

Procurement Systems


- **OIG - 50099-001-12** “Review of Expenditures Made by the Office of the Assistant Secretary for Civil Rights” [July 15, 2015] Completed on June 30, 2016, except for Recommendation #8. The Procurement Operations Division is awaiting submission of the Unauthorized Commitment documents from the staff of the Assistant Secretary of Civil Rights on/about September 30, 2016
United States Department of Agriculture
2016 Presidential Transition
Office of Procurement and Property Management (OPPM)

- OIG - 50601-0002-21 “Hispanic and Women Farmers and Ranchers Claim Resolution Process” [March 10, 2016] Completion of Recommendations 1 and 2 is due on December 31, 2016, and March 31, 2017, respectively

Property Management

Closed GAO Audits

Open GAO Audits
- GAO - 100195 “Leasing Responsibilities” entrance meeting 11/12/15
- GAO - 100565 “Real Property Disposal Authorities” entrance meeting 8/2/16
- GAO - 100799 “Incentives for Disposal” entrance meeting 8/2/16
- GAO - 100807 “Data Reliability” entrance meeting 8/22/16
- GAO - 100849 “Aircraft Data” entrance meeting 7/27/16

OIG Audits
- OIG - 50024-004-13 “Charge Card Data” 7/13/15
- OIG - 50099-002-21 “Vehicle Misuse” 3/2/16

Environmental Management

- The BioPreferred Program is currently responding to the GAO’s “Sustainable Chemistry Technology Assessment Review” (GAO Engagement Notification 100398).
- In 2015, HMMP was under a GAO audit: GAO-15-35 “Agencies Should Take Steps to Improve Information on USDA's and Interior's Potentially Contaminated Sites”.

III. Congressional Relations and Issues

Overview

Forest Service Airtanker Acquisition

The U.S. Forest Service received Congressional approval to acquire, implement and integrate next generation large air tankers into the current U.S. Forest Service air tanker fleet to support and assist in its firefighting mission. The air tanker fleet modernization acquisition will be
established to permit a minimum (base) purchase of one (1) aircraft with currently appropriated funds totally $65M, as well as include provisions for modifications to the original aircraft and the purchase and modification of up to six (6) additional aircraft as options should additional appropriations be made available in future budgets. Given optimization targets for delivery deadlines, and pending receipt of additional Congressional appropriations, U.S. Forest Service is targeting a 2-3 year delivery window for each aircraft with the final aircraft expected to be delivered not later than ten (10) years after initial contract award.

This acquisition is of significant Congressional interest given the dollar value associated with the anticipated award, requiring departmental approval, as it will impact the U.S. Department of Agriculture’s ability to meet Small Business goals. Total estimated contract costs for the acquisition of the entire fleet of seven (7) aircraft will total approximately $500M and current market research and industry engagement indicates no small businesses exist to fulfill the minimum program requirements.

Property Management

In August 2016, the House Oversight and Government Reform Committee requested a tour of the Beltsville Agricultural Research Center (BARC) in addition to data on all excess real property at BARC and summary data for the entire USDA real property portfolio. The Assistant Secretary for Administration testified in front of the Committee during September 2016 on USDA’s excess property portfolio. This committee is very interested in USDA’s overall portfolio of real properties determined to be excess. Congressman Mica has suggested that USDA should be selling off property at BARC. However, there is a statutory prohibition against doing so. Additionally, the Bureau of Engraving and Printing has approached Agricultural Research Service (ARS) about acquiring approximately 100 acres of land at BARC. ARS and BEP have socialized the idea with congressional staff and are formulating a plan to address the statutory restriction allowing for a successful transfer.

Lease Accountability and Strategy (LASD)

Multiple briefings were conducted on Capitol Hill in 2015 and 2016 by the Assistant Secretary for Administration regarding establishment of LASD. Office of Congressional Relations and Office of General Counsel, and Office of Budget and Program Analysis were involved in all briefings. The LASD received congressional approval in August, 2016.

BioPreferred Program

The BioPreferred Program has been authorized in every Farm Bill since 2002 and reauthorization will be required in the 2018 Farm Bill.

As directed by Congress in the 2014 Farm Bill, the BioPreferred Program performed an economic analysis that examined and quantified the effect of the U.S. biobased products industry. The BioPreferred released a new report on the economic impact of the U.S. biobased products industry on October 3, 2016 entitled “An Economic Impact Analysis of the U.S. Biobased Products Industry.” This new report is a follow-up to the 2015 report mandated by the 2014
Farm Bill. The report showed that the biobased products industry contributed 4.2 million jobs and created approximately $393 billion in value added to the economy in FY 2014. See link: https://www.biopreferred.gov/BioPreferred/faces/pages/articles/EconAnal2016.xhtml

The BioPreferred Program is responding to Farm Bill directives to designate for Federal procurement preference intermediate ingredients and the finished products that are made from those intermediate ingredients. A rule proposing the designation of 12 major categories of intermediate ingredients is scheduled to be published in the Federal Register in October of 2016. A rulemaking package is being drafted that will propose designating approximately 50 product categories of finished products made from designated intermediate ingredients. This rule is expected to be proposed by the end of 2016.

**Hazardous Materials Management (HMM)**

USDA’s HMM program provides oversight and funding for cleaning up contaminated lands in USDA’s property inventory.

USDA agency-specific contamination issues include:
- Forest Service estimates the total cleanup cost to be more than $6 billion, including contaminated facilities and abandoned mines.
- Abandoned mine lands is under particular congressional and OMB interest since the Gold King Mine incident which released 3 million gallons of toxic mine wastewater and tailings into Cement Creek, a tributary of the Animas River in Colorado.
- Farm Service Agency Credit Community Corporation estimates their liability to be at least $8 million for carbon tetrachloride contamination. Carbon Tetrachloride is a probable carcinogen used to fumigate grain until mid-1970’s affecting groundwater at least 150 mid-western rural communities. Ongoing investigations and cleanup is occurring at 62 sites.
- USDA has provided $48 million in HMMA funds to date to address the contamination at the ARS facility in Beltsville Maryland. ARS estimates that it needs an additional $19 million to complete cleanup activities at BARC.
- There are 236 Formerly Used Defense Sites (FUDs) on USDA managed land. The Department of Defense (DOD) has the responsibility to clean up these sites. According to a recent GAO audit, U.S. Army Corps had spent $223 million at FUDS on USDA properties from 2003 to 2013. It will cost an additional $1.4 billion to clean up all of the sites. USDA provides policy and guidance to agencies to ensure proper investigation and cleanup by DOD for these sites.
IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

Procurement Policy and Oversight

Internal Stakeholders

- Head of Contracting Activity Designee POC’s:
  http://www.dm.usda.gov/procurement/hcadlist.htm
- The Acquisition Council’s 60+ internal stakeholders include the Chief Acquisition Officer, Senior Procurement Executive, Heads of Contracting Activity Designees from each USDA buying activity, and other key leaders from across the department.

External Stakeholders

Procurement Policy Division represents USDA by meeting with the following groups that have participants from the 24 CFO Act agencies:

- Federal Acquisition Institute (FAI) – for managing and developing the Acquisition Workforce;
- Civilian Agency Acquisition Council (CAAC) – supports maintenance of the Federal Acquisition Regulation (FAR) System by developing or reviewing all proposed changes to the FAR; and
- Chief Acquisition Officers Council (CAOC) - established to provide a senior level forum for monitoring and improving the federal acquisition system. The Council promotes effective business practices that ensure the timely delivery of best value products and services to the agencies, achieve public policy objectives, and further integrity, fairness, competition, and openness in the federal acquisition system.

In addition, Procurement Policy Division partners with several Federal entities on a regular and on-going basis to support and serve the acquisition workforce to include:

- Office of Management & Budget (OMB) – for work on Mission Critical Occupation analyses associated with the 1102 job series;
- General Services Administration (GSA) – in support of the Federal Acquisition Gateway, Office of Government wide Policy initiatives, Federal Strategic Sourcing Initiative (FSSI), etc; and
- Committee for Purchase From People Who are Blind or Severely Disabled (AbilityOne Program) – in support of first generation agreements with the Commission’s central non-profit agencies (CNAs).
Procurement Systems

The Procurement Systems Division (PSD) collaborates with the following internal and external stakeholders on matters related to its Integrated Acquisition System (IAS) and Charge Card Service Center (CCSC) programs.

Internal stakeholders

- Integrated Acquisition System (IAS) Users - IAS serves a user base of around 5,000 USDA employees from ten (10) Agencies. The IAS user community includes the following roles:
  - Requisitioners
  - Budget Approvers
  - Contracting Officers
  - Other procurement personnel
- The USDA Office of the Chief Financial Officer (OCFO) is responsible for the maintenance of the USDA financial system, Financial Management Modernization Initiative (FMMI), and IAS’s hosting environment at the National Finance Center (NFC). Close coordination and interdependencies exist between IAS, FMMI and NFC, thus regular communication between the organizations is necessary.
- PSD works with the (Office of the Chief Information Officer) OCIO in on the Capital Planning and Investment Control (CPIC). OCIO supports USDA’s technology programs through oversight, governance, and guidance in responding to OMB mandates.

External stakeholders

- Office of Management and Budget (OMB) provides all federal agencies with strategic planning guidance, mandates, and regulatory requirements by which USDA must comply. PSD is responsible for submitting A-123 and Exhibit 300 reports as mandated by OMB.
- The Department of the Treasury manages the Invoice Processing Platform (IPP), to which IAS interfaces. IAS staff must regularly coordinate with the Department of Treasury on technical development or upgrades which may impact the IAS-IPP interface.
- U.S. Bank is USDA’s purchase card provider. U.S. Bank’s Access Online is a web-based electronic access tool designed to be the system source for purchasing card program management and related data. U.S. Bank Government Services Technical Help Desk assists Cardholders and AOs with questions about web-based program management tools.
- General Services Administration (GSA) manages/owns two systems with significant impacts on IAS:
  - Federal Procurement Data System-Next Generation (FPDS-NG) is a congressional database to which IAS interfaces through the PRISM contracts management module. IAS staff must regularly coordinate with Compusearch and/or GSA on technical development or upgrades which may affect the IAS-FPDS-NG interface.
  - The System for Award Management (SAM) combines federal procurement systems and the Catalog of Federal Domestic Assistance into one new system. IAS interfaces indirectly with SAM; vendors recorded in SAM are transmitted to FMMI and in turn to IAS. Furthermore, vendors referenced in FPDS-NG (created via IAS awards) must
also exist in SAM. Therefore, IAS staff must regularly coordinate with OCFO and/or SAM staff on technical development or upgrades which may affect the IAS-system.

- SmartPay2 Contractor - The USDA purchase card is part of a government-wide charge card program initiated by the General Services Administration (GSA) under the SmartPay® Program.

**Procurement Operations**

**Internal stakeholders**

The Procurement Operations Division provides contract support to the following:

- Office of the Secretary of Agriculture, Departmental Management, Agriculture Staff Offices including the Offices of the Chief Information Officer, Chief Financial Officer, Assistant Secretary for Civil Rights, General Counsel, Budget and Planning Analysis, National Appeals Division, Chief Economist, Communications, Ethics, Congressional Relations, USDA agencies that includes the Natural Resource Conservation Service, Food Safety and Inspective Service, Forest Service, Rural Development, Agricultural Research Service, Animal and Plant Health Inspection Service, Farm Service Agency;
- Other USDA Agencies as requested and through their utilization of the Procurement Operations Division’s strategic sourcing contracts;
- Department-wide Blanket Purchase Agreements; and
- Indefinite-Quantity contracts for services such as the USDA-wide Integrated Acquisition System, USDA-wide Category Management Hardware and Software Products.

**Property Management**

**External stakeholders**

- OPPM works frequently with the General Services Administration (GSA) on real property issues, particularly lease delegation authorities and the annual real property report to the Federal Real Property Portfolio. Also, GSA hosts FedFMS (Federal Fleet Management System), which is used by USDA to maintain its motor vehicle inventory.

- OPPM frequently interacts with the Office of Management and Budget (OMB) as a participant on the Federal Real Property Council.

**Lease Accountability and Strategy**

**Internal stakeholders**

- OPPM coordinates with the three service center agencies: Farm Service Agency, Natural Resource Conservation Service, and Rural Development and meets quarterly with the National Food and Agricultural Council (NFAC).
External stakeholders

- LASD works with GSA as they delegate authority to USDA to manage leases.

Environmental Management

Internal stakeholders

- The BioPreferred Program works with the USDA’s Bioeconomy Coordinating Council Committee (BCCC) to advance the contributions of agriculture and forestry.
- USDA Office of the Chief Economist (OCE) chairs the Global Change Task Force (GCTF);
- USDA Office of Operations (OO); and
- USDA Office of Homeland Security and Emergency Coordination (OHSEC)
- USDA Office of General Counsel
- USDA’s CERCLA authority includes enforcement authority. Where USDA is the lead agency, USDA agencies will complete potentially Responsible Party (PRP) searches to determine if PRPs exist and if they are financially viable. Viable PRPs will be required to perform or pay for the work. Where USDA caused the contamination and therefore is the “responsible party”, USDA works with the environmental regulators to complete needed environmental cleanup work.

External stakeholders

- USDA, along with the U.S. Department of Energy (DOE), co-chairs the Federal Biomass Research and Development (BR&D) Board which coordinates the Government-wide research initiatives and activities for the purpose of commercializing and promoting the use of biobased products, power, and biofuels. Members of the BR&D Board also include the National Science Foundation, the U.S. Environmental Protection Agency, the U.S. Department of the Interior, the U.S. Department of Defense, the U.S. Department of Transportation, and the Office of Science and Technology Policy;
- White House Office of Management and Budget (OMB) and Council on Environmental Quality (CEQ);
  - Department of Energy (DOE);
  - General Services Admin. (GSA); and
  - Environmental cleanup authorities and responsibilities with the Environmental Protection Agency (EPA) – In general, USDA Hazardous Materials Management (HMM) has delegated lead authority under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and EO 12580 for the cleanup of lands/facilities under USDA’s jurisdiction, custody, and control. However, EPA retains authority in cases of emergencies and at sites that are listed on the National Priorities List (NPL). The NPL is considered the list of the Nation’s worse contaminated sites.
United States Department of Agriculture
2016 Presidential Transition
Office of Procurement and Property Management (OPPM)

Safety and Health Management

Internal Stakeholders

- USDA Agencies
- USDA Office of Human Resources Management

External Stakeholders

- Occupational Safety and Health Administration (OSHA) – Compliance
- Department of Labor – Federal Employees’ Compensation Act (FECA), Office of Workers’ Compensation
- National Federation of Federal Employees (NFFE) (Union)
- American Federation of Government Employees (AFGE) (Union)

Stakeholder group overview

Procurement Operations

Management and senior staff of the Procurement Operations Division participates in the Acquisition Council Group (led by the Senior Procurement Executive with the Heads of Contracting Activity Designees), the USDA Strategic Sourcing Group (led by the Branch Chief Acquisition Management Division/Procurement Operations Division with USDA-wide stakeholders), and the Federal Information Technology Acquisition Reform Act (FITARA) Working Group (led by Executive Director of FITARA Operations/Office of Chief Information Officer with USDA-wide stakeholders).

USDA BioPreferred Program Stakeholders

AbilityOne helps more than 45,000 people who are blind or who have significant disabilities find employment. AbilityOne was established by the Javits-Wagner-O’Day Act and is administered by the Committee of Purchase from People Who Are Blind or Severely Disabled (operating as the US AbilityOne Commission), an independent Federal Agency with assistance from SourceAmerica and National Institute of the Blind (NIB). USDA coordinates with AbilityOne to help develop markets for biobased products to be used in Federal Government operations. Numerous biobased products including offices supplies and industrial products categories have been developed and manufactured and qualified/certified in our program via AbilityOne value chain.

Hazardous Materials Management Stakeholders

Office of Management and Budget (OMB), with renewed focus on the potential threats from Abandoned Mine Lands, has taken an active role by attending our Federal Mining Dialogue (FMD) committee meetings. In an effort to leverage additional support for this program the FMD has recently established a SES level FMD Steering Committee. The steering committee membership includes USDA including Forest Service, DOI including Bureau of Land Management and National Park Service, DOE and EPA.
USDA is currently engaged with DOD to negotiate a Memoranda of Understanding (MOU) for investigations and response actions of FUDS on USDA managed lands including access agreement prior to entering and working on these FUDS sites.

V. **Top Issues**

**Hot Topics**

**Procurement Policy**

- Acquisition Approval Request (AAR) - On an ongoing basis over the next six months the Procurement Policy Division will continue to track the effectiveness of the OCIO’s IT AAR process implemented to ensure sufficient and centralized oversight and approval of all information technology investments for the Department and recommend any necessary updates.

- AgSSI SharePoint vehicles [https://ems-team.usda.gov/sites/OPPM-SS/SitePages/Home.aspx](https://ems-team.usda.gov/sites/OPPM-SS/SitePages/Home.aspx)

**Property Management**

- OMB Reduce the Footprint, update is typically due in October of each year. The goal for FY2017 is to reduce the square footage of offices by 328,045 and warehouses by 28,016.

- **Executive Order 13693** “Planning for Federal Sustainability in the Next Decade” which requires vehicle petroleum reduction by 4% by the end of Fiscal Year 2017 and that all new vehicles employ telematics.

**Lease Management and Accountability**

- Improving lease management practices through the establishment of LASD procedures and quality assurance review process for lease delegation requests submitted to GSA.

**Timeline**

**Property Management**

United States Department of Agriculture  
2016 Presidential Transition  
Office of Procurement and Property Management (OPPM)

Lease Accountability and Strategy (LASD)

• New Management Review Process – GSA quality assurance/quality control process; Rebalancing Workload across SCAs and long-term strategic multi-year planning by December 30, 2017; and

Appendix A: Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AAR</td>
<td>Approval Acquisition Request</td>
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<tr>
<td>AGAR</td>
<td>Agriculture Acquisition Regulation</td>
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<td>ASTM</td>
<td>American Society for Testing and Materials</td>
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<td>ATO</td>
<td>Authority to Operate</td>
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<td>AO</td>
<td>Approving Official</td>
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<td>APC</td>
<td>Agency Program Coordinator</td>
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<td>BO</td>
<td>Business Office</td>
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<td>C&amp;A</td>
<td>Certification and Accreditation</td>
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<td>CAB</td>
<td>Change Advisory Board</td>
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<td>CCA</td>
<td>Clinger Cohen Act</td>
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<td>CCC</td>
<td>Credit Community Corporation</td>
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<td>CCSC</td>
<td>Charge Card Service Center</td>
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<td>CERCLA</td>
<td>Comprehensive Environmental Response, Compensation, and Liability Act (Superfund)</td>
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<td>COTS</td>
<td>Commercial Off-the-Shelf</td>
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<td>CPIC</td>
<td>Capital Planning and Investment Control</td>
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<td>DERA</td>
<td>Defense Environmental Restoration Act</td>
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<td>DM</td>
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<td>e-Business Suite</td>
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<td>EIO-LCA</td>
<td>Economic input-output life cycle assessments</td>
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<td>FARA</td>
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<td>FISMA</td>
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<td>Federal Information Technology Acquisition Reform Act</td>
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<td>FMMI</td>
<td>Financial Management Modernization Initiative</td>
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<td>FPDS-NG</td>
<td>Federal Procurement Data System – Next Generation</td>
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<td>FUDS</td>
<td>Formerly Used Defense Site</td>
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<td>General Support System</td>
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<td>Invoice Processing Platform</td>
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<td>ISO</td>
<td>The International Organization for Standardization</td>
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<td>Information Technology</td>
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<td>IV&amp;V</td>
<td>Independent Verification &amp; Validation</td>
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<td>LASD</td>
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<td>MPS</td>
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<td>NAICS</td>
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<td>National Institute of Standards and Technology</td>
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<td>National Response Team</td>
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<td>O&amp;M</td>
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<td>Office of the Chief Information Officer</td>
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<td>Office of the Inspector General</td>
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<td>OPPM</td>
<td>Office of Procurement and Property Management</td>
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<tr>
<td>OSHA</td>
<td>Occupational Safety &amp; Health Administration</td>
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<td>Office of Workers’ Compensation</td>
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<td>Acronym</td>
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<td>Safety &amp; Health Management Division</td>
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<td>USDA</td>
<td>United States Department of Agriculture</td>
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<tr>
<td>WCF</td>
<td>Working Capital Fund</td>
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WHAT WE DO: OUR MISSION

USDA’s Office of the Executive Secretariat (OES) serves the Office of the Secretary of Agriculture by managing the official correspondence of the Immediate Office of the Secretary, maintaining the official records of the Office of the Secretary, and assisting the Office of the Secretary with special projects.

WHO WE ARE: OUR WORKFORCE

All of OES’ 24 employees are based in Washington, DC. OES employs professionals to prepare and store records for the Secretary’s office. Their goals include: effectively & efficiently processing, analyzing, and distributing Secretarial correspondence, providing first class service to all customers & stakeholders, and managing official records of the Secretary.

WHO WE SERVE: OUR CONSTITUENTS

OES’ primary constituents are the Office of the Secretary and Deputy Secretary. In managing the Secretary’s correspondence, OES works with all USDA agencies and other Federal departments as well as stakeholders and the general public.

KEY UPCOMING DECISIONS

In late FY2016, OES initiated a Lean Six Sigma (LSS) assessment of the organization’s processes and procedures in order to streamline and incorporate updated technological solutions. The result of the LSS is designed to assist USDA with the selection of a new correspondence management system in the first quarter of FY2017 to handle the approximately one million pieces of mail received annually. USDA’s mail volume doubled between FY2013-FY2016.

BUDGET HIGHLIGHTS FY 2016

- OES is funded through USDA’s Working Capital Fund (WCF);
- In FY 2016, OES’ budget was nearly $3.3 million to support correspondence management of one million pieces of mail and management the Secretary’s official records
I. Organizational Overview

USDA’s Office of the Executive Secretariat (OES) serves the Office of the Secretary (OSEC) of Agriculture by managing the official correspondence of the Immediate Office of the Secretary, maintaining the official records of the OSEC, and assisting the OSEC with special projects.

Agency’s Mission/Strategic Plan

OES Goals:
- Effectively and efficiently process, analyze, and distribute Secretarial correspondence;
- Provide first class service to all customers and stakeholder;
- Ensure agencies provide timely and high quality correspondence for the Secretary and deputy Secretary;
- Manage the Official Records of the Office of the Secretary in accordance with all legal, statutory, and regulatory requirements

Key mission delivery performance measures

Correspondence management
OES manages the correspondence, documents, and records of the Secretary of Agriculture. OES is a valuable resource not just for the Secretary and immediate staff, but for the whole Department. OES ensures that all USDA officials are included in the process of drafting documents for the Secretary through a managed system of reviews and clearances. This includes reviewing incoming letters, emails, and faxes from the public, members of Congress, Governors, other Federal officials, and everyone else who writes the Secretary. OES then works with other agencies to respond in an appropriate and timely manner.

Additionally, OES ensures that Federal Register notices, memorandums, reports, and all other documents prepared for the Secretary are fully vetted and prepared correctly for the Secretary’s review and signature.

Maintenance of official documents
OES collects and maintains the official records of the Office of the Secretary of Agriculture. These records are a valuable resource and serve as the historical evidence of the Department’s organization, functions, policies, decisions, procedures, and operation.

Assistance with special projects
In response to requests by the Office of the Secretary, OES assists with a number of special projects, including the processing of Presidential proclamation, processing and acknowledgment of gifts received by the Secretary, the drafting of a range of social correspondence for signature by the Secretary, and the provision of writing and editing services for a variety of departmental administrative reports.
Since FY2014, OES’ mail volume has nearly doubled from 525,194 to an estimated 994,000 in FY 2016. Approximately 60 percent of all mail arrives electronically and the remainder in hard copy via the postal service.

Organization’s History

The first Office of the Executive Secretariat at USDA was established in 1971. For the next 20 years, USDA’s correspondence was managed by the Executive Secretariat and an Executive Correspondence and Records unit within the Office of Operations.

In May 1990, Secretary Yeutter chartered the Executive Correspondence Management Task Force to review the entire system and provide recommendations for improvements. The results of the Task Force’s Executive Correspondence Management Study of September 1990. Based on the Study’s recommendations, Secretary Madigan created the present Office of the Executive Secretariat.

There is statutory requirement for all Cabinet departments to maintain an Executive Secretariat. The Federal Records Act require that the records of the Office of the Secretary/Deputy Secretary (OSEC), which are significantly composed of correspondence, be managed appropriately.

According to the Federal Records Act of 1950 (FRA),

The head of each Federal agency shall establish and maintain an active, continuing program for the economical and efficient management of records of the agency. The program, among other things shall provide for: (1) effective controls over the creation and over the maintenance and use
A record has been defined by the FRA as all books, papers, photographs, and other materials made or received by an agency of the United States Government. As of July 11, 2016, the Federal Records Modernization Act of 2016 (also known as H.R. 5709) was introduced to the House by Congressman Mark Meadows. The goal of this act is to update the FRA. Those updates include providing penalties for the destruction of records and to improve record keeping accountability. The Federal Records Modernization Act of 2016 has been sent to the House of Representative’s Committee on Oversight and government reform for review.

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1 44 U.S.C. § 3102(1).
2 ID.
3 ID.
United States Department of Agriculture
2016 Presidential Transition
Office of the Executive Secretariat (OES)

Organizational Chart

OES Organizational Structure
United States Department of Agriculture
2016 Presidential Transition
Office of the Executive Secretariat (OES)

Biographies of career staff in key leadership positions

Jean Daniel
Director, Office of the Executive Secretariat
202-720-6630, Jean.Daniel@osec.usda.gov

OES Director, Jean Daniel, has over 17 years of leadership and management experience in USDA. During her tenure with the department she served as Public Affairs Director for the Food and Nutrition Service, Special Assistant to the FNCS Under Secretary, Senior Advisor to the Deputy Administrator for Management, Director of Change Management and Organizational Engagement and Acting Deputy Administrator for Management.

Biographies of political staff in key leadership positions

N/A

Organizational Budget and Financial Management

<table>
<thead>
<tr>
<th>OES Budget Authority FY 2009-2016 (Dollars in Thousands)</th>
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<td>$3,839 $3,005 $3,003 $3,573 $3,443</td>
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Enterprise Workforce Data

![Workforce FY 2009-FY 2016](image)
United States Department of Agriculture
2016 Presidential Transition
Office of the Executive Secretariat (OES)

- OES has 24 FTEs
- Currently, OES has 19 full time employees and is recruiting for two branch chiefs, a correspondence analyst and document control specialist. The staff is composed of writer/editors, program liaisons who work with each agencies, correspondence analysts and document control specialist whose duties include entering incoming correspondence, analyzing and assigning correspondence to subject matter experts and records management professionals.
- Only 2% of the OES workforce is retirement eligible within the next year
- All OES employees are based in Washington, DC.
II. Policies and Regulations

Statutory Authorities

There is statutory requirement for all Cabinet departments to maintain an Executive Secretariat. The Federal Records Act require that the records of the Office of the Secretary/Deputy Secretary (OSEC), which are significantly composed of correspondence, be managed appropriately.

Important Policies and Regulations

N/A

Overview of the policy/regulation review process

OES works directly with the Secretary’s office and with Senior Policy Officials such as Under Secretaries and other Departmental Organizations to review and clear Secretarial document. In addition, OES handles the signature/auto-pen process for Office of the Secretary and provides regular reports on the status of correspondence to Departmental Officials.

GAO and OIG Audits

OES has no OIG or GAO audit findings

III. Congressional Relations and Issues

Overview

The House of Representatives is currently considering 2016 modernizations of the Federal Records Act. Any updates to the Act would affect OES’ process and procedures for both correspondence and records management. It is unclear whether this bill will be enacted prior to January.

IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

OES conducts business with other Federal Executive Secretariats through information sharing and the need to coordinate joint signatures between Secretaries.
In managing Secretarial correspondence, OES works with every USDA agency and staff office to create timely responses to inquiries from the White House, Congressional offices, stakeholders and the general public. Agency and staff office subject matter experts prepare the responses to inquiries and OES reviews, clears and prepares materials for the Secretary and Deputy Secretary.

OES is conducting a Lean Six Sigma business improvement process to review and streamline processes and procedures during the first quarter of FY2017. As a part of the process, agencies and staff offices procedures and operations will be included in the review process to inform process review and selection of a new correspondence management system in the second quarter of FY2017.

**Stakeholder group overview**

N/A

**Recent engagement with stakeholder groups**

OES conducts quarterly meetings and training sessions with agency Correspondence Officers, prepares weekly reports on correspondence for agencies, staff offices and the Secretary’s office and daily conversations with agencies on priority correspondence. The next quarterly meeting for Correspondence Officers is set for January 2017.

**V. Top Issues**

**Hot topics**

OES is currently conducting a Lean Six Sigma project to streamline processes and procedures which will be implemented in the first quarter of FY2017. The current correspondence management system has been in use for over a decade. The current configuration does not take advantage of current technological advances that would assist in streamlining OES operations.

**Timeline**

A new correspondence management system for OES. Two possible systems are under consideration. The timeline for choosing the system is within the second quarter of FY2017.

**Appendix A: Acronyms**

OES-Office of the Executive Secretariat
OSEC-Office of the Secretary
ECM-Electronic Correspondence Management
Office of Small and Disadvantaged Business Utilization Fact Sheet

WHAT WE DO: OUR MISSION

The mission of the Office of Small and Disadvantaged Business Utilization (OSDBU) is to provide maximum opportunity for Small, Small Disadvantaged, Small Women-Owned Business, HUBZone, and Service Disabled Veteran Owned Small Business to participate in USDA’s contracting program. The OSDBU serves as USDA’s central point of contact for general inquiries from industry, and the Small Business Administration (SBA).

WHO WE ARE: OUR WORKFORCE

- OSDBU is located in Washington, DC
- OSDBU currently employs eight staff employees, including the Director (political appointee)

WHO WE SERVE: OUR CONSTITUENTS


KEY UPCOMING DECISIONS

- Rural Small Business Connections Events: This is Secretary Vilsack’s vision regarding Maintaining & Creating Wealth in Rural America. OSDBU will host at least 2 events a year. Location to be determined. The target audience will consist of small farmers, small rural businesses to provide information and technical assistance of doing business with the government.
- Memorandum of Understandings to Chambers of Commerce (U.S. Hispanic Chamber of Commerce, US Black Chamber of Commerce, US Women Chamber of Commerce, etc): Objectives are designed to stimulate interest doing business with USDA. Est. time –December, 2016
- Partnership Agreements with USDA Buying Agencies: Re-establish partnerships between agencies & OSDBU. (Participate in OSDBU’s Vendor Outreach Sessions, small business events, etc.) Est. time – December 2016.

BUDGET HIGHLIGHTS FY 2016

- Personnel Comp $946,425
- Personnel Benefit $281,927
- Other Services $104,000

FY 2016 Budget Authority

- Personnel Comp: 21%
- Personnel Benefit: 8%
- Other: 71%
I. Organizational Overview

Agency’s Mission/Strategic Plan

The mission of the Office of Small and Disadvantaged Business Utilization (OSDBU) is to provide maximum opportunity for Small, Small Disadvantaged, Small Women-Owned Business, HUBZone, and Service Disabled Veteran Owned Small Business to participate in USDA’s contracting program. The OSDBU serves as USDA’s central point of contact for general inquiries from industry, and the Small Business Administration (SBA).

OSDBU works to ensure that USDA contracting staffs and program offices are aware of small business goal responsibilities and agencies small business utilization rates and status. OSDBU will provide ongoing reports to agencies regarding their small business utilization.

The Director of OSDBU and OSDBU staff will actively intervene with USDA agencies program policy, and contracting offices to ensure opportunities for small and underutilized businesses in requirements for goods and services. OSDBU advocates on behalf of the small businesses on program issues.

Key mission delivery performance measures

OSDBU is responsible for reporting the Department’s small business achievements. Every year, SBA sets small business goals for federal government agencies. The Small Business Act establishes a government-wide goal in which each federal agency must adhere to. The government-wide goals are as follows: small business (SB)-23%; small disadvantaged businesses (SDB)-5%; women-owned small businesses (WOSB)-5%; service-disabled veteran-owned small businesses (SDVOSB)-3%, and HUBZone small businesses-3%. USDA has received an “A” rating for the past three years.

The Director of OSDBU regularly provides small business goal achievement information to USDA’s Subcabinet, Agency Heads, Deputy Administrators for Management, and Heads of Contracting Activities. The Director will provide one-on-one goal accomplishment status meetings with USDA Agency Heads twice per year to assess all business accomplishments and plans for increased small business participation. OSDBU staff will monitor agencies small business performance closely and provide alerts on an ongoing basis to agency contracting staffs.

Data Quality of Small Business Contracting: The Federal Procurement Data System-Next Generation (FPDS-NG) is used for a variety of purposes supporting the mission of OSDBU. Downloads from FPDS permit OSDBU staff to compare and analyze current trends and to make comparisons of current year information with prior year data. This provides the staff with opportunities to highlight negative trends or to isolate problem areas for appropriate corrective action.

The sample chart below represents the eleven buying agencies within USDA and both dollar amount obligated as well as percentages of each socio-economic goal.
Organization’s History


OSDBU was established at USDA on June 26, 1979, 7 C.F.R. § 2.37. OSDBU provides leadership to the Department to attain its federally mandated small business goals for USDA’s contracting portfolio.

USDA in consultation with the Small Business Committee of the House of Representatives and the General Accountability Office strengthened the reporting of the OSDBU Director to the Secretary to ensure compliance with Section 15(k) of the Small Business Act.
Organizational Chart

Biographies of career staff in key leadership positions

Michelle Warren
Deputy Director, Office of Small and Disadvantaged Business Utilization
202-720-7835, Michelle.Warren@dm.usda.gov

In October 2010, Michelle Warren was assigned Program Manager in the Office of Small and Disadvantaged Business Utilization (OSDBU) within U.S. Department of Agriculture (USDA). In December 2015, Ms. Warren was appointed Deputy Director in OSDBU and still holds that position. It is her responsibility to provide maximum opportunities for small businesses to participate in USDA contracting activities. Michelle coordinates and participates in events all over the country with high level USDA officials and others to promote federal contracting opportunities for small businesses.

She began her Federal career with USDA, in 1988, as a Federal Market News Reporter within the Agriculture Marketing Service (AMS).

In 1992, Ms. Warren served as the Contracting Officer for AMS’s Commodity Procurement Branch, responsible for the supervision of purchasing teams handling programs which relates to the purchasing and administration of contracts for fresh and processed fruits and vegetables.
United States Department of Agriculture  
2016 Presidential Transition  
Office of Small and Disadvantaged Business Utilization (OSDBU)

specialty crops, and other assigned commodities for distribution to the National School Lunch Program and other Food Assistance Programs.

Mrs. Warren is a graduate of Virginia State University located in Petersburg, VA with a Bachelor of Science degree in Agricultural Business and Economics.

Biographies of political staff in key leadership positions

Henry Bennett  
Director, Office of Small and Disadvantaged Business Utilization  
202-720-7117, Henry.Bennett@dm.usda.gov

Hank Bennett was appointed as the U.S. Department of the Agriculture's Director of the Office of Small and Disadvantaged Business Utilization (OSDBU) in May of 2016.

During President Obama's Administration, from 2009-2015, more than 53% of USDA's total procurement dollars (more than $39 billion) were spent on products and services from Small and Disadvantaged Businesses (more than $20 billion). As Director of OSDBU, Mr. Bennett is responsible for ensuring that the Department’s purchasing agencies continue to engage small businesses - the "engines that drive the Nation’s economy" - so that USDA continues to be a leader, and one of the Federal government’s top performing departments in utilizing small and disadvantaged businesses.

Mr. Bennett has extensive experience working with a diverse range of small businesses. For over a decade, he has assisted hundreds of businesses with their financial goals, helped them develop and implement strategic plans, and walked with them through continued growth. These small and disadvantaged businesses now employ thousands throughout the country. Further, he has widespread experience in researching, analyzing, and preparing findings and recommendations on ways to act on organizational policy, regulations and management structure that impact the small business community.

Prior to joining the USDA, Mr. Bennett was part of a team that started a community bank in Tulsa, OK. Among other roles, he served as the bank's Board Secretary, Community Reinvestment Act Officer and a Senior Lender. He developed and managed a large loan portfolio, of which more than half of the loans were to women, minority and veteran owned small businesses, non-profit organizations and churches.

Mr. Bennett has also served at the Democratic National Committee, worked in several roles for Mayor Alvin Brown of Jacksonville, FL, and served for several other Democratic legislators and organizations.
Organizational Budget and Financial Management

Office of Small and Disadvantaged Business Utilization
Budget Authority FY 2009-2016
(Dollars in Thousands)

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<td>$1,277</td>
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Enterprise Workforce Data

Workforce FY 2009-FY 2016

GS Level Distribution

GS 8- GS 12, 25%
GS 13- GS 15, 75%
United States Department of Agriculture
2016 Presidential Transition
Office of Small and Disadvantaged Business Utilization (OSDBU)

- OSDBU employs a workforce of 8 employees of which the following are full-time and part-time
  - Full-time: 8 employees
  - Part-time: 0
- The office consists of a Director, Deputy Director, Office Manager and 5 Program Analysts
- OSDBU on occasion will hire an intern during the summer.
- Of our total workforce, 2 are eligible to retire within the next year
- Our headquarters is located in Washington, D.C

II. Policies and Regulations

Statutory Authorities

The Office of Small and Disadvantaged Business Utilization (OSDBU) was created as part of amendments to the Small Business Act, 15 U.S.C. § 644(k).

OSDBU was established at USDA on June 26, 1979, 7 C.F.R. § 2.37. OSDBU provides leadership to the Department to attain its federally mandated small business goals for USDA’s contracting portfolio.

Important Policies and Regulations

USDA provides several Departmental Regulations (DR) in accordance to OSDBU which include:

DR 5090-001, USDA Small Business Programs – Full Small Business Participation and Clearance Process for Contracts Not Set-aside or Reserved for Small Business Participation
DR 5090-002, Annual Program Goals
DR 5090-003, Annual Procurement Forecast Requirements
DR 5090-005, Contracting with Service Disabled Veteran-Owned Small Businesses
DR 5080-001, USDA and the AbilityOne Program: Increasing Achievements and Setting Department Goals

Overview of the policy/regulation review process

The OSDBU Director provides guidance and notifications to USDA agency heads for small business program requirements such as goal development, forecast updates, regulatory changes. OSDBU staff meets with Agency Deputy Administrators for Management, Heads of Contracting Activity, Agency CIO’s and Agency Small Business Specialists/Coordinators to brief them on small business goal achievement and the requirements of various small business socio-economic programs. They are advised of their roles and responsibilities for implementing these requirements as outlined in laws and regulations.
Although SBA sets federal mandated goals, they also give goals to individual federal government agencies. USDA is one of the top three federal agencies that achieve the mandated small business goals. Due to methodology used to establish the individual goals, the OSDBU Director and Senior Leadership from the Assistant Secretary for Administration’s office will have top-level meetings with SBA’s Goaling Team to negotiate the Department’s goals for the next fiscal year.

**GAO and OIG Audits**

In late May of 2016 GAO began an audit of USDA’s OSDBU at the request of the Chair of the House Committee on Small Business. Almost all other federal departments’ and agencies’ OSDBUs are undergoing the same audit. While this audit is not a regular, recurring occurrence, it is certainly not unusual or unexpected. Similar audits were conducted by GAO in 1995, 2003 and 2011, all at the request of the Chair of the House Committee on Small Business, and all focusing on very similar issues and objectives. The objectives of the current audit are:

- Assess whether the OSDBU director reports to the head or deputy of the head of the agency as defined in the National Defense Authorization Act revisions; and
- Determine the functions conducted by the OSDBUs at selected federal agencies.

OSDBU Director Henry Bennett, Deputy Director Michelle Warren, and Program Specialist Roxanne Lane participated in the entrance conference with Deputy ASA Malcom Shorter and the GAO audit team on June 15th, 2016. Based on previous audits, GAO anticipates concluding the audit and returning the report sometime during the second or third quarter of calendar year 2017. In the interim, GAO communicates with USDA’s OSDBU office for any questions, requests for additional information, and any other item or action it needs to develop their report.

In previous audits the GAO found that USDA was not in compliance with the section of the Small Business Act that requires the OSDBU Director to report directly to the Secretary of the Deputy Secretary. Instead, USDA had previously designated the ASA as the OSDBU Director, who then delegated nearly all authority to the lower-ranking Director in the OSDBU office. That lower-ranking official would report to the ASA, who would in turn report to the Deputy Secretary.

At the entrance conference for the current audit USDA clarified that it has altered the reporting structure and responsibilities to comply with the requirements of the law. The OSDBU Director now has the full authority, as described in the law, and reports directly to the Deputy Secretary. USDA also discussed the various roles and responsibilities of the OSDBU office, and how they implement the various laws, statutes, and regulations related to OSDBU.

SBA will sporadically audit buying offices within federal agencies. OSDBU is physically not involved in these audits, but it typically receives notification prior to the audits and once the audit has concluded.
III. Congressional Relations and Issues

Overview

N/A

IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

OSDBU works closely with the Small Business Administration (SBA) to cooperatively determine the Department’s small and disadvantaged business goals and initiatives.

OSDBU regularly attends SBA Procurement Advisory Council (PAC) and Subcommittees meetings addressing the formulation of small business procurement policy initiatives.

OSDBU actively participates in the Federal OSDBU Directors’ Council to address proposed small business policy issues and initiatives from Federal-wide and Agency perspectives and provides input to the Council and the SBA.

OSDBU recently signed an MOU with the National Gay and Lesbian Chamber of Commerce (NLGCC), August 2016 and will actively participate in various future functions.

OSDBU or agency representatives along with other federal agencies participates and support Business-to-Business Matchmaking Events scheduled throughout the year across the country.

Stakeholder group overview

OSDBU regularly meets with SBA’s Procurement Center Representative (PCR) to discuss the clearance process for contracts over $150,000 that are not planned to be set-aside for small businesses.

OSDBU regularly meets in person or via telephone or email to small businesses to discuss their capability statements and directing them to the appropriate contracting office.

OSDBU staff meets with Agency Deputy Administrators for Management, Heads of Contracting Activity, Agency CIO’s and Agency Small Business Specialists/Coordinators to brief them on small business goal achievement and the requirements of various small business socio-economic programs. They are advised of their roles and responsibilities for implementing these requirements.
OSDBU holds quarterly meetings with headquarter Agency Small Business Specialists and expand the time and scope of each session to concentrate on enhanced small business participation. These meetings are used to update the Specialists on the latest regulations, policies and directives that impact the small business communities.

OSDBU regularly attends SBA Procurement Advisory Council (PAC) and Subcommittees meetings addressing the formulation of small business procurement policy initiatives.

OSDBU actively participates in the Federal OSDBU Directors’ Council to address proposed small business policy issues and initiatives from Federal-wide and Agency perspectives and provides input to the Council and the SBA.

OSDBU participates in the AbilityOne Subcommittee meetings with USDA’s Ability One Chairperson, Lisa Willusz.

**Recent engagements with stakeholder group**

During the year, individual USDA agencies as well as OSDBU will host small business events throughout the country. These events will be based on a national, regional, and localized needs.

OSDBU hosted Rural Small Business Events located in Billings, MT. Tallahassee, FL, Pittsburgh, PA and Kansas City, MO during fiscal year 2016. The purpose of these events is to broaden small business access to contract opportunities, stimulate small business ownership and economic growth, to create jobs and results in improving the quality of life across America. Stakeholders include: USDA agency representatives, SBA, Chambers of Commerce, and PCR’s.

**V. Top Issues**

**Hot Topics**

Each year the Director of OSDBU and leadership from the Assistant Secretary for Administration’s office actively convene with SBA’s high level representatives to discuss targeted federal goals for USDA. The Department continues to be a Federal leader when it comes to procurement from small and disadvantaged vendors and has traditionally exceeded 50 percent in terms of procurement dollars going to those vendors. Negotiations with SBA are taking place now to establish goals for the next year.

Re-Establish MOU’s with various Chambers of Commerce, including: the US Hispanic, US Black, and Pan Asian Chambers of Commerce. The purpose of this agreement is designed to stimulate interest in doing business with USDA. It also involves improving communications and outreach activities between the Chambers and OSDBU.
MOU with the National Gay and Lesbian Chamber of Commerce

The National Gay and Lesbian Chamber of Commerce (NGLCC) is the business advocate and direct link between LGBT-owned businesses, corporations and government. The NGLCC is the only national not-for-profit advocacy organization specifically dedicated to expanding the economic opportunities and advancements of the LGBT business community. With more than 29,000 members, 140 corporate partners, and 62 local, state, and international affiliate chambers, NGLCC is the largest business development and economic advocacy organization in the world.

In July 2016, USDA executed an MOU with the NGLCC to encourage increased interaction with the LGBT business community, particularly as it relates to government contracting. With the signing of this MOU USDA became the largest government department to partner with the NGLCC. It puts USDA on the cutting edge of government agencies formally developing relationships with the LGBT business community. The MOU is non-binding and requires no funding from either party. It effectively serves the purpose of beginning a more formal relationship between USDA’s contracting authorities and the NGLCC leadership.

Timeline-2017

January – Determine date of Small Business Awards Program in June: OSDBU will need a location, participants, and plaques associated with the winners.
Begin planning Rural Small Business Events-locations and dates: OSDBU will seek locations within Strike Force states around the country.
February – Vendor Outreach Session (Rear of cafeteria): Make sure representatives from USDA’s procuring activities will participate.
April – SDVOSB Program: OSDBU will need a location and participants.
May – Small Business Coordinator Meeting: OSDBU will need a date an agenda.
June – Small Business Awards Program: OSDBU needs to make sure the program runs smoothly and all that is involved, for example: security, speakers, plaques, etc.

Appendix A: Acronyms

- OSDBU Office of Small and Disadvantaged Business Utilization
- SBA Small Business Administration
- HUBZone Historically Underutilized Business Zone
- FAR Federal Acquisition Regulations
- SBPAC Small Business Procurement Advisory Council
- MOU Memorandum of Understanding
- DR Departmental Regulation
- FPDS-NG Federal Procurement Data System-Next Generation
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Tab</th>
</tr>
</thead>
<tbody>
<tr>
<td>FARM AND FOREIGN AGRICULTURAL SERVICES</td>
<td>1</td>
</tr>
<tr>
<td>FARM SERVICE AGENCY</td>
<td>2</td>
</tr>
<tr>
<td>FOREIGN AGRICULTURAL SERVICE</td>
<td>3</td>
</tr>
<tr>
<td>RISK MANAGEMENT AGENCY</td>
<td>4</td>
</tr>
</tbody>
</table>
MISSION AREA BRIEFING MATERIAL

The Mission Area template contains the following sections:

I. Organizational Overview

- Mission Area Fact Sheet
- Organizational Chart
- Biographies for Career and Political Staff in Key Leadership Positions
- Overview of Agency Programs and Operations
- Budget and Staffing Summary

II. Top Issues/Hot Topics

- Timeline
- Mission Area Issues
- GAO and OIG Audits
AGENCY BRIEFING MATERIAL

Each Agency template contains the following sections:

I. **Organizational Overview**
   - Agency Fact Sheet
   - Agency’s Mission/Strategic Plan
   - Key Mission Delivery Performance Measures
   - Organization’s History
   - Organizational Chart
   - Biographies of Career Staff in Key Leadership Positions
   - Biographies of Political Staff in Key Leadership Positions
   - Organizational Budget and Financial Management
   - Enterprise Workforce Data

II. **Policies and Regulations**
   - Statutory Authorities
   - Important Policies and Regulations
   - Overview of the Policy/Regulation Review Process
   - GAO and OIG Audits

III. **Congressional Relations and Issues**
   - Overview

IV. **Internal and External Stakeholders**
   - Important Relationships with Other Federal Departments or Organizations
   - Stakeholder Group Overview
   - Recent Engagements with Stakeholder Groups

V. **Top Issues**
   - Hot Topics
   - Timeline

**Appendix A: Acronyms**
**Appendix B: State Fact Sheets (FSA Only)**
WHO WE ARE: OUR MISSION AREA

FFAS is comprised of the Farm Service Agency (FSA), the Foreign Agricultural Service (FAS) and the Risk Management Agency (RMA). FFAS provides a safety net for farmers and ranchers by providing commodity payments, farm loans, disaster assistance, and crop insurance. Facilitating foreign trade, capacity building and developing new markets bolsters American farm incomes and connects American agriculture to the rest of the world. FFAS also contributes to global food security, conservation and stability into the marketplace. FFAS’s unique footprint includes more than 2,100 state and county offices in the U.S. and over 90 overseas offices.

WHO WE ARE: OUR WORKFORCE

- FAS – 1,257 employees
- FSA – 12,266 employees, including 399 temporary and 555 intermittent employees
- RMA – 475 full time employees

WHO WE SERVE: OUR CONSTITUENTS

FFAS serves U.S. farmers, ranchers and rural communities directly, as well as beneficiaries in emerging global markets such as schoolchildren, farmers and agribusinesses. We partner with NGOs, the private sector, insurance providers and others to further our impact.

KEY UPCOMING DECISIONS

- Implement a FSA IT strategy that reflects the results of a third-party assessment (MITRE Report) and analysis of alternative recommendations.
- Develop agricultural trade policy agenda, assessing status of TPP, TTIP, trade enforcement and relationship with China.
- Determine whether administrative changes will be made to ARC-County yield calculations or data sets used. This will likely be an early issue raised by stakeholders.

BUDGET HIGHLIGHTS FY 2016

FFAS’ total budget authority is approximately $15,923 billion.

- FAS - 79% is mandatory spending for P.L. 480 and CCC-funded programs
- FSA - 86% is mandatory spending
- RMA - 99.4% is mandatory spending for the costs of the FCIC
I. **Organizational Overview**

Organizational Chart

The Farm and Foreign Agriculture Agency (FFAS) oversees three agencies; Foreign Agriculture Service (FAS), Farm Service Agency (FSA) and Risk Management Agency (RMA). Deputy Under Secretary Alexis Taylor (political) is delegated the duties of Under Secretary and leads the mission area. Chief of Staff to the mission area is Lesly Weber McNitt (Political) and Deputy Chief of Staff is Jane Beard Kadish (political) and both report directly to Deputy Under Secretary Taylor. Deputy Under Secretary Lanon Baccam (political) oversees the two domestic FFAS agencies, FSA and RMA, while Deputy Under Secretary Jonathan Cordone (political) oversees FAS.
Biographies for career and political staff in key leadership positions

Alexis Taylor
Deputy Under Secretary, Farm and Foreign Agriculture Service (Political)
202-720-3111, alexis.taylor@osec.usda.gov

Alexis Taylor was delegated the duties of the Under Secretary for the FFAS mission area by Agriculture Secretary Tom Vilsack in March 2016.

In her previous role as Deputy Under Secretary, Alexis oversaw the department's international activities. She had key responsibilities in international trade policy and export assistance programs, and coordinated USDA's role in international food assistance.

Alexis Taylor was formerly the Chief of Staff for FFAS where she worked to implement provisions of the 2014 Farm Bill.

Before joining USDA, she served as the legislative advisor to Congressman Leonard Boswell of Iowa, a member of the House Agriculture Committee, and later to Senator Max Baucus of Montana, a senior member of the Agriculture Committee and Chairman of the Finance Committee. During her time in Congress, Alexis negotiated key provisions of the 2008 Farm Bill, as well as the Senate version of the 2012 Farm Bill which was ultimately enacted into law as the 2014 Farm Bill.

Alexis served in the United States Army Reserves from 1998 to 2006. During her time in the Reserves she did one tour in Iraq with the 389th Combat Engineer Battalion.

Alexis is a graduate of Iowa State University and grew up on her family farm in Iowa which has been in her family for over 150 years.

Lanon Baccam
Deputy Under Secretary, Farm and Foreign Agriculture Service (Political)
202-720-3111, lanon.baccam@osec.usda.gov

Lanon Baccam is Deputy Under Secretary for Farm and Foreign Agricultural Services (FFAS) and oversees the domestic programs within the FFAS mission area (Farm Service Agency and Risk Management Agency). He also serves as the USDA Military Veterans Agricultural Liaison. This position, created by the 2014 Farm Bill, is responsible for connecting veterans with opportunities in the field of agriculture, providing information to returning veterans about programs and services available to them through USDA, and advocating for veterans’ interests within the Department.

Baccam previously served as the Director of Scheduling and Advance in the Office of the Secretary at the USDA. Baccam planned, prepared, and implemented Secretary Vilsack’s vision at USDA.

Prior to his role as Director, Baccam served in several other capacities at USDA, including as special assistant in the Foreign Agricultural Service, executive assistant to the Secretary, and
United States Department of Agriculture
2016 Presidential Transition
Farm and Foreign Agricultural Services Mission Area (FFAS)

dehy director of scheduling. Before joining the Administration in 2011, Baccam worked in
Iowa state government and on several statewide and national political campaigns.

Baccam is a military veteran and spent eight years in the U.S. Army and Iowa National Guard
and was deployed to Afghanistan in 2004-2005. During his time in the Army, Baccam held
leadership roles as a unit movement officer and served as a Combat Engineer in charge of
explosive demolitions at a Provincial Reconstruction Team base in Kandahar, Afghanistan.

Baccam is a graduate of Drake University in Des Moines, Iowa and a native of Mt. Pleasant,
Iowa. Baccam currently lives in Washington, DC with his wife, Alissa Brammer, and their new
daughter, Freya.

Jonathan Cordone
Deputy Under Secretary, Farm and Foreign Agriculture Service (Political)
202-720-3111, jonathan.cordone@osec.usda.gov

Jonathan Cordone is the Deputy Under Secretary for Farm and Foreign Agricultural Services
(FFAS), overseeing the Foreign Agriculture Service (FAS). In this role, Cordone leads the
Department's international activities, including key responsibilities for trade policy and export
assistance, as well as food aid, international economic development, and trade capacity building.

Previously, Cordone served as USDA's Principal Deputy General Counsel, the Department's
second highest ranking attorney. He came to USDA from the U.S. Senate Committee on
Agriculture, Nutrition, and Forestry where he was the Deputy Staff Director and Chief Counsel
under the leadership of Sen. Debbie Stabenow (D, MI).

During his time on the Committee, Cordone played a key role in the enactment of the
Agriculture Act of 2014, often referred to as the Farm Bill. He also helped lead inquiries into the
collapse of the futures firms, MF Global and Peregrine Financial, as well as the purchase of
Smithfield Foods by China's Shuanghui Group. Throughout his time on the Committee, he
worked closely with the U.S. Trade Representative on disputes and pending multilateral
negotiations in Europe, the Pacific Region, and the World Trade Organization.

During his more than 15 years in public service, Mr. Cordone also served in the Obama
Administration as the Senior Vice President and General Counsel of the Export-Import Bank of
the United States and as the General Counsel of the U.S. House of Representatives Committee
on Energy and Commerce under then-Chairman Rep. John Dingell (D, MI), where he
coordinated all legislative matters under the Committee's broad jurisdiction.

Jonathan began his career practicing law in New York and Connecticut, working on complex
transactions involving project finance, leveraged leasing and lending, and earned his B.A. from
Mary Washington College in Virginia and his J.D. from the University of Connecticut School of
Law. He is a native of Trumbull, Connecticut and currently resides in the District of Columbia.
Lesly Weber McNitt
Chief of Staff, Farm and Foreign Agriculture Service (Political)
202-720-6214, lesly.mcnitt@osec.usda.gov

Lesly Weber McNitt is Chief of Staff of Farm and Foreign Agricultural Services at USDA, the mission area comprised of Risk Management Agency, Farm Service Agency and Foreign Agricultural Service. She previously served as Chief of Staff of the Farm Service Agency (FSA). She joined FSA from Farm Journal Foundation, where she was Director of Government Relations and Program Development. In that role she was responsible for advancing the Foundation’s advocacy initiatives, developing new programs, and building strategic partnerships. Lesly also oversaw the Foundation’s Farm Team program and managed the Farm Journal Forum, the Foundation’s annual policy conference. Prior to joining Farm Journal Foundation, Lesly was a legislative associate with Oldaker Belair & Wittie, LLP, where she managed a diverse portfolio of issues including financial services, federal appropriations, Native American Indian affairs, and education.

Lesly graduated cum laude from The George Washington University’s Elliott School of International Affairs with a B.A. in International Affairs and a concentration in International Politics. She also earned her Master of Professional Studies in Legislative Affairs at The George Washington University’s Graduate School of Political Management, graduating summa cum laude. She lives in Washington, D.C. where she is active in her local community.

Jane Beard Kadish
Deputy Chief of Staff, Farm and Foreign Agriculture Service (Political)
202-720-2797, jane.kadish@osec.usda.gov

Jane Beard Kadish is Deputy Chief of Staff of Farm and Foreign Agricultural Services at USDA, the mission area comprised of Risk Management Agency, Farm Service Agency and Foreign Agricultural Service. Kadish joined USDA after serving a year as Chief of Staff at start-up media company Fusion, where in this role she built operations for the company. Kadish previously worked the 2014 Election Cycle for EMILY’s List, managing the executive office to achieve fundraising objectives. Kadish worked on trade policy for the Senate Finance Committee under the Chairmanship of Senator Max Baucus. During her time on the Senate Finance Committee she contributed in a key role to Committee mark up and bill passage of the 2011 Free Trade Agreements with Colombia, Panama and South Korea. Following this, she worked in former Senator Max Baucus’ personal office and worked on key trade, healthcare and tax reform legislative efforts.

A native of Montana, Kadish graduated from the University of Montana studying International Business.
United States Department of Agriculture
2016 Presidential Transition
Farm and Foreign Agricultural Services Mission Area (FFAS)

Phil Karsting
Administrator, Foreign Agriculture Service (Political)
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Phil Karsting was appointed administrator of the Foreign Agricultural Service in May 2013. He previously served more than 22 years on Capitol Hill, most recently as chief of staff to Senator Herb Kohl (D-Wis.), then-chairman of the Senate Appropriations Subcommittee on Agriculture, Rural Development and Related Agencies. Phil's prior Capitol Hill assignments included serving as senior analyst on the Democratic staff of the Senate Budget Committee where he handled issues relating to agriculture, rural development, housing, telecommunications, energy and the environment. He also served as legislative assistant to the late Senator Jim Exon (D-Neb.). He served on the Senate Bi-partisan Chiefs of Staff steering committee and in 2013 he led training seminars in Liberia for Liberian congressional staff on behalf of the National Democratic Institute.

Phil began his association with American agriculture working in his family's farm supply business in rural Nebraska. He received a bachelor's degree in Agricultural Economics from the University of Nebraska-Lincoln. He is also a graduate of the French Culinary Institute in New York City.

Val Dolcini
Administrator, Farm Service Agency (Political)
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Val Dolcini was selected to serve as the Administrator for the Farm Service Agency in September 2014. He previously served as State Executive Director of the California Farm Service Agency, a position he was appointed to in 1999 by President Bill Clinton and again in 2009 by President Obama. Dolcini also served as the acting Farm Service Agency Administrator in 2011.

As Administrator, Dolcini is responsible for overseeing the administration of farm commodity and conservation programs, farm loan programs, and certain disaster programs. Dolcini also serves as the executive vice president of the Commodity Credit Corporation.

Dolcini has many years of public and private leadership experience. Prior to joining the Obama Administration, he managed public outreach activities for Accenture LLC, a global consulting firm. In that position, he strategized with business teams about relationship development and consulted on a wide range of political matters.

He previously served in a senior staff position for the Governor and Lieutenant Governor of California, as well as members of the U.S. House of Representatives.

A fifth-generation Californian and a native of Davis, Calif., Dolcini has served on numerous non-profit boards and commissions in his community. He received his bachelor’s degree in
history from San Francisco State University and a juris doctorate from Golden Gate University School of Law.

Brandon Willis
Administrator, Risk Management Agency (Political)
202-690-2803, Brandon.willis@rma.usda.gov

Prior to Willis’ appointment as Administrator, RMA in 2013, Willis served as Senior Advisor to Agriculture Secretary Tom Vilsack on Title I Commodity programs, farm legislation matters and disaster assistance. In August 2009 he was appointed as Deputy Administrator of Farm Programs for USDA’s Farm Service Agency (FSA).

Prior to his appointment as Deputy Administrator, he was a confidential assistant in USDA’s Office of the Undersecretary for Farm and Foreign Agricultural Services.

Before joining USDA Willis served as the Agriculture Legislative Assistant for U.S. Senator Max Baucus (2006-2009). During this time, he worked on the Food, Conservation, and Energy Act of 2008. In 2005, he worked as a graduate assistant at the National Agricultural Law Center. Willis earned his bachelor's degree in crop and soil science from Utah State University in Logan, Utah, and his law degree from the University of Wyoming in Laramie, Wyo. In 2009, he completed his master's degree in agricultural law from the University of Arkansas. He grew up on a third generation sheep ranch in northern Utah and managed his family's raspberry farm, Bursting Berries.

Overview of Agency Programs and Operations

Farm and Foreign Agricultural Services Overview - The Farm and Foreign Agricultural Services (FFAS) is one of 7 mission areas within the Department of Agriculture. Its major operational responsibilities include administering and providing oversight responsibilities for the development and implementation of critical USDA farm safety-net and farm credit programs. These programs assist America’s farmers and ensure that agriculture continues to provide the foundation for prosperity in rural areas as well as being a critical element of the Nation’s economy. Sixteen million Americans are employed directly in agriculture, or in agriculture related industries. Fourteen percent of all manufacturing jobs are related to food processing and food manufacturing. FFAS also oversees and facilitates international market access and opportunities for U.S. agriculture through various trade programs and high-level government negotiations. In addition, FFAS promotes and provides development assistance in developing countries to support trade and enhanced global food security.

FFAS Mission Statement – FFAS is comprised of the Farm Service Agency (FSA), the Foreign Agricultural Service (FAS) and the Risk Management Agency (RMA). FFAS provides a safety net for farmers and ranchers by providing commodity payments, farm loans, disaster assistance, and crop insurance. Facilitating foreign trade, capacity building and developing new markets
bolsters farm incomes and connects American agriculture to the rest of the world. FFAS also contributes to global food security, conservation and stability into the marketplace. FFAS’s unique footprint includes more than 2100 state and county offices in the US and more than 90 overseas offices.

**FFAS and USDA Strategic Goals** - The FFAS mission area contributes to multiple USDA Strategic Goals. Specifically, *assist rural communities*, the FFAS mission area: (1) supports a strong financial safety net including providing access to credit for farmers and ranchers who are temporarily unable to obtain commercial credit such as beginning farmers and ranchers; and (2) promotes the vitality of rural America by improving access to international markets, providing credit guarantees for U.S. farm exports, and supports industry efforts to develop new markets. In support of *ensuring private working lands are preserved*, the FFAS area: (1) protects watershed health to ensure clean and abundant water; and (2) enhances soil quality to maintain international acceptance of new technologies, and promotes sustainable, productive agricultural systems and trade in developing countries to enhance global food security. In support of the *promotion of agricultural production and biotechnology exports*, the FFAS area: (1) links U.S. agricultural to the world by enhancing export opportunities and global food security through the implementation of sound trade promotion and policies, and (2) addressing food security challenges by building food and market systems that expand trade and economic growth through food assistance programs.

The work of the FFAS mission areas is carried out by its three agencies, the Farm Service Agency (FSA), the Risk Management Agency (RMA), and the Foreign Agricultural Service (FAS). These agencies are responsible for carrying out major legislatively mandated programs in support of USDA and FFAS’s missions and goals supporting American farmers and ranchers.

**Farm Service Agency Major Programs** –

**Agricultural Risk Coverage and Price Loss Coverage**

In 2015, FSA enrolled 1.76 million farms in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs by conducting an educational campaign. ARC and PLC are a part of the farm safety-net and provide assistance only when there are year-to-year crop revenue and/or commodity price downturns. The ARC and PLC programs have provided over $5.2 billion in financial assistance to producers for the 2014 crop year. USDA estimates an additional $8 billion in financial assistance will provided under the ARC and PLC programs for the 2015 crop year.

**Margin Protection Program for Dairy**

In addition, more than half of all dairy farms in the U.S. – over 23,000 – have enrolled in the Margin Protection Program for Dairy (MPP-Dairy). This voluntary program provides financial assistance to participating farmers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the producer. The MPP-Dairy offers dairy producers catastrophic coverage for an annual $100 administrative fee and various levels of buy-up coverage for an additional premium.
Marketing Assistance Loans and Loan Deficiency Payments

FSA provides producers marketing assistance loans (MALs) and loan deficiency payments (LDPs). MALs are 9-month low-interest loans that 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. This allows the producers some flexibility in determining when it is best to market their crops. LDPs are available to eligible producers when the commodity market price is less than the commodity loan rate, as established by USDA. LDP’s allow the producer to forgo the MALs in order to receive the difference between the loan rate and the market rate for the applicable commodity. The MAL and LDP coupled with ARC/PLC are part of the farm-safety net, and provide producers with needed financial assistance when the commodity market prices are depressed. These programs help to sustain the economic viability in rural America and to ensure the orderly marketing of commodities.

Livestock Disaster Program
The 2014 Farm Bill indefinitely extended the FSA’s livestock disaster programs and the Tree Assistance Program. Since passage of the 2014 Farm Bill, these disaster programs have paid producers over $6 billion dollars to recover from natural disasters, including drought, flood, fire, freeze, tornadoes, pest infestation, and other calamities.

Organic Certification Cost Share Programs

The Organic Certification Cost Share Program (OCCSP) and Agricultural Management Assistance Program (AMA) assist certified organic operations in defraying the costs associated with organic certification. In an effort to enhance the OCCSP delivery and improve direct outreach, USDA decided to transition the program from AMS to FSA. This transition is underway and the Federal Register notice announcing the transfer of program responsibilities is scheduled to be release early, November.

Under both programs, organic operations may receive up to 75 percent of their certification costs, not to exceed $750 per certification scope. The OCCSP is available to organic producers and handlers of crops, livestock and wild crops in all 50 States and several territories. The AMA is available to certified organic producers—only crop and livestock operators—in sixteen states designated by Congress.

Historically, the programs were administered through AMS under grants initiated with State Departments of Agriculture. FSA is continuing this practice in addition to now offering producers and handlers the ability to apply for OCCSP through local FSA county offices. This initiative complements FSA’s work on local foods and specialty crops and its expanding assistance to organic farmers and ranchers.
United States Department of Agriculture
2016 Presidential Transition
Farm and Foreign Agricultural Services Mission Area (FFAS)

Farm Loan Programs

FSA provides access to low-interest loans to farmers and ranchers, including new and beginning, underserved and veteran farmers and ranchers. The demand for farm loans has increased in recent years. The number of direct operating loans has risen from 13,000 to 14,000 in the mid-2000’s, to 22,000 to 24,000 in the last three years. Direct ownership loans have increased as well, from about 3,000 in the mid-2000’s to about 5,500 over the last three years. The change in guaranteed operating and ownership loans has not been as significant but demand for them has been strong as well. FSA’s actual program funding in support of these loans increased from $5.23 billion in FY 2014 to $5.68 billion in FY 2015, with enacted program funding for FY 2016 at $6.4 billion.

Conservation Reserve Program

FSA also provides tools and program support for America’s farmers and ranchers to be good stewards of the land. USDA is experiencing record demand from producers interested in participating in the CRP. The 2016 CRP general and grassland sign-ups were the most selective enrollment periods in CRP’s 30-year history with a record high Environmental Benefits Index cut-off. CRP enrollment is close to 24 million acres and is protecting more than 170,000 stream miles with riparian forest and grass buffers, enough to go around the world 7 times.

Commodity Operations

FSA’s Commodity Operations division purchases and delivers processed commodities under various domestic distribution programs, such as the National School Lunch, Commodity Supplemental Food, Food Distribution on Indian Reservations, and Disaster Assistance Programs. In addition, Commodity Operations purchases and delivers commodities to foreign countries under Titles II and III of Public Law 480, the Food for Progress Program, and Section 416(b) of the Agricultural Act of 1949, through private voluntary agencies, World Food program, and government-to-government transfers.

Biofuel Infrastructure Partnership (BIP)

The one-time Biofuel Infrastructure Partnership (BIP) grants were published and implemented on June 16, 2015, through a NOFA. BIP provided grants to States to expand the ethanol market through infrastructure development, including the installation of blender pumps and tanks.

Farm-to-Fleet

USDA has worked with the United States Navy on a joint initiative, Farm-to-Fleet, since December 2013. It makes biofuel blends part of regular, operational fuel purchases by incorporating the acquisition of biofuel blends into regular Department of Defense domestic solicitations for jet engine and marine diesel fuels.

Bridges to Opportunity (BTO)

BTO enables a holistic and streamlined customer service experience in FSA county offices. Services are expanding to all FSA County Offices by January 2017. BTO supplies staff with a customer relationship management information technology application and customizable
information resource bundles to provide every FSA customer with a meaningful summary of his or her visit, additional resources and referrals to local partners. Many of those resources and referrals span other USDA agencies, such as NRCS, RD, AMS, and RMS, and APHIS, allowing all of USDA to leverage FSA’s strong relationships with its nearly two million customers.

Supporting the Next Generation of Agriculture

FSA houses the cross-Departmental collaboration to support new and beginning farmers and ranchers and to support land tenure access. The effort brings together staff from across the USDA to share information and coordinate policies, programs, and services for the next generation of agriculture and the transitioning generation. The new farmer and land tenure coordinators, career FSA employees, lead these collaborations, serving as both a coordinators between agencies and as advisors to Department leaders on the issues. Through this connection, and in partnership with representatives from each new farmer serving entity, USDA is able to work across silos, packaging our programs (so that new customers get a seamless experience of USDA customer service), and supporting a holistic USDA approach to supporting the next generation.

Acreage and Crop Reporting Streamlining Initiative (ACRSI)

A joint FSA and Risk Management Agency IT system has been developed to replace duplicative crop reporting of common acreage information by producers to both agencies and their crop insurance provider, saving time and potentially reducing inadvertent data reporting errors.

ACRSI was piloted in the spring of 2015 in 30 counties in Iowa and Illinois. The agencies used lessons learned from the spring pilot to expand statewide reporting in incremental phases to 15 States and all counties in those States in the fall of 2015. For spring crops in 2016, RMA and FSA expanded ACRSI nationwide for 13 crops. Those crops were alfalfa, corn, cotton, Conservation Reserve Program, fallow, grass, oats, peanuts, rice, rye, sorghum, soybeans, and wheat. This captured over 93% of all reported acres.

The 2015 pilots and expansion in 2016, both starting prior to the peak reporting period that occurs annually in mid-July, have been important in providing the agencies and insurance companies with results that are being used in this post-peak reporting period to analyze what worked, what did not, and how to improve the process for producers and all stakeholders going forward. Stakeholder engagement is at the highest level the initiative has seen, which is fostering more effective solutions and progress.

The FSA/RMA Joint Policy Team have implemented data standards and reporting protocols that will ensure an effective data sharing process between FSA, RMA, and insurance companies. RMA and FSA IT systems are currently being enhanced in preparation for the 2016 fall acreage reporting period and data sharing through ACRSI. RMA and FSA will continue to build on lessons learned in preparation for future acreage reporting periods.

ACRSI is a demonstrably important system to USDA. Its use is providing data gathering and reporting efficiencies for producers, insurance companies, and USDA.
Risk Management Agency Major Programs – The Federal crop insurance program is a critical component of the farm safety net that protects producers from a wide range of risk caused by natural disasters, as well as the risks of price fluctuations. Currently, about 80 percent of risk protection is provided by “revenue insurance,” which protects against losses due to low yields, low prices, or a combination of low yields and prices.

The crop insurance program is designed to ensure that farmers and ranchers effectively manage their risk through difficult periods, helping to maintain America’s food supply and the sustainability of small, limited resource, socially disadvantage and other traditionally underserved farmers. Since 2009, farmers have collected approximately $63 billion in crop insurance indemnities. For the 2015 crop year, the Federal crop insurance programs provided about $100 billion in risk protection or about $68.7 billion in (normalized) risk protection. Throughout 2015 RMA continued the initiatives set forth by the 2014 Farm Bill, including expansion of Supplemental Coverage Option (SCO) and Stacked Income Protection Plan (STAX), making available the Yield Exclusion Option for producers, and rolling out Whole Farm Revenue Protection, which is available in every county in the U.S. in 2016.

Organics Price Election

The Risk Management Agency (RMA) has supported the organic sector through the following changes in crop insurance policies:

- In 2011, for the first time ever, RMA began offering crop insurance for organic producers based on organic market prices. For the 2016 crop year, RMA offered 57 organic price elections. For the 2017 crop year, RMA will offer 73 organic price elections.
- In 2014, RMA eliminated the historical 5% surcharge on organic policy premiums for all crops.
- In 2014, RMA added a new Contract Price Addendum (Contract Price Option) that allows organic producers who receive a contract price for their crop to get a crop insurance guarantee that better reflects the actual value of their crop. In 2016, RMA expanded the Contract Price Option to recognize price incentives for crops in transition to organic certification, providing risk management tools at prices closer to the actual market value of the crops. The CPA is available for 73 different crop types, covering the majority of insurable crops.

As a result of these changes, RMA organic insurance policies increased over 92 percent and insured organic acres increased more than 114 percent between 2008 and 2015. RMA insured 3,555 organic policies on 486,831 acres in 2008; and in 2015, RMA insured 6,833 policies on 1,043,403 acres. This data includes both certified organic and transition to organic.
Whole-Farm Revenue Protection

The WFRP insurance policy, new in 2015, became available in all states and counties nationwide beginning in 2016. This policy allows producers to insure their whole farm revenue with coverage levels of 50 to 85 percent. Although the policy is available for all farms, it was specifically developed for diversified farms that tend to sell to direct, local or regional, and farm-identity preserved markets, such as organic. Organic producers meeting the requirements of the National Organic Program may use their organic prices to value their commodities under this federal crop insurance policy.

Local/Regional Ag Production Support

RMA recognizes the growth of local and regional food systems, and aims to support producers engaged in local and regional markets. We value the collaboration with the Know Your Farmer, Know Your Food (KYF2) team to better serve beginning farmers and ranchers and operators of smaller farms, many of whom get their start in farmers markets, CSAs, and other direct markets in their local communities. We also know that as local and regional food systems mature, the demand for local food is expanding beyond direct markets and into major grocery stores, restaurants, and schools, often through the work of food hubs and other intermediaries.

RMA works with Know Your Farmer, Know Your Food (KYF2) to improve programs for these producers, make sure we are reaching the right audiences. The following achievements and priorities are particularly significant, and will continue to be focus areas for the future:

- Key RMA staff serve on the KYF2 Management Team and Taskforce to coordinate efforts across USDA.
- RMA's Whole Farm Revenue Protection (WFRP) is tailored for any farm with up to $8.5 million in insured revenue, including farms with specialty or organic commodities (both crops and livestock), or those marketing to local, regional, farm-identity preserved, specialty, or direct markets. WFRP allows producers to insure their organic commodities at organic prices reflective of the market where they sell the products, including local and specialty markets. RMA continues to make updates to the WFRP policy and procedures in response to questions received, in order to help producers, agents, and loss adjusters who use, sell or service WFRP insurance. The number of WFRP policies nearly doubled in 2016 from 2015 to 2,131 policies earning premium and liability also more than doubled to a total of nearly $2.3 billion in 2016. (Numbers as of Sept. 30, 2016)
- Risk Management Education projects encourage the formation of partnerships with public and private organizations to inform farmers about risk management strategies. Topics include food safety, local food marketing and branding, and promotion of the WFRP.
- RMA and KYF2 provide education and outreach to farmers selling in local and regional markets about risk management options to increase usage of WFRP and other relevant programs and strategies.
Organic Production Survey - Report To Congress

The Risk Management Agency provides a report to Congress annually in May, pursuant to Section 508(c)(6)(D) of the Federal Crop Insurance Act, as amended by Section 11023 of the Agricultural Act of 2014:

“The Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report on progress made in developing and improving Federal crop insurance for organic crops, including:

i. the numbers and varieties of organic crops insured;
ii. the progress of implementing the price elections required under this subparagraph, including the rate at which additional price elections are adopted for organic crops;
iii. the development of new insurance approaches relevant to organic producers; and
iv. any recommendations the Corporation considers appropriate to improve Federal crop insurance coverage for organic crops.”

This annual report transmits information on the progress made in developing and improving Federal crop insurance for organic crops and plans to continue the Organic Production Survey on an annual or biannual basis and the use of AMS data to expand the number of organic price elections available is prepared by the Product Management Division and sent to Congress. RMA works with AMS on attaining the current pricing information necessary to publish the report.

Foreign Agriculture Service Major Programs – FAS administers a variety of programs that are designed to facilitate access to the international markets and thereby help to support a competitive U.S. agricultural system. FAS also carries out activities that promote productive agricultural systems in developing countries and contribute to increased trade and enhanced global food security. Working bilaterally and with international organizations, FAS encourages the development of transparent and science-based regulatory systems that allow for the safe development and use of the agricultural goods derived from new technologies and works to eliminate sanitary and phytosanitary barriers.

Negotiating Trade Deals
FAS works with other USDA agencies, the Office of the U.S. Trade Representative, and others in the Federal government to monitor and negotiate new trade agreements and enforce existing trade agreements. The United States has free trade agreements (FTA) with 20 countries around the world that expand export opportunities for U.S. food and agricultural producers. FAS advised on the recently concluded negotiations on the Trans-Pacific Partnership (TPP). This agreement will create new opportunities for trade in a dynamic region where populations and purchasing power are increasing, enhancing the demand for American agricultural exports.
Organic Equivalency

FAS also supported the creation of five organic equivalency agreements that help both farmers and consumers benefit from international organic markets worth more than $35 billion. These markets include Canada, the European Union, Switzerland, Japan and South Korea.

Market Development Program

FAS’s Market Development Programs include the establishment of partnerships with private sector cooperator organizations, which support the development, maintenance and expansion of commercial export markets for U.S. agricultural commodities and products. In 2015, almost 1,000 U.S. companies and organizations participated in 21 USDA endorsed trade shows in 16 countries. Onsite sales totaled an estimated $421 million and the total value of the agricultural exports resulting from participation in foreign food and agricultural trade shows in 2015 was $1.52 billion.

Market Access Program

The Market Access Program (MAP) provides funds to participating organizations to cover a portion of the cost of carrying out overseas marketing and promotional activities, such as consumer promotions. MAP participants include nonprofit agricultural trade organizations, State-regional trade groups, cooperatives and private companies that qualify as small businesses.

Foreign Market Development Program

The Foreign Market Development (FMD) Program, also known as the Cooperator Program, helps create, expand and maintain long-term export markets for U.S. agricultural products. Under the program, FAS partners with U.S. agricultural producers and processors, who are represented by non-profit commodity or trade associations called “cooperators,” to promote U.S. commodities overseas. The FMD program focuses on generic promotion of U.S. commodities, rather than consumer-oriented promotion of branded products. Preference is given to organizations that represent an entire industry or are nationwide in membership and scope.

Quality Samples Program

The Quality Samples Program (QSP) provides funding to assist private entities to furnish samples of U.S. agricultural productions to foreign importers in order to overcome trade and marketing obstacles. The program, which is carried out under the authority of the CCC Charter Act, provides foreign importers with a better understanding and appreciation of the characteristics of U.S. agricultural products.

Export Credit Guarantee Program (GSM-102)

The GSM-102 program provides estimated $5.5 billion in credit guarantees to encourage financing of commercial exports of U.S. agricultural products. By reducing financial risk to lenders, credit guarantees encourage exports to buyers in countries — mainly developing countries — that have sufficient financial strength to have foreign exchange available for scheduled payments.
Facility Guarantee Program
The Facility Guarantee Program (FGP) is designed to boost sales of U.S. agricultural products in countries where demand may be limited due to inadequate storage, processing, handling, or distribution capabilities. The program provides credit guarantees to facilitate the financing of manufactured goods and U.S. services to improve or establish agriculture-related facilities in emerging markets.

Food for Progress Program
The Food for Progress Program helps developing countries and emerging democracies modernize and strengthen their agricultural sectors. U.S. agricultural commodities donated to recipient countries are sold on the local market and the proceeds are used to support agricultural, economic or infrastructure development programs. Food for Progress has two principal objectives: to improve agricultural productivity and to expand trade of agricultural products.

The McGovern – Dole International Program
The McGovern–Dole International Food for Education and Child Nutrition Program helps support education, child development and food security in low-income, food-deficit countries around the globe. The program provides for the donation of U.S. agricultural commodities, as well as financial and technical assistance, to support school feeding and maternal and child nutrition projects. The key objective of the McGovern-Dole Program is to reduce hunger and improve literacy and primary education, especially for girls.

The Norman E. Borlaug International Fellowship Program
The Norman E. Borlaug International Agricultural Science and Technology Fellowship Program promotes food security and economic growth by providing training and collaborative research opportunities to fellows from developing and middle-income countries. Borlaug fellows are generally scientists, researchers or policymakers who are in the early or middle stages of their careers.

The Cochran Fellowship Program
The Cochran Fellowship Program provides short-term training opportunities to agricultural professionals from middle income countries, emerging markets and emerging democracies. Cochran fellows come to the United States, generally for 2-3 weeks, to work with U.S. universities, government agencies and private companies. They receive hands-on training to enhance their technical knowledge and skills in areas related to agricultural trade, agribusiness development, management, policy and marketing.
# United States Department of Agriculture
## 2016 Presidential Transition
### Farm and Foreign Agricultural Services Mission Area (FFAS)

## Budget and Staffing Summary

### Farm and Foreign Agricultural Services Mission Area
#### Budget Authority FY 2009- FY 2016
**(Dollars in Thousands)**

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**Summary by Agency:**

- **Foreign Agricultural Service Total**: $3,232,143, $2,916,209, $2,560,589, $2,474,907, $2,338,493, $2,375,840, $2,611,535, $2,752,669
- **Farm Service Total**: $2,646,375, $4,538,835, $3,281,220, $2,768,166, $3,463,289, $1,739,488, $1,796,257, $1,835,958
- **Risk Management Total**: $87,987, $87,549, $89,326, $88,173, $90,580, $83,367, $86,826, $86,876

**Staff Years:**

- **Foreign Agricultural Services**: 1234, 1298, 1289, 1262, 1193, 1193, 1206, 1257
- **Farm Service**: 14985, 14999, 13917, 12718, 12063, 12114, 12479, 12287
- **Risk Management**: 511, 537, 499, 476, 447, 439, 478, 475
- **Total Staff Years**: 16730, 16834, 15705, 14556, 13703, 13746, 14163, 14019
Note: RMA and FAS – NO LOAN ACTIVITY

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<td>Total Obligations</td>
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United States Department of Agriculture
2016 Presidential Transition
Farm and Foreign Agricultural Services Mission Area (FFAS)

FSA Budget and Staffing Highlights:

FSA’s FY2016 enacted funding level of $1.52 billion supports federal and non-federal staffing to administer its discretionary and mandatory programs. In FY2016, FSA’s funding sources include direct appropriations ($1.2 billion), credit reform transfers ($310 million) and reimbursements ($77 million). Of the $1.52 billion appropriated to FSA, approximately 93 percent funds salaries and benefits, rent and IT expenses with remaining funding supporting operating expenses such as supplies, printing, postage, transportation and equipment. While FSA has taken significant steps during the past few years to reduce its operating expenses by streamlining operations through administrative efficiencies, there are still a number of operational expenses that are not controlled by FSA such as mandatory Departmental expenses (Greenbook charges), travel expenses related to compliance visits and county office rent expenses for more than 2,100 USDA County Offices. In FY2017 and FY 2018, FSA anticipates a substantial increase in county office rent expenses due to the renewal of leases that have expired or will expire in FY2017 and FY2018. Most of these leases are expected to have significant increases because they have not had rent adjustments in many years. FSA projects an increase in County Office rent expenses of $5 million in FY2017 and $11.6 million in FY2018 for approximately 700 leases.

RMA Budget and Staffing Highlights:

The RMA Agency budget represents the Salaries and Expenses (S&E) (discretionary funds), which pay for the administrative and operating costs to achieve the RMA mission, goals, and objectives. The budget includes the Federal Crop Insurance Corporation (FCIC) Program (mandatory funds), which include the Premium Subsidy (amount the Federal government is contributing towards the insurance premiums), Delivery Expense (amount to reimburse the Approved Insurance Provider (AIP; company) for Administrative and Operating Expenses (A&O)), Underwriting Gain (amount the FCIC and AIPs share on gains and losses), and Producer Premium (portion of the policies that the producers pay). RMA pays for indemnities or losses on crop insurance from the combination of Producer paid premium and premium subsidy.

RMA employs a workforce of approximately 475 employees. Approximately 23 percent are eligible to retire within the next year. The RMA headquarters is located in Washington, D.C., which houses 19 percent of our workforce. In addition to the headquarters location, RMA has 10 regional offices and 5 regional compliance offices throughout the country. About 81 percent of the RMA total workforce are stationed outside of Washington, DC.

FAS Budget and Staffing Highlights:

FAS employs a total workforce of approximately 1257 employees. Of the permanent career workforce, 23 percent of Civil Service and 35 percent of Foreign Service are eligible to retire through calendar year 2017. FAS headquarters is located in Washington, D.C. which houses 65 percent of the workforce. FAS has 93 overseas offices covering 171 countries to work directly on behalf of our constituents and with foreign entities.
II. Top Issues/Hot Topics

Timeline

- January 2017

- **MIDAS Project**
  Per findings from the MITRE Corporation’s independent third-party assessment, the analysis of alternatives for the MIDAS platform will be complete in December 2016 and available for review in January 2017.

- **Report to Congress: International Food Aid Report**
  Required by H. Report 114-205. The Committee directs FSA to make publicly available reports detailing U.S. Commodities purchased for international food aid. The Committee also directs FSA to include the amount, value, destination, and type of commodity shipped by U.S. port of origin. This is an annual report prepared by Commodity Operations.

- **National Food and Agriculture Council (NFAC)**
  On January 1, 2017 FSA will become Chair of NFAC, a position that rotates each year to one of the three members: FSA Administrator, NRCS Chief, and RD Deputy Under Secretary for Operations and Management. The council was established to approve or deny office actions (e.g., closures, consolidations), particularly when multiple agencies occupy the same field office. The council is also a forum to discuss leveraging resources, such as sharing vehicles for outreach visits to customers.

  FSA will recommend to the NRCS and RD members priorities it wants the council to address in 2018. Among the items that FSA intends to recommend is that lead responsibility for StrikeForce not rotate with the NFAC Chair position but be continuously housed in RD. Rotating the lead agency of StrikeForce each year, causes the loss of momentum and continuity among coordinators and leads located in the identified states and counties.

- **Report to Congress: Changes to Cropland Report**
  Required by SEC. 11014 of the Agricultural Act of 2014 (P.L. 113-79). Not later than January 1, 2015, and each January 1 thereafter through January 1, 2018, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report that describes the cropland acreage in each applicable county and State as of the date of submission of the report; and the change in cropland acreage from the preceding year in each applicable county and State. This is an annual report prepared by Farm Programs.
United States Department of Agriculture
2016 Presidential Transition
Farm and Foreign Agricultural Services Mission Area (FFAS)

- **February**
  - **Commodity Classic**
    This is one of the largest conventions that is farmer-focused and farmer-led. USDA staff, more specifically FSA senior leadership, has served as presenters and to provide significant program updates to a wide variety of commodity groups that attend the Commodity Classic. The convention also provides FSA with an opportunity to meet with multiple commodity groups and their respective leaderships to hear about specific issues, initiatives and challenges in their respective industries.

  - **USDA Ag Outlook Forum** (February 23-24)
    This forum is hosted by USDA’s Office of Chief Economist. Several Agency senior staff attend in support of several agency-wide programs.

  - **Request for Applications (RFA) Announcement – Risk Management Education**

- **March 2017**
  - **Secretarial Appointments to FSA’s County Committees**
    March 1 deadline.

  - **Report to Congress: Quarterly IT Report and Briefing**
    Explanatory Statement. The Secretary is directed to continue briefings for the Committees regarding all IT projects and activities related to farm program delivery. This is a quarterly report due March 30 and June 30 and is prepared by Office of Chief Information Officer, followed-up with a scheduled briefing.

  - **USDA National Ag Week** (March 4 – 10)

- **April 2017**
  - **Report to Congress: Farm Programs IT Operations Report**
    This is an annual report prepared by Office of Chief Information Officer.

  - **Report to Congress: Quarterly Loan and Grant Program Budget Report**
    Required by H. Report 114-205. The Committee directs the Department, through the Office of Budget and Program Analysis, to provide quarterly reports to the Committees on Appropriations of the House of Representatives and the Senate on the status of obligations and funds
availability for the loan and grant programs provided. The Committee further directs that if an estimate of loan activity for any program funded in Titles I and III of this bill indicates that a limitation on authority to make commitments for a fiscal year will be reached before the end of that fiscal year, or in any event whenever 75 per centum of the authority to make commitments has been utilized, the Secretary shall promptly notify the Committees in writing. This is a quarterly report prepared by Farm Loan Programs, or more often as required.

- **Report to Congress: Farm Bill Funding Status Report**
  Required by H. Report 113-468. On October 1, 2014, and every quarter thereafter until the funds are expended; the Committee directs the Secretary to provide a status report on the obligations and outlays and expects that the Committee will be notified if there are any significant deviations from the plan. The Committee reminds the Secretary that funding is not available to hire new full-time equivalent staff at FSA. As such, this funding should not be used for that purpose. (The original plan was sent to the Chair and Ranking Members of the House and Senate Agriculture Appropriation Committees on August 1, 2014.) This is a quarterly report due January 1 and April 1 prepared by Office of the Chief Financial Officer.

- **Publish FRN announcing U.S. WTO quantity safeguard trigger levels**
  - May 2017

- **Report to Congress: Commodity Credit Corporation Report**
  Required by H. Report 114-205. The Committee directs the Secretary to provide a report on November 15 and May 16 on planned uses of funding under the authorities of Section 4 and Section 11 of the Commodity Credit Corporation Charter Act.

- **Report to Congress: Farm Programs IT Plan for Expenditures Report**
  Required by Omnibus Act and Explanatory Statement. (Paraphrased) That not more than 50% of the funding made available under this heading for information technology related to farm program delivery, may be obligated until the Secretary submits to the Committees on Appropriations a plan for expenditure that (1) identifies for each project/investment over $25,000, (2) demonstrates each project/investment and (3) has been reviewed by GAO and approved by the Committees of Appropriations of both Houses of Congress.
United States Department of Agriculture  
2016 Presidential Transition  
Farm and Foreign Agricultural Services Mission Area (FFAS)

- **June 2017**

  - **Field Office Leases Redistribution Among Service Center Agencies**
    Complete the transfer of the acquisition and management of 200 leases from FSA to the Natural Resources Conservation Service no later than June 30, thereby completing Phase II of the agreement by the Service Center Agencies to redistribute leases according to the actual office footprint of each agency. A date for the Phase III transfer of the final 200 leases is to be determined. The Phase I transfer of 200 leases is to occur in December 2016.

  - **Report to Congress: Quarterly IT Report and Briefing**
    This is a quarterly report due March 30 and June 30 and is prepared by Office of Chief Information Officer.

  - **China Strategic and Economic Dialogue (S&ED) (DATE TBD)**
    The China S&ED is a high-level dialogue for the United States and China to discuss a wide range of regional and global strategic and economic issues between both countries.

**Mission Area Issues**

**FSA:**

**COMMODITY CREDIT CORPORATION (CCC) AUDIT**

CCC as a corporation has been audited since the early 1990’s. While the corporation has a long history of clean audits, its audits have never been without challenge due to the complexity of accounting for farm programs, each with unique qualifications and terms. The corporation’s programs change with each new farm bill, and the corporation is challenged to meet the need of providing timely financial assistance to producers so they may finance their operations.

The auditor, KPMG, gave the FY 2015 CCC financial statements a disclaimer. The disclaimer defined ten notice of findings and recommendations to address. The findings are predominantly related to CCC’s ability to justify programmatic balances, including USAID grant balances; and its ability to provide evidential documentation to support financial transactions.

The auditor, KPMG gave the FY2015 CCC financial statements a disclaimer. To assist with the development of corrective action plans and to prepare for the FY2016 audit, CCC contracted with consultants specializing in audit readiness. The USDA Office of Chief Financial Officer (OCFO) provided a seasoned Senior Executive Service resource to serve as FSA’s Deputy Chief Financial Officer (CFO). He is focusing his attention primarily on overseeing the CCC FY2016 audit process. KPMG, who is also conducting the FY2016 audit, has agreed to add an additional audit partner to assist with conducting the engagement. CCC hired a senior project manager to
manage the audit process, including development of processes and procedures to address issues identified in the 2015 audit. The FY2016 audit opinion is expected in early November 2016.

INFORMATION TECHNOLOGY

- MIDAS: In April 2016, an independent third-party assessment of the MIDAS platform was completed by MITRE Corporation. As a result of the assessment of FSA’s use of a single, commercial-off-the-shelf platform, FSA is conducting an analysis of alternatives (AoA) to assess the current solution and to thoughtfully identify and determine if it should move to a viable alternative. As part of this, comprehensive plans to effectively transition between the major customer relationship management components (e.g., Farm Records, Business Partner) that serve as a centralized source for all customer information and consolidate both land and producer information, and the new solution, will have to be defined and executed. The AoA and recommendation to address MITRE Corporation’s assessment will be complete in December 2016 and available for review in January 2017.

- Acreage and Crop Reporting Streamlining Initiative (ACRSI): A joint FSA and Risk Management Agency IT system has been developed to replace duplicative crop reporting of common acreage information by producers to both agencies and their crop insurance provider, saving time and potentially reducing inadvertent data reporting errors. Currently, FSA is exploring critical project decisions concerning policy, infrastructure, and system stability in fully-defining enhancements for the spring 2017 reporting period, the heaviest crop period.

ACRSI was piloted in the spring of 2015 in 30 counties in Iowa and Illinois. The agencies used lessons learned from the spring pilot to expand statewide reporting in incremental phases to 15 States and all counties in those States in the fall of 2015. For spring crops in 2016, RMA and FSA expanded ACRSI nationwide for 13 crops. Those crops were alfalfa, corn, cotton, fallow, grass, oats, peanuts, rice, rye, sorghum, soybeans, and wheat. This captured over 93% of all reported acres.

The FSA/RMA Joint Policy Team have implemented data standards and reporting protocols that will ensure an effective data sharing process between FSA, RMA, and insurance companies. RMA and FSA IT systems are currently being enhanced in preparation for the 2016 fall acreage reporting period and data sharing through ACRSI.

- Bridges to Opportunity (Bridges): Bridges, which is expanding to all FSA County Offices by January 2017, is a customer service platform that provides every FSA customer with a required Receipt for Service that gives a meaningful summary of his or her visit, and additional resources and referrals to other USDA agencies and local partners. Leveraging FSA’s relationships with its nearly two million customers, Bridges is working with USDA agencies and non-federal partners to provide farmers and ranchers with information on topics that include organic production, beginning farmer resources, integrated pest management, disaster assistance, conservation practices, agricultural education courses,
loans, grants, and other information and financial assistance that can benefit and grow farming and ranching operations.

In FY 2016, FSA reprogrammed $5.6M within Salary and Expenses (S&E) IT Non-Farm Programs Delivery to the USDA Service and Outreach to Agricultural Communities investment (Major IT investment FSA-124) to further expand Bridges. Bridges began as a pilot in October 2014. This reprogramming enabled FSA to renew the existing IT software licenses that expired in July 2016, supporting nationwide expansion to over 10,500 users in all State and FSA County Offices by early 2017. The nationwide expansion results in a significant cost savings on a per user basis due to a bulk discount agreement with the software vendor.

• Connectivity: To ensure sufficient bandwidth over the long-term needed to support the changing application and data requirements of FSA programs, County Office staff, and farmer and rancher customers, USDA’s Client Technology Services (CTS) provided a Service Center Agency (SCA) Telecommunications Modernization plan for FSA, Natural Resources Conservation Service, and Rural Development. The plan provides a long-term strategy for continuous site monitoring and scheduled upgrades to services utilizing higher bandwidth. A procurement using the General Services Administration’s, Network Services 2020 (NS2020) Services Agreement, is expected to be awarded in FY 2017.

Through FY 2015 and FY 2016, the initial phase of the USDA plan to upgrade a total of 1,038 sites from 1.5MB T1 lines to 10 MB Ethernet connections, increasing bandwidth up to 567 percent was implemented. This completed the upgrade of 70% of sites. Site installation costs were funded through the USDA Optimized Computing Environment (OCE) investment. Recurring monthly circuit charges will be funded by the SCA base budget. This OCE investment in VoIP technology allows for the consolidation of communications traffic, thereby resulting in a reduction in the number of voice lines. The reduced voice line costs will significantly offset the increased network costs. After deployment, USDA expects overall telecommunications costs for the SCAs to decrease. CTS will continually monitor sites upgraded during the initial phase of the SCA Telecommunications Modernization initiative to assess network utilization and confirm the upgraded connection is sufficient.

For the sites that were not prioritized in the initial phase due to various factors, such as sites geographically located in areas where upgraded telecommunications infrastructure is not yet commercially available, CTS is working with providers to improve the telecommunications infrastructure and bandwidth through technologies previously unavailable for installation at these sites. Implementation will be done on a rolling schedule, which will enable the SCA’s to continually review the new communication services, and install them in areas with the highest demand.
AGRICULTURE RISK COVERAGE COUNTY (ARC-County) YIELDS

The ARC-County program provides revenue loss coverage at the county-level. ARC-County payments are issued when the actual county crop revenue of a covered commodity is less than the ARC-County guarantee for the covered commodity.

USDA National Agricultural Statistics Service (NASS) surveys the primary growing regions for a crop and publishes yields at a county-level only if there are enough surveys returned. Given the wide swath of counties and number of covered commodities, many counties did not have any or had incomplete sets of county-level published yields. When NASS county-level yields were not available, FSA worked with RMA to aggregate unpublished yield data for crop insurance participants and used this RMA data if there were sufficient results (at least 25% of reported acreage and at least 5 farms). These two sets of county-level yield data only provided about 43,000 yields, but represent an area such that about 90% of the base acres are in counties that had NASS or RMA county-level yields. If the county-level data was not available, NASS district-level data (aggregate data covering a group of counties) was used, with discretion for the state committee to be able to adjust them based on knowledge of the county relative to the others in the district. If none of these data sets were available, the FSA state committee was delegated responsibility for setting the appropriate yield using whatever sources or expert opinion it could find. The limited data available and lack of county specific data explains why for some less common crops in a state, there may be a group of counties with the same yield (e.g. a district yield) or even the same yield for the entire state in cases where there was not even district level data.

FSA currently uses the following data cascade to determine yields based on the level of available data from producers: (1) NASS county level data, (2) RMA data, (3) FSA State Committee (NASS district level data is provided for guidance).

While FSA has received a handful of internal and external requests to substitute yields based on expert opinion, these have been in relation to yields established using NASS or RMA county-level data. Since the established data cascade does not provide for discretion to change yields when county-level data is available, FSA has not granted these requests.

There are two significant challenges to providing flexibility to override data with expert opinion from the State committee or others. First, if the yields were part of the benchmark years, that would be changing data that was examined by producers when they made their one-time program elections and potentially re-open that decision. Second, in an analogous situation where FSA overrode NASS survey data related to Conservation Reserve Program soil rental rates, the USDA Office of Inspector General found that FSA had acted improperly and the agency had to subsequently revise the rental rates using the data.

CONSERVATION RESERVE PROGRAM (CRP) ENROLLMENT

The most recent general signup period in 2016 was one of the most selective sign-up periods in CRP’s 30-year history, with a record high Environmental Benefits Index cut-off and the lowest-
percentage of applications accepted. The high bar means that the per-acre conservation benefits are being maximized and that acres enrolled address multiple conservation priorities simultaneously. A nationwide acreage limit was established for this program in the 2014 Farm Bill, capping the total number of acres that may be enrolled at 24 million for FY2017 and FY2018. At the same time, USDA has experienced a record demand from farmers and ranchers interested in participating in this voluntary program partly due to low commodity prices. The 24 million acre cap has led the agency to batch continuous offers, and pursue a strategy of stacking benefits when possible and prioritizing the most environmentally sensitive land.

As of July 2016, 23.9 million acres were enrolled in CRP, with 1.7 million acres set to expire this fall. Over three million acres have been offered for enrollment this year across the three main categories within CRP, with FSA receiving over 26,000 offers to enroll more than 1.8 million acres during the general enrollment period, and over 4,600 offers to enroll more than one million acres in the new CRP Grasslands program.

Coming off a record-setting 2015 continuous enrollment of over 860,000 acres, more than 624,000 acres already have been accepted for 2016 in the CRP continuous enrollment, triple the pace of last year. This was the most competitive selection process in the history of the CRP program; FSA will enroll 411,000 acres in general enrollment and 101,000 acres in the new CRP Grasslands program. The continuous CRP signup includes a number of important programs and initiatives:

- Multiple wetland and duck nesting initiatives that help to improve water quality and provide habitat in the Midwest and throughout the U.S.
- Upland bird habitat initiative that gives landowners a way to use a small portion of their land to create a bird habitat while continuing to farm in the Midwest, South, and throughout the U.S.
- Longleaf pine initiative that helps to restore in the Southeast some of the most diverse forest ecosystems in the world by providing habitat for important species while also protecting soil and water quality
- State Acres for Wildlife Enhancement (SAFE) restores vital habitat to meet high-priority State wildlife conservation goals
- Highly Erodible Lands Initiative (HELI) offers a practical solution to create wildlife habitat while protecting cropland that is highly susceptible to erosion (with an erosion index over 20)
- Pollinator Habitat, which enhances honey bee and native pollinator populations throughout the country
- Conservation Reserve Enhancement Program (CREP) targets high-priority conservation concerns identified by a State, whereby federal funds are supplemented with non-federal funds to address those concerns. These partnerships range from agreements to help protect water quality, such as the one that protects the New York City drinking water supply, to those with broader wildlife and wildlife concerns from the Midwest to Hawaii.
PEANUTS

Following passage of the 2014 Farm Bill, market changes—combined with unintended consequences from the new farm bill—encouraged peanut production. These factors included softening prices for many competing crops like cotton, corn and soybeans, but also three elements of the new ARC-PLC program: 1) a separate payment limit for peanuts in addition to other commodities (peanuts has a separate $125,000 payment limit), 2) a generous reference price that resulted in substantial 2014-crop peanut PLC payments, and 3) a requirement that generic base acres be planted to a covered commodity in order to trigger a payment, which encourages peanut planting due to the relatively high reference price.

Data from USDA indicate that peanut production has indeed increased under the 2014 Farm Bill. Peanut planted acres increased 20 percent in 2015, with peanut production estimated at about 3.1 million tons, up significantly from 2014. Production in 2016 is forecast at close to 3.2 million tons.

The large supply of 2015-crop peanuts had initially led USDA to expect significant quantities of peanuts (that were placed as collateral under the Marketing Assistance Loan program) to be forfeited to the Commodity Credit Corporation (CCC) as the loans matured in the summer of 2016.

As of late September, no 2015-crop forfeitures have yet occurred. This is largely due to strong demand—particularly from China—and the resulting strong redemption rate. It is unclear whether China will be a large buyer in future years. USDA expects that with continued strong interest in peanut plantings, 2016-crop forfeitures in the summer of 2017 may again loom as a potential issue.

SUGAR

USDA manages the U.S. supply of sugar to maintain prices at or above support levels through domestic marketing allotments, by restricting imports and by selling to bioenergy producers if there is excess sugar in the market. USDA is mandated to operate the program at no cost to the extent practicable. Two major issues have affected the industry in 2016 and may well remain issues in 2017:

- **National Labelling Law and the Genetically Modified Beet Crop**—Virtually all of the U.S. beet crop is genetically modified (GM), and data collected by FSA indicate that the demand for beet sugar has declined relative to cane sugar (which is non-GM). This unprecedented dichotomy in the sugar market between beet and cane sugar has increased the likelihood of FY16 beet sugar loan forfeitures. The new national labelling law, which will not be fully enacted for two years, is expected to curb the movement away from beet sugar, especially by manufacturers using multiple GM inputs in their production lines who will find it too expensive to go 100 percent GM free.
• **Common Market Situation with Mexico**—Under NAFTA, Mexico was allowed unlimited duty-free access to the U.S. sugar market, which hindered USDA’s ability to control sugar supplies and resulted in large FY 2013 forfeitures. Subsequently, the U.S. filed an anti-dumping/countervailing duty (AD/CVD) case against Mexico. To avoid retaliatory tariffs, Mexico and the U.S. government in December 2014 signed two “suspension agreements.” The “AD agreement” sets minimum prices for two types of Mexican sugar (*raw*, which is of lower grade, and *refined*, which is suitable for food use) entering the United States. The “CVD agreement” set the maximum quantity Mexico may ship to the U.S. in a fiscal year and further sets the maximum quantity of refined sugar that Mexico can ship. The U.S. sugar industry is seeking to revamp these agreements, largely due to unforeseen changes in the marketplace (see below). Mexico is currently the leading foreign source of U.S. sugar, supplying almost 40 percent of total U.S. sugar imports. Any changes to the agreements will have important ramifications for the U.S. sugar industry.

**DISASTER PROGRAMS**

FSA administers multiple disaster programs, including the Livestock Forage Disaster Program (LFP), Livestock Indemnity Program (LIP), the Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish (ELAP), and the Tree Assistance Program (TAP).

Disaster payments nationwide processed from 2012 to 2016, as of August 31, 2016, for Livestock Forage Program (LFP), LIP, TAP, and ELAP. A total of over $6.2 billion were issued for these programs.

USDA also expanded the Noninsured Crop Disaster Assistance Program (NAP) to include buy-up protection, similar to buy-up provisions offered under crop insurance. FSA also administers the Emergency Conservation Program, which is available to repair conservation structures.

**MARGIN PROTECTION PROGRAM for DAIRY (MPP-DAIRY)**

Milk prices continue to run lower than a year ago. However, dairy price projections see an increase throughout the rest of the year; the margin for June is $5.75 per cwt, which is $0.02 per cwt lower than the May margin and $2.40 per cwt lower than June 2015. The June all-milk price increased $0.30 per cwt from May to $14.80 per cwt. Continued increases in milk production and other factors including low world market prices, increased milk supplies and inventories, and slower demand are affecting dairy prices. The trade picture for U.S. dairy producers is not optimistic. Imports were higher and exports lower in 2015 than the previous year and early results in 2016 have led to projections for another year of higher imports and lower exports. Strong increases in European milk production and slower sales into leading importers’ markets, like China, have increased competition in world markets. The strong U.S. dollar has reduced U.S. exports and encouraged U.S. imports of butter and cheese in recent months. That relationship is expected to continue through the rest of 2016. The FSA national office will mail
out 2017 annual coverage election reminder postcards to MPP-Dairy program participants. Before the end of the extended annual sign-up period on December 16, 2016, a reminder letter will be mailed to dairy operations that have not enrolled.

All final USDA prices for milk and feed components required to determine the national average margin for May/June 2016 were released on July 29, 2016. Dairy producers who enrolled at the $6 through $8 margin trigger coverage level have received payments totaling approximately $11.2 million in financial assistance as of August, the largest payment since the program began in 2014.

Signup for 2017 coverage began July 1, 2016, and the signup deadline of September 30, 2016, has been extended to December 16, 2016, to encourage program participation and allow more time to make coverage elections. Dairy operations that participated in coverage year 2016 are required to participate in the MPP-Dairy program through 2018 with at least catastrophic level coverage.

**FARM LOAN PROGRAMS**

Three consecutive years of reduced commodity prices and farm incomes have depleted working capital, contributing to an increased demand for non-real estate credit. In the Kansas City and Chicago Federal Reserve districts, surveys of lenders indicate that demand among farm customers seeking non-real estate credit in 2016 approached levels not experienced since the 1990s. While farms overall have strong balance sheets with low debt-to-asset ratios, a majority of the farm debt is held by farms with over $500,000 in farm sales. These larger farms, which tend to be more indebted, are more likely to face liquidity constraints. Continuing declines in net cash and net farm income and modest declines in farmland values have increased loan renewals and extensions and the demand for short-term operating loans, and also led to some loan repayment problems. While overall credit conditions appear manageable, a continuation of lower farm incomes and further deterioration of farmers’ working capital will likely result increased demand for both direct and guaranteed loans.

The FY2017 budget provides funding for about a $6.7 billion loan level for direct and guaranteed loans for farm ownership, farm operating, conservation, emergency, and other farm loan programs. This is a higher level than the $6.4 billion budget for FY 2016 and $5.6 billion in actual obligations for FY2015. The FY2017 program levels will cost about $81.3 million in budget authority, which is a 17 percent increase above the $69.6 million in budget authority for FY2016. This is due in part to the increase in beginning farmer assistance and stress in select sectors of the agriculture economy. Under the continuing resolution, farm loans will be operating under a percentage of the FY2016 budget and may request an advance on the rest of the fiscal year funds.
United States Department of Agriculture  
2016 Presidential Transition  
Farm and Foreign Agricultural Services Mission Area (FFAS) 

Foreign Agricultural Services 

CHINA ISSUES SUMMARY 

China is forecast to be our top agricultural export market in 2017, bringing in over $20 billion a year in sales. We are engaged on a number of issues in China, any of which may require senior leadership intervention during the first half of 2017. The China Strategic and Economic Dialogue (S&ED), which will take place in the United States (location TBD) in June 2017, is an appropriate forum to discuss these issues. If earlier engagement is required (which could be the case for beef market access and the China Food Safety Law), the first scheduled opportunity for new USDA leadership would be a bilateral meeting on the sidelines of the January 22 G-20 Agriculture Ministers meeting in Berlin, Germany. 

- **Beef Market Access:** Progress has been made on regaining access to the Chinese beef market, but several steps are still required. If discussions continue past the November 2016 Joint Commission on Commerce and Trade (JCCT) meeting, then FAS OA and FFAS engagement with Ministry of Agriculture General Administration of Quality Supervision, Inspection and Quarantine (AQSIQ) will be critical in the first six months of 2017. 

- **China Poultry:** If the proposed rule for China’s market access request for poultry is released before the end of 2016, a great deal of public discussion, Hill requests and engagement with industry/media is likely to ensue well into 2017. 

- **Poultry/Avian Influenza:** China has refused to engage productively on its ban on all U.S. poultry exports, despite written and verbal requests from Secretary Vilsack, on top of repeated attempts by APHIS to engage China technically. Possible intervention by FFAS may be needed in early 2017 if there is no progress towards lifting the ban following the November JCCT meeting in WDC. 

- **Biotech/Approvals and Regulatory Reform:** Continuous engagement by FFAS and applicable staff members will be needed to move China from verbal commitments to actions on biotech reforms, as well as on movement on products in the approval pipeline. 

- **China Food Safety Law:** On October 1, 2015, China’s new Food Safety Law went into effect. To enforce the Law, China has drafted and implemented an unprecedented number of new food regulations. The numerous drafts of the Law and additional, newly imposed measures create great uncertainty for U.S. exporters, and new USDA leadership may need to engage with Chinese counterparts if newly enacted regulations negatively impact U.S. exports.
Rice Protocol. United States and China have initialed a protocol that would allow U.S. milled rice to be shipped to China, but we are awaiting final signature. Only facilities that APHIS inspects and deems compliant with the protocol would be eligible to ship to China. USDA is pushing to sign the protocol in fall 2016, when there will be multiple opportunities to engage high level Chinese officials.

WTO LITIGATION

We are involved in several WTO disputes currently. Key cases:

- Offensive: China agricultural subsidies, India Avian Influenza (AI), China poultry Anti-Dumping and Countervailing Duty Measures (AD/CVD), Indonesia licensing

- Defensive: Country of Origin Labeling (COOL), Argentina beef

- Brazil: Operational policies need to be reviewed in light of recently established WTO disciplines and these will be reconciled with older more limiting disciplines related to the Brazil WTO negotiated settlement.

ARGENTINA LEMONS RULE

An APHIS proposed rule was published on May 10, 2016 with an extended comment period through August 10, 2016 that would allow the importation of fresh lemons from a region in northwest Argentina into the continental U.S. This proposed rule is very sensitive for the U.S. citrus industry. Argentina began a formal WTO dispute over citrus and first requested a formation of a WTO panel in December 2012, but so far has preferred to find a technical solution rather than begin litigating the case by making the second request for a panel.

BIOTECH. A rapidly evolving U.S. domestic biotechnology regulatory environment has combined with trade barriers in key importers to create many challenges for U.S. exports of products of biotechnology. Initiatives are ongoing to address trade barriers in third-country import markets (e.g., China, EU), improve science-based decision making and policies globally, and ensure market access for emerging technologies.

- TPP This high-standard agreement opens markets and will support expansion of U.S. agricultural exports, increase farm income, generate more rural economic activity, and promote job growth. TPP Signatories include Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam – these countries represent nearly 40% of global GDP. A U.S. International Trade
Commission report showed that the Trans-Pacific Partnership will increase U.S. exports by $57.2 billion annually by 2032 if TPP is passed. A report by the Farm Bureau found $8.5 billion in total additional farm receipts from the implementation of TPP ($5.8 billion for livestock, $2.7 billion for crops), and $4.4 billion in additional net farm income. In April 2016, more than 200 agricultural groups wrote House and Senate leadership citing the economic requesting approval of TPP by Congress this year. Kansas cattle, wheat, corn, sorghum, and soybean, as well as Michigan bean cattle, corn, pork, and soybean groups signed the letter. Recently, the Administration submitted the required draft Statement of Administrative Action. USTR continues work on an implementing bill for submission to Congress.

- **TTIP.** On July 12, 2013, the United States and the European Union began the first round of negotiations in pursuit of a comprehensive, trans-Atlantic free trade agreement. The EU is the world’s largest importer of agricultural products and food. TTIP negotiations are ongoing and in early October the 15th round of negotiations took place in New York.

- **ISRAEL.** The United States and Israel have an Agreement on Certain Aspects of Trade in Agricultural Products (ATAP) that has been extended several times. There are negotiations underway to develop an improved permanent agreement, including to reduce tariffs on U.S. agricultural exports.

- **CUBA.** There is much interest in strengthening ties with Cuba, but there are significant legal constraints on what we can do as a government. Our primary focus for the first half of 2017 is to work with State Department on established a USDA presence in Havana, building on work begun in 2016. If such a position is approved for placement in early 2017 and current legislation is changed to allow the use of USG market development funds in Cuba, new USDA leadership might want to travel to Cuba in March or April to commemorate the one year anniversary of the 2016 U.S. – Cuba Memorandum of Understanding and highlight bilateral “accomplishments.”

**REGIONAL, BILATERAL AND MULTI-LATERAL ENGAGEMENTS IN 2017.**

- **G-20.** Germany is leading the G-20 this year and they plan on hosting a meeting of Agriculture Ministers on January 22, 2017. USDA has the lead for the United States in the planning, which can be handled at the staff level. We will need to identify a USDA head of delegation to represent at the meeting. Attendees will depend on the topic put forth by Germany in the Draft Declaration. (NOTE: The G-20 Agriculture Deputies Meeting will take place in December in Germany (location TBD).

- **U.S. – Canada Consultative Committee on Agriculture.** We have a number of technical issues with Canada that are usually discussed in this forum which is
required to meet at least once, per year. The next CCA will take place in Washington, sometime between February and May.

- **G-7 Agriculture Ministerial.** This is tentatively scheduled for March – April 2017; the G-7 Ministerial is scheduled for May 26-27, 2017 in Italy.

**CANADA DAIRY.** The U.S. dairy industry has pressed for action on Canada’s dairy policies that restrict U.S. access. We are working to do everything we can to stop new trade restrictive policies from being implemented. If that fails, we are developing a WTO litigation strategy, which might be ready in early 2017.

**MEXICO SUGAR.** U.S. sugar policy is complicated in the best of times, with frequent calls from stakeholders for intervention to increase or reduce imports. The Department of Commerce is currently renegotiating terms of access for Mexico under the suspension agreement, which is adding to the complexity of overall management of the sugar program.

**MEXICO POTATOES.** Market access for U.S. potatoes has been blocked for 14 years, most recently by a series of national legal injunctions filed by Mexico’s potato industry. While gaining access is a priority, the plan for achieving this goal is evolving. USTR and APHIS have been leading on this issue.

**WTO MINISTERIAL.** The WTO will have a Ministerial meeting in November or December, and the United States is already under pressure to reform its agricultural policies. Internal strategic decisions will be made in the first half of 2017 that will shape the U.S. approach to this meeting.

**AGRICULTURAL TRADE MISSIONS.** ATMs proposed to Asia (ethanol only-November) and Brazil (May) are pending and additional review/analysis is needed to identify any other feasible ATMs for FY 2017.

**FACILITY GUARANTEE PROGRAM**
A final rule was published September 22, 2016 with request for comments. The deadline for comments is March 21, 2017. Comments need to be evaluated, and if needed, policy and regulatory changes addressed.

**EXPORT CREDIT GUARANTEE PROGRAM (GSM) OUTREACH**
Office of Trade Programs Credit Operations staff will continue to conduct outreach to new foreign and domestic banks to expand GSM registrations.

**MARKET DEVELOPMENT PROGRAM ALLOCATIONS**
FY 2017 program applications were submitted in May 2016, were reviewed and funding recommendations made in September. Program funding announcements for FY 2017
Market Access Program (MAP), Foreign Market Development Program (FMD), Emerging Markets Program (EMP), Technical Assistance for Specialty Crop Program (TASC) and Quality Samples Program (QSP) funds, will begin in October 2016, and programs with rolling applications will continue to be allocated through summer 2017.

GLOBAL FOOD SECURITY ACT (GFSA)
Passed on July 20, the Strategy is due to Congress October 1, 2016. USDA has played a major role in the development of the whole-of-government strategy and the indicators for success. USDA needs a lead agency to coordinate and synthesize all of USDA’s programs. FAS plays that role, which at times requires a high-level, political entity.

SUSTAINABLE DEVELOPMENT GOALS (SDGS)
Since the passage of the SDGs in 2015, governments, international organizations, private voluntary organizations and agricultural think tanks are aligning their strategies to fulfill these high level, but loosely defined goals (e.g., “life on earth” and “climate action.”). Many of the goals relate to agriculture, food security or other areas where USDA has jurisdiction, and FAS, as the lead international agency, has to coordinate USDA’s input.

TRADE CAPACITY BUILDING
Alongside the agenda of passing trade laws, FAS is heavily involved in advancing the capacity of countries to meet their international commitments. Acts such as the African Growth and Opportunity Act specifically commit the U.S. government to helping the member countries strengthen their SPS systems.

GAO and OIG Audits

**FAS**

- In its February 6, 2014, audit report on the “Section 632(a) Transfer of Funds from USAID to USDA for Afghanistan” (50601-0002-16), OIG recommended that FAS fully implement a formal monitoring and evaluation process and a grants management structure, and implement the recommendations outlined in a 2010 Acuity consulting firm review. This report can be found on the USDA OIG’s website at [http://www.usda.gov/oig/webdocs/50601-0002-16.pdf](http://www.usda.gov/oig/webdocs/50601-0002-16.pdf).

- In its March 28, 2013, audit report on the “Effectiveness of the Foreign Agricultural Service’s Recent Efforts to Implement Measurable Strategies Aligned to the Department’s Trade Promotion and Policy Goals” (50601-0001-22), OIG found that the measurable goals and objectives included in FAS’s Strategic Plan do not present the whole picture of how FAS’s actions are affecting the global market for American agricultural goods, and that FAS has not updated its Country Strategy Statements, USDA’s Global Market Strategy, or the corresponding performance measures in the Department’s Performance and Accountability Report to align with
the goals and objectives contained in the FAS Strategic Plan. This report can be found on the USDA OIG’s website at http://www.usda.gov/oig/webdocs/50601-0001-22.pdf.

FSA

- Farm Program Modernization: Farm Service Agency Needs to Demonstrate the Capacity to Manage IT Initiatives

- USDA Farm Programs: Farmers Have Been Eligible for Multiple Programs and Further Efforts Could Help Prevent Duplicative Payments

- International Food Aid: Better Agency Collaboration Needed to Assess and Improve Emergency Food Aid Procurement System

- Farm Programs: Changes Are Needed to Eligibility Requirements for Being Actively Involved in Farming

- Farm Programs: Additional Steps Needed to Help Prevent Payments to Participants Whose Incomes Exceed Limits

- Farm Programs: USDA Needs to Do More to Prevent Improper Payments to Deceased Individuals

- Food Assistance: Briefing on U.S. Department of Agriculture's Food Assistance Procurement Process

- Disaster Assistance: USDA and SBA Could Do More to Help Aquaculture and Nursery Producers
  http://www.gao.gov/products/GAO-12-844
United States Department of Agriculture
2016 Presidential Transition
Farm and Foreign Agricultural Services Mission Area (FFAS)


RMA

United States Department of Agriculture
2016 Presidential Transition
Farm and Foreign Agricultural Services Mission Area (FFAS)

WHAT WE DO: OUR MISSION

FSA administers farm commodity, crop and livestock disaster assistance, credit, energy, environmental, and conservation programs for farmers and ranchers; procures and arranges transport for international food aid; issues licenses to warehouse operators and enters into storage agreements with individuals and companies; and is responsible for the coordination of budgetary and fiscal matters of the Commodity Credit Corporation. Key programs include Farm Ownership and Operating Loans, Biomass Crop Assistance, Agriculture Risk Coverage, Price Loss Coverage, Margin Protection-Dairy, Conservation Reserve, Livestock Forage Disaster, and Non-Insured Crop Disaster Assistance Programs.

WHO WE ARE: OUR WORKFORCE

As of October 3, 2016:

- 12,266 total employees, including 954 temporary employees
- Located in Headquarters and 2,175 State and County Offices

WHO WE SERVE: OUR CONSTITUENTS

In service of farmers, ranchers and rural landowners, FSA administers programs supporting economic stability; conservation and environmental programs protecting and restoring farms, ranches and grasslands. FSA also serves warehouse operators under the U.S. Warehouse Act.

KEY UPCOMING DECISIONS

- Ensure that the FY 2018 budget submission reflects policy priorities and provides adequate resources for program delivery
- Work with Congress on optimizing the county office footprint and policy priorities for Farm Programs and Farm Loan Programs
- Implement an IT strategy reflecting audit findings and MITRE Report recommendations

BUDGET HIGHLIGHTS FY 2016

- Total budget authority of about $13.1 billion with 86 percent (about $11.3 billion) in mandatory (CCC) funding and 14 percent (about $1.8 billion) in discretionary funding.
- About $1.6 billion for Salaries and Expenses, including transfers from credit reform accounts.
- About $70 million to support $6.4 billion in loan level for Farm Loan Programs, $722 million higher than the FY2015 loan level.
- About $108 million for the Emergency Conservation Program to assist with federally-declared disasters.
United States Department of Agriculture  
2016 Presidential Transition  
Farm Service Agency (FSA)

I. Organizational Overview

Agency’s Mission/Strategic Plan

Mission Statement

To serve our nation’s farmers and ranchers professionally, efficiently, equitably, and in a manner that is customer, taxpayer, and employee friendly.

Goals and Objectives

Strategic Goal 1: Provide a financial safety net for America’s farmers and ranchers to sustain economically viable agricultural production
Objective 1.1: Provide Access to Capital
Objective 1.2: Support Economic Viability

Strategic Goal 2: Increase stewardship of America’s natural resources while enhancing the environment
Objective 2.1: Provide Resource Stewardship Opportunities on Private Lands
Objective 2.2: Target Natural Resource Needs to Maximize Benefits

Strategic Goal 3: Ensure commodities are procured and distributed effectively and efficiently to increase food security
Objective 3.1: Enhance Procurement Practices for Commodity Purchases and Deliveries
Objective 3.2: Protect the Interests of Commodity Owners
Objective 3.3: Improve the Quality and Security of Commodities Purchased for Food Assistance Programs

Strategic Goal 4: Accomplish our mission by effectively managing people and service capabilities
Objective 4.1: Invest in the Workforce
Objective 4.2: Increase Operational Effectiveness
Objective 4.3: Provide Consistently Outstanding and Equitable Customer Service

Strategic Plan

Farm Service Agency Strategic Plan, Fiscal Year 2016-2018 Update

1
United States Department of Agriculture  
2016 Presidential Transition  
Farm Service Agency (FSA)

**Key mission delivery performance measures**

FSA Key Performance Measures as reported for the Department’s Strategic Objective Annual Review and the President’s Annual Budget:

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<tbody>
<tr>
<td>Percentage of Socially Disadvantaged Farmers financed by USDA</td>
<td>13.3</td>
<td>13.6</td>
<td>14.2</td>
<td>15</td>
<td>16</td>
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<td>Percentage of Beginning Farmers financed by USDA</td>
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<td>79.2</td>
<td>85.6</td>
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<td>Conservation Reserve Program (CRP) restored wetland acreage (millions of acres)</td>
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<td>Percentage of FSA program delivery applications at USDA Service Centers that are</td>
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<td>80</td>
<td>95</td>
<td>100</td>
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</tbody>
</table>

1 2016 Targets as established by the 2016 President’s Budget. Results are as of August 31, 2016. The results are not expected to change by more than a tenth of one percent when complete FY2016 becomes available.
2 Based on Socially Disadvantaged Farmers per the 2007 Agriculture Census; the 2012 census will be factored in during the next USDA Strategic Plan revision. Socially disadvantaged Farmers are defined in the Consolidated Farm and Rural Development Act (CONACT) to mean a farmer or rancher who is a member of a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities.
3 CRP enrollment is constrained by a provision in the 2014 Farm Bill that reduces the maximum CRP acreage authorized.

**Agency Priority Goal FY 2016-2017: Access and Opportunity for Beginning Farmers and Ranchers**

<table>
<thead>
<tr>
<th>FSA Contributing Indicators</th>
<th>2016 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase the percentage of direct loan borrowers who are beginning farmers</td>
<td>56</td>
</tr>
<tr>
<td>Increase the percentage of guaranteed loan borrowers who are beginning farmers</td>
<td>35</td>
</tr>
<tr>
<td>Increase the percentage of first time beginning farmer applicants in the Noninsured Crop</td>
<td>8.6</td>
</tr>
<tr>
<td>Disaster Assistance Program</td>
<td></td>
</tr>
</tbody>
</table>

* This is the first year of reporting for this Goal.

**Agency Priority Goal FY 2016-2017: Pollinator Health Habitat**

<table>
<thead>
<tr>
<th>FSA Contributing Indicator</th>
<th>2016 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pollinator Habitat enrolled in the Conservation Reserve Program (acres)</td>
<td>200,000</td>
</tr>
</tbody>
</table>

* This is the first year of reporting for this Goal.
United States Department of Agriculture  
2016 Presidential Transition  
Farm Service Agency (FSA)

FSA Key Performance Measures as reported for the Annual Commodity Credit Corporation Report:

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Conservation Reserve Program acres of riparian and grass buffers (cumulative and in million acres)</td>
<td>1.98</td>
<td>1.88</td>
<td>1.82</td>
<td>1.77</td>
<td>1.7</td>
</tr>
<tr>
<td>Number of farms enrolled in the Agriculture Risk Coverage and Price Loss Coverage programs (in millions)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>1.48</td>
<td>1.66</td>
</tr>
</tbody>
</table>

1 Conservation Reserve Program enrollment is constrained by a provision in the 2014 Farm Bill that reduces the maximum CRP acreage authorized.
2 New measure created during FY2015. This is the number of farms enrolled in PLC, ARC-CO, and ARC-Individual combined.

Organization’s History

The Farm Service Agency (FSA) was established on October 13, 1994, pursuant to the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Public Law (P.L.) 103-354, as amended by the Federal Agriculture Improvement and Reform Act of 1996, P.L. 104-127. The predecessor agencies to FSA includes portions of the Agricultural Stabilization and Conservation Service (ASCS) [Farm Programs and Conservation Programs] and the Farmers Home Administration (FmHA) [Farm Credit Programs].

FSA administers certain programs authorized by the Agricultural Act of 2014 (P.L. 113-79), commonly called the 2014 Farm Bill, the Consolidated Farm and Rural Development Act (CONACT), and other statutes.
Biographies of career staff in key leadership positions

**Chris Beyerhelm**  
**Associate Administrator for Operations and Management and Lead for USDA Land Tenure Initiative**  
202-690-2056, Chris.Beyerhelm@wdc.usda.gov

Chris Beyerhelm was selected to serve as the Associate Administrator for Operations and Management in March 2015. In this position, Beyerhelm is responsible for overseeing the Farm Service Agency’s budget, finance, administrative, management and internal control functions.

Beyerhelm previously served as Deputy Administrator for Farm Loans Programs where he oversaw a $20 billion loan portfolio and managed the direct and guaranteed lending programs at FSA.

Prior to that, Beyerhelm worked as the Assistant Deputy Administrator for Farm Loan Programs. After graduating with a bachelor's degree in business administration from Simpson College in Indianola, Iowa, Beyerhelm began working with FSA where he has served in various capacities for the past 35 years.

Before coming to Washington, D.C., he served as Farm Loan Chief for the Iowa Farm Service Agency from 1991 to 2006.

Beyerhelm grew up in Iowa and now resides in Virginia with his wife Barb. They have two adult children and nine grandchildren.

**Brian S. Garner, Sr.**  
**Director of the Office of Civil Rights**  
202-401-7197, Brian.Garner@wdc.usda.gov

Brian S. Garner, Sr., was selected to serve as the Director of the Office of Civil Rights for the Farm Service Agency in March 2013.

He is responsible for providing leadership and direction in the development and implementation of civil rights policies, programs and procedures while managing equal employment opportunity issues, enforcing civil rights compliance and administering all fact-finding, investigative and resolution processes related to discrimination complaints.

Prior to coming to FSA, Garner served as Chief of the Program Investigations Division in the USDA Office of the Assistant Secretary for Civil Rights, where he conducted civil rights complaint investigations throughout the United States. Before that, he worked as Chief of the Compliance and Program Analysis Branch for the Farm Service Agency, where he processed program complaints alleging discrimination.
A retired U.S. Marine, Garner spent 23 years serving his country as an instructor, recruiter, inspector and leader. The culmination of his military service resulted in the awarding of the Meritorious Service Medal for sustained exemplary performance.

Born and raised in Camden, N.J., Garner received his Bachelor of Arts Degree from Regent College. He and his wife reside in Southern Maryland and have two adult children and four grandchildren.

Joy Harwood
Director of the Economic Policy Analysis Staff
202-720-0053, Joy.Harwood@wdc.usda.gov

Joy Harwood is director of the Economic and Policy Analysis Staff (EPAS), a position she has held since March 2006. Her staff offers current insights into the market and policy issues affecting commodity programs, the farm credit situation, and the Conservation Reserve Program (CRP), and is frequently called upon to brief policy officials on a wide variety of topics. EPAS analysts contribute to the monthly interagency process that produces USDA's monthly World Agricultural Supply and Demand Estimates report. EPAS is also responsible for tracking foreign investment in agricultural land under the Agricultural Foreign Investment Disclosure Act and managing the Federal Register and regulatory process for the agency.

Prior to moving to FSA, Harwood spent 19 years at USDA's Economic Research Service (ERS), where she served as deputy director for Market Outlook from 2001 to 2006, and chief of ERS's Field Crops Branch from 1996 to 2000. Earlier in her career, she managed ERS's risk management research project where she helped analyze and assist in the development of revenue insurance and other new programs for the USDA's Risk Management Agency.

Harwood is a five-time recipient of the Secretary's Honor Award, one of the highest awards given by the Secretary of Agriculture. In 1996, she was named "USDA Economist of the Year." She co-taught the USDA Graduate School course, "Understanding USDA's Farm Programs" over a 10-year period with her husband, Craig Jagger, who was chief economist for the House Committee on Agriculture until his retirement. Harwood worked for Senator Robert Dole as a Legis Fellow during the 1990 Farm Bill Debate, was acting Associate Administrator of the Risk Management Agency during the summer of 1998, and was on detail to the International Trade Commission in 2004.

A native of Illinois, Harwood grew up on a corn and soybean farm that has been in her family since the 1840s. She earned her bachelor's degree in agricultural economics from the University of Illinois, and master's and doctorate degrees in agricultural economics from Cornell University. Harwood and her husband have two daughters and reside in Maryland.
Radha Sekar  
**Director of the Office of Budget and Finance**  
202-720-0159, Radha.Sekar@wdc.usda.gov

Radha Sekar was selected to serve as the Chief Financial Officer (CFO) for the Farm Service Agency in April 2015.

As the CFO, Sekar serves as the principal fiscal officer for FSA, providing advice on all financial management and budgetary matters, including the availability of appropriations and allocation of all other federal funding, audit issues, financial management initiatives, and any matters that could affect the financial resources of FSA.

In her new capacity, Sekar oversees a $30 billion budget in borrowing authority for CCC-financed programs, a multi-billion-dollar budget for FSA discretionary programs and a domestic and international credit program portfolio of $28 billion. Prior to accepting the CFO position, Sekar served as CFO and Chief Management Officer for the Immigration and Customs Enforcement (ICE) at the Department of Homeland Security.

Sekar is a federal senior executive and former partner in a major public accounting firm with more than 20 years of experience in financial management, human capital management, leadership development, and organizational change. She is a graduate of State University of New York at Buffalo with a Master of Business Administration degree and a bachelor’s degree in computer science. She is also a chartered accountant (similar to a certified public accountant) in India and holds a bachelor’s degree in mathematics from the University of Madras, India.

Sekar is a native of India and resides in Washington, D.C., with her family.

Robert Stephenson  
**Director, Office of Business and Program Integration**  
202-720-4019, Robert.Stephenson@wdc.usda.gov

Robert Stephenson is the Agency’s Director for the Office of Business and Program Integration for the Farm Service Agency. He also serves as the Secretary for Commodity Credit Corporation (CCC) which funds most of the USDA commodity, export, and some of conservation programs. As Director, Mr. Stephenson provides leadership and oversight for key Agency-wide programs and areas including appeals, annual and strategic planning, audits, cooperative agreements, enterprise risk management, investigations, litigation, operations review and analysis, and performance reporting.

From 1991 through 2014, Mr. Stephenson served as Deputy Director then later served as the Director of the FSA’s Conservation and Environmental Programs Division (CEPD). He managed key agency programs and areas including the Conservation Reserve Program, Conservation Reserve Enhancement Program, Emergency Conservation Program, Voluntary Public Access and Habitat Incentive Program, Biomass Crop Assistance Program, and hazardous waste activities of the agency and CCC.
Mr. Stephenson previously served as Deputy Director of the Southwest Area, Staff Assistant in the Midwest Area, hearing officer with the Agency’s Appeals Staff, and County Executive Director of the Decatur County office in Indiana. During the 2014 Farm Bill debate, he was detailed to the U.S. House of Representatives where he served on the Committee on Agriculture and worked on the Conservation, Credit, Research, and Energy Titles.

In 2015, he received USDA’s Abraham Lincoln Honor Award and in 1997, 2000, and 2003, he received USDA Honor Awards for Excellence. He is a 2000 graduate of the Federal Executive Institute’s Leadership for a Democratic Society Program and received the Vice President’s Hammer Award in 1999.

Stephenson currently owns the family farm where he was raised. After graduating from the Indiana University School of Business, he returned to his family’s farm until he joined the Department of Agriculture in 1984.

**Darren Ash**
**Chief Information Officer**
202-720-5320, [Darren.Ash@wdc.usda.gov](mailto:Darren.Ash@wdc.usda.gov)

Darren Ash was selected to serve as the Chief Information Officer (CIO) for the Farm Service Agency in March 2016.

As CIO, he sets and leads the strategic direction for FSA’s Information Technology Services Division while working in partnership with numerous USDA agencies to provide information resources for policy and decision making. In this position, Ash provides guidance and oversight to technology and business system’s modernization projects as well as development and acquisition of new information technology systems and services for the agency.

Prior to this position, Ash served nearly nine years as the CIO for the U.S. Nuclear Regulatory Commission (NRC). He also served as NRC's Chief Freedom of Information Act Officer, senior agency official for Records Management, and senior accountable official for Open Government. As CIO, he co-chaired the senior-level IT Investment Board with the Chief Financial Officer and was a member of NRC’s Executive Resources Board.

Ash worked as the Department of Transportation's (DOT) Associate Chief Information Officer for IT Investment Management from 2005 to 2007. For close to two years, he led DOT’s information assurance and security, privacy, enterprise architecture, capital planning, and information resource management activities. Ash began his government career with the Internal Revenue Service where he supported the agency's modernization program, with a focus on project management, economic analyses, and capital planning.

A native of California, Ash received a Bachelor of Arts degree in international studies from The American University, a Master of Public Administration from Syracuse University and a Master of Science in information systems technology. He and his family reside in Potomac, Maryland.
Mark Rucker  
Deputy Administrator for Management  
202-720-3834, Mark.Rucker@wdc.usda.gov

Mark Rucker was selected to serve as the Deputy Administrator for Management for the Farm Service Agency in December 2012. In this position Rucker is responsible for the oversight of the Acquisition Management Division, the Emergency Preparedness Division, the Human Resource Division and the Management Services Division. He also manages the Homeland Security functions for the Farm Service Agency.

Rucker previously served as the Logistics and Facility Division Director for USDA’s Food and Nutrition Service (FNS) where he planned, implemented and coordinated logistical support to regional and field offices. In this role he also provided leadership over real property, space utilization, minor construction, personal security and fleet management. At various times while with FNS Rucker served as the Acting Deputy Administrator for Management, Acting Civil Rights Division Director and Property Management Branch Chief.

Prior to joining to USDA, Rucker served with the U. S. Marine Corps where he retired in 2001 after serving 23 years as a Logistics and Quality Assurance Officer and Supply Administration and Operations Chief. In those positions he planned and directed the work of several branches, managed property control procedures and improved communication processes. Rucker received a meritorious service medal award for improving morale by developing a strong team atmosphere that developed a high level of performance.

A native of Queens, N.Y., Rucker received his Bachelor of Arts Degree in Workforce Education and Development from Southern Illinois University and his Master of Arts Degree in Human Resource Management from National University.

Thomas Mulhern  
Human Resources Director  
202-260-9025, Thomas.mulhern@wdc.usda.gov

Thomas Mulhern is the Director of Human Resources for the Farm Service Agency and the Risk Management Agency. He has served in this role since May 2015.

As the director, Mulhern serves as the senior advisor and official for FFAS-wide human resources and human capital programs and management. He also functions as the primary overseer for all policies and regulations as set forth by the mission statement, the Department, Executive Orders, Office of Personnel Management, Office of Management and Budget and other federal agencies, ensuring a customer centric and results-oriented mission area.

Mulhern joins FFAS with 30 years of federal employment in human resources. Recently, he served four years as the Director of Human Resources for the Department of the Interior, where he was responsible for overall human capital programs for the Department’s 70,000 plus workforce. Prior to that, Mulhern worked at the Department of Homeland Security as the Deputy Chief Human Capital Officer for Immigration and Customs Enforcement and as
Administrative Appeals Officer for the Transportation Security Administration. He also served 18 years in the Department of Justice, United States Marshals Service. He entered federal service as a Presidential Management Intern.

Mulhern earned a Bachelor of Art degree in education from Bloomsburg University of Pennsylvania and has a Master of Art degree in labor relations from the Indiana University of Pennsylvania School of Labor and Industrial Relations. He taught high school courses in economics, government and AP history in Loudoun County public schools. Mulhern is a native of Rockville, Maryland and currently resides in Germantown, Maryland with his wife Katie and three children.

Sandra G. Wood
Acting Deputy Administrator for Commodity Operations
Assistant Deputy Administrator, Commodity Operations
202-720-3571, Sandra.Wood@wdc.usda.gov

Sandra Wood is the Assistant Deputy Administrator and acting Deputy Administrator for Commodity Operations. In this position, Wood provides policy and operational guidance to the Commodity Operations Division in Washington, D.C. and the Kansas City Commodity Office.

In 2006, Wood became a Branch Chief in the Commodity Operations Division, the organization that she has broad responsibility for now and which began her career in international food aid. She became the Assistant Deputy Administrator for Commodity Operations in 2008, assuming in January 2009 the Acting Deputy Administrator position for which she held in interim for six months.

Wood began her Federal government career at the Farm Service Agency (FSA) in the Virginia FSA County Operations Trainee Program and progressed into other positions, including; County Executive Director and then District Director with oversight for eighteen counties. During this tenure, she was also an Equal Opportunity, Civil Rights and Sexual Harassment facilitator providing training across the state and nationally; a Virginia State Civil Rights Coordinator; she obtained Farm Loan approval authority, and was a National Advanced Facilitator for District Directors, facilitating training and development for District Directors across the country.

Wood attended Saint Paul’s College receiving a Bachelor of Science degree in Business Administration, concentrating in the field of Management. She is also a 2000 graduate of the Graduate School’s Executive Leadership Program.
Bradley Karmen
Assistant Deputy Administrator for Farm Programs
202-720-4635, Brad.Karmen@wdc.usda.gov

Bradley Karmen was selected to serve as the Assistant Deputy Administrator for Farm Programs in USDA’s Farm Service Agency, a career Senior Executive Service position, in November 2015. In this position, he is responsible for developing and implementing policies relating to federal farm programs.

Upon graduation from George Washington University with a Master of Business Administration degree, Karmen began his career at USDA, which has now spanned more than 36 years. He is a veteran of implementing six farm bills, dating back to 1985. Karmen has been selected for numerous details over the years: the Senate Committee on Agriculture, Nutrition and Forestry in 2010; the Office of the USDA Chief Economist in 2008; and was selected as a LEGIS Congressional Fellow at the House Agriculture Committee in 1994. In 1998, Karmen spent three weeks in China studying China’s oilseed sector.

Karmen is a six-time recipient of the Secretary's Honor Award, the highest award given by the Secretary of Agriculture. He lives in Lovettsville, Virginia on his wife’s family farm and has three daughters and a son.

James Radintz
Deputy Administrator for Farm Loans Programs
202-720-4671, Jim.Radintz@wdc.usda.gov

James F. (Jim) Radintz was appointed Deputy Administrator for Farm Loans Programs in the USDA’s Farm Service Agency (FSA) in September 2015. In this position, Radintz oversees a $23.6 billion loan portfolio and provides leadership, management and direction to the direct and guaranteed lending programs. This includes management of annual authorizations of over $6 billion in new loans and loan guarantees, and a portfolio of direct and guaranteed loans of $21 billion.

Prior to this position, Radintz served as Assistant Deputy Administrator for Farm Loans Programs where he assisted the Deputy Administrator in providing leadership, policy direction, and management of credit origination, underwriting, and portfolio management for FSA farm lending in all 50 states, Puerto Rico and Pacific Protectorates.

Radintz is a three-time recipient of the Secretary's Honor Award, one of the highest awards given by the Secretary of Agriculture. He was recognized with an individual honor award from the Secretary for “Personal and Professional Excellence” in 2013.

Radintz grew up on a family farm in Iredell County, North Carolina. He graduated summa cum laude with a Bachelor’s degree in agriculture from North Carolina State University and received a Master’s of Business Administration (MBA) in financial management from Virginia Tech. He is also a graduate of the Federal Executive Institute and completed the Senior Executive Fellows Program at Harvard University. Radintz’s 35-year federal career includes
United States Department of Agriculture
2016 Presidential Transition
Farm Service Agency (FSA)

service as a county supervisor in USDA field offices, and as Senior Loan Officer, Branch
Chief, and Director of Loan Making.

Isabel Benemelis
Deputy Chief, Public Affairs Branch, Office of External Affairs
202-720-7809, Isabel.benemelis@wdc.usda.gov

Isabel M. Benemelis is a communications specialist with 28 years of experience in public
affairs, Hispanic and specialty media outreach, and radio and television production. She is
Deputy Chief of Public Affairs at the USDA Farm Service Agency’s Office of External Affairs,
serving as liaison to USDA’s Office of Communications for clearance of communications materials and responds to sensitive media and public inquiries. She has been
with FSA since 2008 and helped develop communications strategies and materials for
implementation of the last two Farm Bills. Benemelis is also division lead on a multilingual
effort to comply with the Department of Justice’s mandate to improve access to services for
people with limited English proficiency.

Prior to coming to USDA, Benemelis worked at the Department of the Interior’s
Communications Office for five years, where she served as media relations specialist, Hispanic
media outreach coordinator, and content manager for Interior’s website.

Benemelis acquired valuable crisis communication experience as assistant director of the
Public Information Office at the Fairfax County Police Department where she managed high-
profile cases such as the Mohammed/Malvo “DC Sniper” and the Mir Aimal Kasi “CIA
Shooter” cases that garnered international media attention.

Her leadership experience and knowledge of broadcast media applications were well used
while serving as vice president of programming for the Hispanic Communications Network, a
producer of NPR-style programming designed to educate and empower the nation’s Latino
population. Other broadcast experience includes six years as a radio producer for the United
States Information Agency’s Voice of America division and four years as an associate
producer of PBS feature documentaries and series on foreign affairs.

Benemelis received a Bachelor of Science degree from the Georgetown University School of
Foreign Service and also attended Georgetown University for graduate work in Latin American
Studies. A native Spanish speaker born in Camaguey, Cuba, she has lived in the Washington,
D.C., metro area since 1971 and currently resides in Potomac Falls, Virginia with her husband
and their three West Highland Terriers.

J. Latrice Hill
Assistant to Deputy Administrator for Field Operations
202-690-1700, Latrice.hill@wdc.usda.gov

J. Latrice Hill serves as an Assistant to the Deputy Administrator of Field Operations, where
she is Director of the Farm Service Agency’s (FSA) Office of Program Education and
Stakeholder Engagement. In this position, Hill provides outreach policy and guidance to FSA leadership and field staff located in FSA's 2,100 offices.

In 2011, Hill was selected as the Outreach Program Lead in the Field Operations Division, issuing the first ever established policy for program outreach. Hill was later selected as Director of Outreach in 2013.

Hill began her federal career as a clerk with FSA. She later served in the positions of loan officer and district outreach coordinator where she was responsible for determining feasibility, assessing financial situations and risks, approving and servicing borrower farm loan accounts for six counties. With a strong background in communications and passion for serving others, Hill was later selected to serve as the FSA State Public Relations & Outreach Specialist, overseeing outreach activities in 71 counties.

In that position, Hill received several awards and recognition for her collaborations and work with rural farmers and students as well as being appointed by two US Secretaries of Agriculture to serve on the National Advisory Committee for Beginning Farmers and Ranchers for three two-year terms.

Hill continues to be an active volunteer in the community and is a member of numerous organizations.

A native of Mississippi, Hill received her bachelor's degree in Business Administration from Belhaven University in Jackson, Mississippi.

**Biographies of political staff in key leadership positions**

**Val Dolcini**  
**Administrator**  
202-720-6215, Val.Dolcini@wdc.usda.gov

Val Dolcini was selected to serve as the Administrator for the Farm Service Agency in September 2014. He previously served as State Executive Director of the California Farm Service Agency, a position he was appointed to in 1999 by President Bill Clinton and again in 2009 by President Obama. Dolcini also served as the acting Farm Service Agency Administrator in 2011.

As Administrator, Dolcini is responsible for overseeing the administration of farm commodity and conservation programs, farm loan programs, and certain disaster programs. Dolcini also serves as the executive vice president of the Commodity Credit Corporation.

Dolcini has many years of public and private leadership experience. Prior to joining the Obama Administration, he managed public outreach activities for Accenture LLC, a global consulting firm. In that position, he strategized with business teams about relationship development and
consulted on a wide range of political matters.

He previously served in a senior staff position for the Governor and Lieutenant Governor of California, as well as members of the U.S. House of Representatives.

A fifth-generation Californian and a native of Davis, California, Dolcini has served on numerous non-profit boards and commissions in his community. He received his Bachelor’s degree in history from San Francisco State University and a juris doctorate from Golden Gate University School of Law.

Mike Schmidt
Associate Administrator for Policy and Programs
202-720-6215, Mike.Schmidt@wdc.usda.gov

Mike Schmidt was selected to serve as the Associate Administrator for Policy and Programs in August 2015. In this position, Schmidt is responsible for overseeing the Farm Service Agency’s policy and activities related to farm programs, farm loan programs, commodity operations and external affairs.

Schmidt previously served as Deputy Administrator for Farm Programs where he oversaw all FSA Farm Programs under the Production Emergencies and Compliance Division, Conservation and Environmental Programs Division and Price Support Division.

Prior to joining FSA, Schmidt served as acting Chief of Staff and Senior Advisor in USDA’s Marketing and Regulatory Programs mission area. He also spent a year as acting Chief of Staff for the USDA Grain Inspection Packers and Stockyards Administration (GIPSA).

Before coming to USDA, Schmidt worked seven years on Capitol Hill in various capacities, including Legislative Assistant and Senior Legislative Assistant for Senator Russ Feingold, where he advised the Senator on agriculture, telecommunications, and transportation and science issues. In 2004, Schmidt was awarded the Congressional Science Fellowship sponsored by the American Society of Agronomy, Crop Science Society of America, and Soil Science Society of America in the Office of Senator Charles Schumer, where he was the Legislative Assistant for agriculture.

Schmidt received his undergraduate degrees in Environmental Science and Biology from Virginia Tech and a Master’s of Science degree in Public Understanding of Environmental Change from the University College London.

Brad Pfaff
Deputy Administrator for Farm Programs
202-720-3175, Brad.pfaff@wdc.usda.gov

Brad Pfaff was appointed deputy administrator for Farm Programs in the USDA’s Farm Service Agency in January 2016. In this position, Pfaff oversees all FSA programs under the Production Emergencies and Compliance Division, Conservation and Environment Programs
United States Department of Agriculture
2016 Presidential Transition
Farm Service Agency (FSA)

Division, and Price Support Division. Prior to his appointment, he served six years as the FSA State Executive Director in Wisconsin. Before joining USDA, Pfaff served on the staff of a Wisconsin U.S. Senator and a Wisconsin member of the U.S. House of Representatives. Pfaff received a Bachelor of Science degree in Public and Environmental Administration from the University of Wisconsin-Green Bay and a Masters of Public Administration degree from George Mason University. Raised on a dairy farm in western Wisconsin, he and his wife are the proud parents of two children.

Gregory Diephouse
Deputy Administrator for Field Operations
202-720-8202, Gregory.diephouse@wdc.usda.gov

The White House appointed Greg Diephouse to be the Farm Service Agency’s Deputy Administrator for Field Operations in June 2013.

Diephouse has served in multiple capacities in the Obama Administration, including a nine-month detail as a Senior Advisor to the Acting Federal Chief Performance Officer in the White House Office of Management and Budget. In that position he helped track and implement key recommendations of the President's Jobs Council and staffed a working group comprised of former U.S. Senators and Senior White House personnel that was statutorily charged with publishing recommendations to streamline paperwork requirements for Executive Nominations.

Diephouse’s appointments at USDA include leading the Office of Executive Secretariat through a transformation process that yielded an 85 percent reduction in overdue secretarial correspondence. He also served as Chief of Staff to the Assistant Secretary for Administration, helping to launch the Secretary's Blueprint for Stronger Services and managing the response to the Civil Rights Assessment conducted and published by Jackson Lewis.

Prior to moving to Washington, D.C., Diephouse served more than four years as an executive in the state of Illinois, most notably as Director of Strategic Planning at the Illinois Department of Human Services.

Diephouse earned both an MBA and an MPP from the University of Chicago and spent the first two and a half years of his career volunteering in Chicago and Honduras.

Todd Atkinson
Acting Director of External Affairs
202-720-9933, Todd.Atkinson@wdc.usda.gov

Todd Atkinson was appointed in May 2013 as the Acting Director for the Office of External Affairs for the Farm Service Agency. In this capacity he oversees the offices of Public Affairs, FOIA and Legislative Affairs.

Previously, Atkinson served as senior policy advisor and chief of staff to the FSA Administrator and senior policy advisor to the Under Secretary for Farm and Foreign Affairs.
Agricultural Services. Prior to joining USDA, Atkinson was appointed to the Office of Policy for the Environmental Protection Agency where he was the EPA representative on the President’s Biofuels Interagency Working Group. He also served on the Obama Presidential Transition Team for the Department of Energy and the nomination preparation teams for Energy Secretary Steven Chu and Interior Secretary Ken Salazar.

In February 2007, Atkinson became one of the first policy advisors and an early developer of the Obama for America energy and environment agenda, as well as the agriculture and transportation committees.

Beginning his career in 1985 at the Bureau of Legislative Affairs at the Illinois Department of Transportation, Atkinson has worked for 20 years on the staff of three U.S. Senators from Illinois, including four years as senior policy advisor on energy, environment, agriculture and transportation for then-Senator Barack Obama during his tenure on the Senate Environment and Public Works Committee. Atkinson is a 2012 recipient of the USDA Secretary’s Award and the 2011 FSA Administrator’s Award for reforming the Biomass Crop Assistance Program established in the 2008 Farm Bill.

Atkinson has an MBA from the University of Maryland and an undergraduate degree from the University of Illinois in Urbana. A native of Bethany, Ill., Atkinson’s family farm was homesteaded by his great-great-great-grandfather in 1843 in Shelby County, Ill.
Organizational Budget and Financial Management

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<tbody>
<tr>
<td>2009 Actual</td>
<td>$1,700,273</td>
<td>$1,253,777</td>
<td>$1,208,290</td>
<td>$1,198,966</td>
<td>$1,115,255</td>
<td>$1,177,926</td>
<td>$1,067,816</td>
<td>$1,070,634</td>
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<tr>
<td>2010 Actual</td>
<td>$1,288,792</td>
<td>$1,094,340</td>
<td>$1,064,977</td>
<td>$1,054,761</td>
<td>$1,008,999</td>
<td>$1,058,999</td>
<td>$1,008,999</td>
<td>$1,029,999</td>
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<tr>
<td>2011 Actual</td>
<td>$1,065,290</td>
<td>$997,728</td>
<td>$972,878</td>
<td>$962,564</td>
<td>$916,908</td>
<td>$966,908</td>
<td>$908,908</td>
<td>$929,908</td>
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<td>2012 Actual</td>
<td>$916,290</td>
<td>$894,728</td>
<td>$869,878</td>
<td>$860,564</td>
<td>$814,908</td>
<td>$864,908</td>
<td>$806,908</td>
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<td>2013 Actual</td>
<td>$784,908</td>
<td>$772,878</td>
<td>$747,878</td>
<td>$740,564</td>
<td>$694,908</td>
<td>$744,908</td>
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**Discretionary:**

- **Salaries and Expenses:**
  - Direct Appropriation: $1,700,273, $1,253,777, $1,208,290, $1,198,966, $1,115,255, $1,177,926, $1,067,816, $1,070,634
  - Information Technology Related to Farm Program Delivery 1/:
    - FY 2015 and FY 2016 Appropriation Acts limited spending on information technology for farm program delivery, including MIDAS to $132.3 million in FY 2015 and $129.6 million in FY 2016
  - Other Credit Reform Account Transfers: $3,084, $3,167, $3,160, $2,855, $2,931, $3,089, $2,882
  - Transfers from Program Accounts Sub-total: $312,487, $316,340, $308,137, $292,583, $284,495, $310,807, $309,880

- **Total, Salaries and Expenses:** $1,482,760, $1,570,117, $1,516,427, $1,491,549, $1,399,750, $1,488,013, $1,510,060, $1,510,060

- **Reimbursements:**
  - Other USDA Appropriations: $128,492, $94,692, $89,055, $120,112, $112,758, $64,241, $90,929, $43,352
  - Other Federal Funds: $313, $277, $144, $134, $14, $3,893, $5,553, $4,866
  - Other Non-Federal Funds: $10,716, $9,715, $5,756, $7,721, $6,503, $5,526, $5,526, $6,500

- **Total, Reimbursements:** $139,521, $104,684, $94,955, $127,972, $119,275, $72,151, $128,831, $76,734

**Mandatory:**

- **Dairy Indemnity Program:** $876, $876, $100, $100, $2,000, $500, $500, $500
- **Grassroots Source Water Protection Program:** $5,000, $5,000, $4,242, $3,817, $5,159, $5,526, $5,526, $6,500
- **Restoration Pilot Program:** $794, $800, $639, $600, $554, $600, $600
- **Durum Wheat Quality Program:** $3,000, $2,600, $1,996, $1,996, $1,842, $1,996, $1,996
- **Geographically Disadvantaged Farmers and Ranchers:** $350,000, $350,000, $300,000, $250,000, $200,000, $150,000, $100,000
- **Emergency Conservation Program:** $122,700, $122,700, $10,799, $10,799
- **Emergency Forest Restoration Program:** $28,400, $13,815, $3,203, $6,000

- **Discretionary Sub-total:** $1,859,257, $2,188,678, $1,778,023, $1,896,910, $1,653,016, $1,774,173, $69,685, $46,774, $45,169

- **Mandatory Sub-total:** $703,876, $1,574,154, $1,503,197, $871,256, $1,774,173, $69,685, $46,774, $45,169

**Recovery Act Funds:**

- **American Recovery and Reinvestment (ARRA) - IT:** $14,687, $35,313, $4,242, $3,817, $5,159, $5,526, $5,526, $6,500
- **Supplemental Agricultural Disaster Assistance:** $20,055, $385, $711,156, $1,772,173, $32,185, $3,274, $3,274
- **Aquaculture Assistance - Recovery Act:** $48,500, $1,500, $16,000, $28,000, $28,000

- **Supplemental:**
  - **Emergency Conservation Program (Hurricane Sandy):** $14,250, $14,250
  - **Emergency Forest Restoration Program (Hurricane Sandy):** $21,850, $21,850

**Total, FSA:** $2,646,375, $4,538,835, $3,281,220, $2,768,166, $3,463,289, $1,739,488, $1,790,257, $1,835,958

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1/ The FY 2015 and FY 2016 Appropriation Acts limited spending on information technology for farm program delivery, including MIDAS to $132.3 million in FY 2015 and $129.6 million in FY 2016

2/ The 2014 Farm Bill moved the source of funding for disaster programs from the Agricultural Disaster Relief Trust Fund to CCC
United States Department of Agriculture  
2016 Presidential Transition  
Farm Service Agency (FSA)

### Commodity Credit Corporation  
**Budget Authority FY 2009-2016**

**Net Outlays**  
**(Dollars in Thousands)**

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**Total, Commodity Credit Corporation**

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United States Department of Agriculture  
2016 Presidential Transition  
Farm Service Agency (FSA)

### Loan Program Level FY 2015-2016  
(Dollars in Thousands)

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<th>Subsidy Rate</th>
<th>2016 Enacted Budget Authority</th>
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<td>Direct Loans:</td>
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<td>Farm Ownership</td>
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<td><strong>Total Direct Loans</strong></td>
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<td><strong>Total Guaranteed Loans</strong></td>
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Salaries & Expenses - FSA’s FY2016 enacted funding level of $1.52 billion supports federal and non-federal staffing to administer its discretionary and mandatory programs. In FY2016, FSA’s funding sources include direct appropriations ($1.2 billion), credit reform transfers ($310 million) and reimbursements ($77 million). Of the $1.52 billion appropriated to FSA, approximately 93 percent funds salaries and benefits, rent and IT expenses with remaining funding supporting operating expenses such as supplies, printing, postage, transportation and equipment. While FSA has taken significant steps during the past few years to reduce its operating expenses by streamlining operations through administrative efficiencies, there are still a number of operational expenses that are not controlled by FSA such as mandatory Departmental expenses (Greenbook charges), travel expenses related to compliance visits and county office rent expenses for more than 2,100 USDA County Offices. In FY2017 and FY2018, FSA anticipates a substantial increase in county office rent expenses due to the renewal of leases that have expired or will expire in FY2017 and FY2018. Most of these leases are expected to have significant increases because they have not had rent adjustments in many years. FSA projects an increase in County Office rent expenses of $5 million in FY2017 and $11.6 million in FY2018 for approximately 700 leases.

Farm Loans – FSA has seen the demand for farm loans rise in recent years. Tighter credit markets and recent declines in the farm economy both contribute to this increased demand. The number of direct operating loans has risen from 13,000 to 14,000 in the mid-2000’s, to 22,000 to 24,000 in the last three years. Direct ownership loans have increased as well, from about 3,000 in the mid-2000’s to about 5,500 over the last three years. The change in guaranteed operating and ownership loans has not been as great, but demand has remained strong in those areas as well. FSA has strived to meet the overall demand but has concentrated on the targeted
groups of new, beginning and socially disadvantaged farmers and ranchers through a number of initiatives. Even with the overall decline in the current farm economy, borrowers have maintained a low default and delinquency rate for both ownership and operating loans, resulting in lower subsidy\(^1\) rates than in previous years. FSA has also been able to make more funding available for direct operating and ownership loans at a reduced budget cost by raising the borrower rate by 0.5 percent, to a total of 1 percentage point above the applicable Treasury rate. Together with the relatively low default rate, FSA has been able to increase the loan level available while reducing the appropriated funding needed to support these increased loan levels.

Commodity Credit Corporation (CCC) – CCC is a wholly-owned Government corporation created in 1933, and federally chartered in 1948. Its mission is to assist in stabilizing, supporting, and protecting farm income and prices, help maintain balanced and adequate supplies of agricultural commodities, help in the orderly distribution of these commodities, and assist in the conservation of soil and water resources. The CCC has no operating personnel. To accomplish its mission, multiple USDA agencies have delivered CCC programs for more than 80 years. Today, CCC activities are carried out primarily by the personnel of FSA. The Foreign Agricultural Service, the Natural Resources Conservation Service, and other USDA agencies and offices also carry out CCC activities. FSA also provides accounting services, budget execution, preparation of financial statements, and systems development for CCC.

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\(^1\) The subsidy rate reflects the net present value cost for each dollar of credit assistance. It is comprised of four components—defaults, net of recoveries; interest; fees; and all other.
Enterprise Workforce Data

1/ Outside of the National Capital Region, FSA has Headquarters employees located in Kansas City, St. Louis, and Salt Lake City. FSA also has Headquarters employees based in other locations across the United States. For example, in FY 2016, there were 83 employees working remotely in other locations.

2/ The table below reflects the Field Offices (total State Office Federal (GS) and County Office Non-Federal (CO) actual staff year usage history).

United States Department of Agriculture
2016 Presidential Transition
Farm Service Agency (FSA)

Current Workforce by Location

Field Offices, 91%
Headquarters, 9%

Workforce by Program Area

Commodity Operations: 2%
Farm Loan Programs: 29%
Production, Emergencies, Compliance: 25%
Price Support: 9%
Conservation and Environmental: 36%
As of October 3, FSA employs a total workforce of 12,266 employees, comprised of Federal and non-Federal (County) staff. These employees include permanent and temporary, full time and part time, and intermittent staff. Note that the workforce of 12,635 is individual employees and not staff years. Federal staff are employed under Title 5 of the Code of Federal Regulations and non-Federal (County) staff are employed under Title 7.

- FSA: 12,266 employees
  - FSA full-time, permanent: 11,279
  - FSA part-time, permanent: 33
  - FSA full-time, temporary: 372
  - FSA part-time, temporary: 27
  - FSA full-time, intermittent: 555 (on-call 20 hrs or less per week)

The breakdown by Federal and non-Federal (County) follows:

- Federal: 4,142 employees
  - Federal full-time, permanent: 4,078
  - Federal part-time, permanent: 5
  - Federal full-time, temporary: 59

- Non-Federal (County): 8,124 employees
  - County full-time, permanent: 7,201
  - County part-time, permanent: 28
  - County full-time, temporary: 313
  - County part-time, temporary: 27
  - County full-time, intermittent: 555 (on-call 20 hrs or less per week)

- About 28 percent of Federal employees and 21 percent of County Office permanent employees are eligible to retire within the next year.

- About 9 percent of all employees are in the Headquarters locations of Washington, D.C., Kansas City, St. Louis, and Salt Lake City.

- FSA has 2,124 County Offices and 51 State Offices including Puerto Rico; where 91 percent of the workforce are located.

- About 93 percent of Staff Years are used to directly implement FSA Farm Programs, Farm Loan Programs, and Commodity Operations.

- About 55 percent of all FSA employees are Program Technicians and 10 percent are either Loan Technicians or Specialists.

- The State Executive Director (SED) is a Schedule C political position appointed by and who serves at the pleasure of the President. This position reports to the Deputy
United States Department of Agriculture  
2016 Presidential Transition  
Farm Service Agency (FSA)

Administrator for Field Operations. The SED oversees FSA operations and agricultural policy implementation in the State, works with the State Committee to administer FSA programs and County Office operations, develops and maintains stakeholder relationships with customers and other agencies (Federal, State, Tribal, and local). Other duties include representing the President, Secretary, and Administrator, managing Federal and County staffing levels, managing the State’s budget allotment, overseeing personnel operations within the State, managing all FSA program areas, providing oversight, support and assistance to County Offices, directing Outreach, Public Affairs, and intergovernmental relations activities, and coordinating and communicating with commodity groups and other agricultural stakeholders.

- **FSA State Committees (STC)** were established under the Soil Conservation and Domestic Allotment Act, 16 USC 590h, as amended. The STCs are Schedule A political positions, appointed by the Secretary and serve at the pleasure of the Secretary for such term as he may establish. Currently, STCs are appointed for terms of one year, beginning in January. Subject to the approval of the Secretary, members are reappointed annually. STCs are considered Special Government Employees (18 USC 202), who serve less than 130 days in any 365-day period. The STCs report to the Deputy Administrator for Field Operations and are the supervisory authority for County Committees in the State. STCs hear program and County Office personnel appeals and complaints, make program decisions in certain areas, maintain cooperative relationships with the agricultural community in their states, and keep the Secretary and FSA informed of issues affecting producers. Generally, STCs meet for one to three days per month to hear appeals and make program decisions. They maintain a collaborative relationship with the SED, who is responsible for overall, day-to-day management of FSA operations in the State.

- **FSA County Committees (COC)** were established under the Soil Conservation and Domestic Allotment Act, 16 USC 590h. Eligible producers elect COC members to three-year terms. Currently, there are 7,672 elected voting members and 1,015 non-voting advisors serving on FSA County Committees nationwide. COC’s are under the general supervision of the State Committee and are the eyes and the ears of the local agricultural community and have knowledge of agricultural trends. COCs hire the County Executive Director to manage the County Office and provide general oversight of office operations. COC’s hear producers’ and employees’ appeals, and also set program policy as required by the National and State office. The COC is tasked with ensuring efficient and orderly operations of the County Office. Generally, the COC meets one day per month to hear appeals and make program decisions, such as income safety-net loans and payments, including setting county average yields for price support commodities, incentive, indemnity and disaster payments for some commodities.

The Advisors on the COC are needed to be a voice for minority and women farmers and ranchers when there is an absence of elected or appointed socially disadvantaged (SDA) members. Minority and women farmers and ranchers represent a large portion of the farm population in many jurisdictional areas, but some communities are unable to elect a candidate to the Committee in the annual voting process. Public Law 107-171 granted the Secretary the authority to appoint one additional voting member to a County Committee to
United States Department of Agriculture  
2016 Presidential Transition  
Farm Service Agency (FSA) 

ensure the inclusion of SDA farmers and ranchers. The appointed member serves for one year. The Secretary appointed 78 voting SDA members for 2016.

The State Committees and County Committees provide input on the administration of FSA programs, including commodity price support loans and payments, conservation programs, disaster payments, and emergency programs.

County Committee members are a critical component of the day-to-day operations of FSA. County Committees help deliver and provide outreach for FSA Farm Programs at the local level. Farmers who serve on Committees help decide the kind of programs their counties will offer. They provide input on how to improve program delivery and they work to make FSA agricultural programs serve the needs of local farmers and ranchers, and help local farmers and ranchers know what programs are available.

- Temporary employees perform an important role in staffing offices when there are changes in permanent staff rosters, personnel emergencies or an employee’s need for extended time off, and where an office structure cannot support staffing a permanent position. As an aging workforce continues to separate from the rolls, short-term temporary employees are important to filling employment gaps.

In addition, temporary employees perform a significant role in FSA’s delivery of programs, such as during surges in activity when disasters and program sign-up periods occur. The success of FSA’s 2014 Farm Bill implementation and service to producers was made possible, in part, due to the assistance of additional temporary employees hired with additional funding made available through Title I administrative funding. States had the flexibility to meet 2014 Farm Bill workload demands through the use of temporary full-time and temporary intermittent (hourly) employees and additional County Committee meeting time. Beginning with FY2017, most of the Title I administrative Farm Bill funding has been expended and while some of the Farm Bill workload still remains, FSA has begun to reduce its temporary workforce. Without the Title I funding to maintain FSA’s temporary workforce, FSA will have an adjustment to make to sustain a high level of responsiveness to Title I program delivery and service to producers associated with key programs such as Agriculture Risk Coverage, Price Loss Coverage, Margin Protection-Dairy; an expanding workload to administer Marketing Assistance Loans, Farm Storage Facilities Loan Program, and the Non-Insured Crop Disaster Assistance Program.

- Of the Federal workforce, 33 percent are under a bargaining unit in Headquarters offices and in 13 States where a bargaining unit has been formed. The non-Federal County employees are represented by an employee association, the National Association of FSA County Office Employees (NASCOE). This association has exclusive rights to represent FSA County employees and can negotiate working conditions, similar to a union. They have those rights as they were formed in 1958, prior to Federal employees obtaining the right to engage in collective bargaining through labor organizations under Executive Order 10988, “Employee-Management Cooperation in the Federal Sector.” Other Federal employee associations that are recognized by FSA and are provided consultative (not negotiation) opportunities are National
To address the budget reductions stipulated in the Budget Control Act of 2012, FSA received authority to offer Voluntary Separation Incentive Payments (VSIP) and Voluntary Early Retirement Authority (VERA) between June, 2012, and November, 2013. These authorities have not been used since 2013.

VERA: 164 employees separated  
VSIP: 247 employees separated

In addition, due to budgetary limitations, FSA imposed a hiring freeze during November, 2012, to June, 2014.

While staffing reduction levels were achieved, the use of overtime and comp time increased due to the workload levels. Farm Loan Programs workload was rising, and has continued to rise as the number of loans and their required servicing has increased. With the use of VERA and VSIP, there was also a loss of employees with institutional knowledge of FSA programs. This created gaps in the distribution of a trained and experienced workforce.

The hiring freeze was lifted in the spring of 2014 and FSA Headquarter and State and County Offices were able to hire up to their funded staffing levels. Since that time, FSA maximized efforts to rehire permanent positions vacated during the hiring freeze.

II. Policies and Regulations

Statutory Authorities

• Agricultural Act of 2014 (2014 Farm Bill)—The 2014 Farm Bill, signed on February 7, 2014, remains in force through the 2018 crop year—and in the case of some provisions, beyond. It introduced several new Title I programs, including the Agriculture Risk Coverage and Price Loss Coverage (ARC/PLC) programs and the Margin Protection Program for Dairy (MPP-Dairy), and streamlined several conservation programs. Most FSA farm programs are authorized by Title I (commodities); Title II (conservation); Title IX (Biomass Crop Assistance Program, Feedstock Flexibility Program); and Title XII (Non-Insured Crop Disaster Assistance Program).

• Consolidated Farm and Rural Development Act (CONACT)—The CONACT provides authority for the farm operating, farm ownership, and emergency loans offered by FSA’s Farm Loan Programs. A sizeable proportion of FSA direct loans are reserved, by statute, for beginning and socially disadvantaged (by race, ethnicity, or gender) farmers and ranchers. The CONACT is permanent legislation and does not expire; however, it was most recently modified in Title V of the 2014 Farm Bill. The CONACT was signed into law in 1972, but stems from legislation originally enacted in 1961.
• **U.S. Warehouse Act (USWA)**—USWA provides the authority for Commodity Operations to license warehouse operators who store agricultural products. Warehouse operators that apply must meet USDA standards. Application is voluntary. Applicants agree to be licensed under the USWA, observe the rules for licensing, and pay associated user fees. USWA was originally enacted in 1916; it does not expire.

• **Commodity Credit Corporation Charter Act**—The CCC Charter Act, as amended, provides authority to assist agricultural producers through loans, purchases, payments, and other operations. The Charter Act also authorizes the sale of agricultural commodities to other government agencies and to foreign governments and the donation of food to domestic, foreign, or international relief agencies. The CCC has the authority to borrow up to $30 billion from the Treasury at any one time. These funds are used to implement the programs authorized under the CCC Charter Act and various other statutes, including the 2014 Farm Bill (largely Title I and II programs). The CCC Charter Act dates to 1948; it does not expire.

**Important Policies and Regulations**

Since September 1, 2015, FSA has published the following regulations and notices of funds availability (NOFA); there are currently no FSA regulations open for comment or pending clearance with the Office of Management and Budget (OMB). (Note: Only a few of the following rules were designated as significant by the OMB’s Office of Information and Regulatory Affairs, however all of the other rules listed below were high priority or substantive policy rules):

• The **Payment Limits and Payment Eligibility; Actively Engaged in Farming** final rule was published and implemented on December 16, 2015. The final rule was designated as significant. The final rule implemented changes as required by the 2014 Farm Bill.

• The **Agriculture Priorities and Allocations System** final rule was published and implemented on October 22, 2015. This rulemaking initiative was unique in that it is not a traditional FSA program, it is a USDA rule that was delegated to FSA many years ago. It was part of a larger initiative to establish consistent government-wide regulations for the Federal Priorities and Allocations System. The final rule was designated as significant. The final rule implemented the Defense Production Act.

• The **Environmental Policies and Procedures Compliance with the National Environmental Policy Act** and Related Authorities final rule was published and implemented on August 3, 2016. When the proposed rule was published, it was designated as significant; however, the final rule was designated as not significant in part because there were only 24 comments on the proposed rule. The final rule updated and consolidated the previously separate FSA regulations into one and included additional categorical exclusions to allow FSA staff to focus on priority environmental reviews. This was the first update of the regulations in approximately 30 years.
The Margin Protection Program for Dairy (MPP-Dairy) final rule was published and implemented on April 13, 2016. The final rule was designated as not significant. It implemented changes to MPP-Dairy to address intergenerational transfers in response to comments received on a previous final rule published in 2014. The 2014 final rule implemented the new MPP-Dairy program authorized in the 2014 Farm Bill, it was designated as significant.

The one-time Cotton–Ginning Cost-Share (CGCS) Program Payments to Cotton Producers was published and implemented on June 6, 2016, through a NOFA. The CGCS Program provided payments to eligible, financially distressed cotton producers to assist with expanding and maintaining the domestic marketing of cotton.

The one-time Biofuel Infrastructure Partnership (BIP) grants were published and implemented on June 16, 2015, through a NOFA. BIP provided grants to States to expand the ethanol market through infrastructure development, including the installation of blender pumps and tanks.

USDA has worked with the United States Navy on a joint initiative, Farm-to-Fleet, since December 2013. It makes biofuel blends part of regular, operational fuel purchases by incorporating the acquisition of biofuel blends into regular Department of Defense domestic solicitations for jet engine and marine diesel fuels.

The Farm Storage Facility Loan (FSFL) Program; Portable Storage Facilities and Reduced Down Payment for FSFL Microloans final rule was published and implemented on April 29, 2016. It implemented several changes to the existing FSFL program to provide additional options that farmers had been requesting and added a microloan option for loans up to $50,000. The final rule was designated as not significant and the changes made by it did not require a proposed rule.

The Direct Farm Ownership Microloan final rule was published on January 21, 2016. The final rule (with the opportunity for public comment) was designated as not significant. Prior to this rule, microloans had only been available for direct farm operating loans.

The new Highly Fractionated Indian Land (HFIL) Loan Program final rule was published on December 1, 2015. The final rule, which implemented changes authorized by the 2014 Farm Bill, was designated as not significant. Under this program, FSA can establish a revolving fund to lend to qualified “intermediary” tribal entities, who can then re-lend to tribal members seeking to purchase fractionated land interests.
On average over the past five years, FSA published approximately 28 regulations and notices annually in the Federal Register. This total includes new regulations, changes to existing regulations, and a variety of program notices, including occasional NOFAs, environmental review notices, information collection notices, and other program announcements. New regulations generally implement new requirements of the current farm bill or other legislation.

Between 2008 through 2016, FSA has published an average of slightly more than 2 “new” regulations and NOFAs per year; the remaining regulations revise existing programs. Approximately 50 percent of the “new” regulations published each year have been designated as significant or economically significant by OMB’s Office of Information and Regulatory Affairs.

In years in which FSA is implementing a farm bill, the volume of “new” and significant or economically significant regulations increases. In 2014, FSA published 10 regulations associated with major new farm bill program actions (e.g., ARC/PLC, MPP-Dairy, Adjusted Gross Income and Payment Limits). In 2015, there were five farm bill regulations and in 2016, there was one farm bill regulation. Four NOFAs were all associated with farm bill implementation.

**Overview of the policy/regulation review process**

Many FSA regulations are implemented in response to farm bills. Due to the nature of FSA regulations and the legislative exemptions that are provided for certain rulemaking requirements, FSA is often able to expedite rulemaking (in other words, in many cases, the rule can be published as a “final” rule and skip the “proposed” rule step).

Program staffs identify when a regulation is required and work closely with FSA’s Economic and Policy Analysis Staff (EPAS) regarding regulation development and analysis of costs and benefits. EPAS’s Regulatory Review Group works closely with program staffs on required documents and closely coordinates with all USDA and external reviewers, including the Office of Management and Budget and agencies involved in interagency review. FSA also has a close working relationship with the USDA Office of the General Counsel and the USDA Office of Budget and Program Analysis; FSA program staff and policy officials work with them regarding questions that arise in the implementation of new programs or changes to existing programs.

At the same time that regulations are being developed and moving through the legal and policy clearance process, many other activities are in process. Program staff are working with IT/automation staff to develop program software to be used by the county offices (e.g., signup and payment software). In addition, program staff (generally in Farm Programs and Farm Loan Programs) are working to develop detailed handbooks and directives that provide implementation directions consistent with the associated regulation and underlying law. Upon publication of a Federal Register document announcing a new farm bill program, a “rollout” package is often released, which includes a news release (typically announcing a signup period) and the posting of handbooks and additional FSA webpage content (involving new web pages “going live” or being updated).
United States Department of Agriculture
2016 Presidential Transition
Farm Service Agency (FSA)

GAO and OIG Audits

**GAO Audits**

- Farm Program Modernization: Farm Service Agency Needs to Demonstrate the Capacity to Manage IT Initiatives

- USDA Farm Programs: Farmers Have Been Eligible for Multiple Programs and Further Efforts Could Help Prevent Duplicative Payments

- International Food Aid: Better Agency Collaboration Needed to Assess and Improve Emergency Food Aid Procurement System

- Farm Programs: Changes Are Needed to Eligibility Requirements for Being Actively Involved in Farming

- Farm Programs: Additional Steps Needed to Help Prevent Payments to Participants Whose Incomes Exceed Limits

- Farm Programs: USDA Needs to Do More to Prevent Improper Payments to Deceased Individuals

- Food Assistance: Briefing on U.S. Department of Agriculture's Food Assistance Procurement Process

- Disaster Assistance: USDA and SBA Could Do More to Help Aquaculture and Nursery Producers
United States Department of Agriculture
2016 Presidential Transition
Farm Service Agency (FSA)

OIG Audits


- Farm Service Agency Livestock Forage Program, issued December, 2014.

- Farm Service Agency Noninsured Crop Disaster Assistance Program, issued October 2014.

- Fiscal Year 2012 Farm Service Agency Farm Assistance Program Payments, issued July, 2013.


- Fiscal Year 2011 Farm Service Agency Farm Assistance Program Payments, issued May, 2012.


- 2008 Farm Bill’s Changes to Payment Limitation, issued June, 2012.


Other Audits and Reports

Farm Service Agency: A Clear Path Forward to Providing the Highest Level of Customer Service, issued August, 2016. As directed by the Consolidated and Further Continuing
United States Department of Agriculture  
2016 Presidential Transition  
Farm Service Agency (FSA)

Appropriations Act of 2015, the Farm Service Agency contracted with the National Academy of Public Administration (NAPA) to conduct an independent review of its workload analysis methods and determine a clear path forward to ensure the agency continues to provide the highest level of customer service. The report was published by NAPA in September, 2016. [http://www.napawash.org/2016/1819-farm-service-agency-a-clear-path-forward-to-providing-the-highest-level-of-customer-service.html](http://www.napawash.org/2016/1819-farm-service-agency-a-clear-path-forward-to-providing-the-highest-level-of-customer-service.html)

III. Congressional Relations and Issues

Overview

MIDAS Project

As part of the corrective action plan to address the USDA OIG’s findings in its review of the MIDAS project, USDA requested an independent third-party assessment. MITRE Corporation conducted this assessment and completed its report in April, 2016. FSA has regularly met with Congressional staff, OMB and GAO to discuss the project’s progress and obtain further guidance and direction. FSA has briefed MITRE’s findings to staff of the Senate and House Appropriations Committees and the Senate Agricultural Committee, as well as to GAO and OMB.

Staffing and County Office Structure

Since FY 2010, FSA has experienced significant reductions in available Federal (GS) and Non-federal (CO) permanent full-time equivalent (FTE) staffing levels to staff FSA State and County Offices. These reductions have been a result of decreases in available Agency budget levels. From FY 2010 to FY 2016, FSA State GS total and CO permanent and temporary FTE staffing levels decreased approximately 20 percent. Congressional restrictions on the Agency’s office structure have further limited FSA’s ability to respond to changing customer needs and program delivery activities. Several years of these limitations have constrained FSA’s ability to close or restructure County Office operations, and has resulted in approximately 500 of 2,145 County Offices being currently staffed with 2 or fewer permanent employees.

In 2012, FSA successfully carried out a plan to streamline operations and enhance customer service through the closure of 125 field offices. However, a subsequent plan to close 250 additional offices was criticized by Congress in 2015 for insufficiently describing the rationale, impact, and cost savings. The 2014 Farm Bill imposed a moratorium on further office closures and directed FSA to undertake a workload analysis. The Appropriations Act of 2015 directed FSA to contract with the National Academy of Public Administration (NAPA) to undertake an independent review of the Agency’s staffing models and “determine a clear path forward to ensure the Agency continues to provide the highest level of customer service.” The NAPA report, completed in August 2016, concluded that the staffing models currently used by FSA and those proposed for development, had a sound framework with some recommended changes. Future analysis and plans that FSA may develop to adjust the Agency’s field office footprint will reference the recommendations on this issue in the NAPA report.
2014 Farm Bill

The United States Congress has expressed interest in the provisions and subsequent programs of the 2014 Farm Bill described below. The 2014 Farm Bill authorizes and funds Farm Programs through 2018. It is very likely that the next Farm Bill is being discussed in both the House and Senate Agriculture Committees; hearings are anticipated to begin as early as spring 2017.

- Cottonseed

Many Congressional members, both House and Senate, have urged USDA’s Secretary to designate cottonseed as an “other oilseed” for eligibility purposes under the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs. Copies of any related correspondence are available upon request.

It’s been determined that USDA does not have the authority to add cottonseed as an “other oilseed” for purposes of the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs. Commodity Credit Corporation authority was used to provide $300 million in one-time assistance to the cotton industry through the Cotton Ginning Cost Share Program.

- Loan Limits and Farm Loan Funding

Loan limits have been a recent discussion with Congressional members of the House and Senate Agricultural Committees. The concern is that the current loan limits in FSA’s Direct and Guaranteed Programs are restricting farmers and ranchers from maintaining and expanding their farm operations. Members are suggesting that loan limits be increased.

FSA has seen an increase in demand for farm loans and, while FSA loan limits work for most of borrowers, for many producers loan limits have not kept pace with the cost of farming, particularly increases in the costs of farm land and equipment. A change to FSA loan limits requires a statutory change. Additionally, without there also being an increase in program levels, an increase in loan limits would result in fewer, larger loans, thereby reducing the number of producers that FSA could currently and potentially assist.

Margin Protection Program for Dairy (MPP-Dairy)

This voluntary risk management program for dairy producers offers protection to them when the difference between the national all milk price and the national average feed cost (the production margin) falls below a certain dollar amount selected by the producer.

Many Congressional members have expressed concerns about dairy farmers being hit extremely hard by low farm milk prices that have resulted in sharply reduced incomes. Copies of any related correspondence are available upon request. They are interested in regional pricing to account for higher feed costs, such as in the northeast, where inputs such as labor, energy and transportation are more expensive. The statute authorizes only national pricing. Factors contributing to lower prices include U.S. milk production has increased almost two
percent above last year’s level, the European Union’s decision to remove its milk production quotas and the loss of their export market to Russia, and an increase in production in other major milk-producing countries.

- **Agriculture Risk Coverage County (ARC-County)**

  Congressional members have expressed concerns about yields and data, in particular by the North Dakota delegation.

**Other FSA concerns, issues, and comments:**

- **Conservation Reserve Program (CRP)**

  The most recent CRP general signup period in 2016 was one of the most selective sign-up periods in CRP’s 30-year history. An updated nationwide acreage limit was established for this program in the 2014 Farm Bill, capping the total number of acres that may be enrolled at 24 million for FY2017 and FY2018. At the same time, USDA has experienced a record demand from farmers and ranchers interested in participating in this voluntary program, partly due to low commodity prices.

  Calls have been received from several Congressional members on issues that include the status of payments, lack of guidance, mid-contract management, continuous CRP acres, and CRP general signup.

- **Disaster Designations**

  The Secretary is authorized to designate counties as disaster areas to make emergency loans available to producers suffering losses in those counties and in counties that are contiguous to a designated county. In addition to emergency loan eligibility, other emergency assistance programs, such as FSA disaster assistance programs, have historically used disaster designations as an eligibility trigger. FSA administers four types of disaster designations: USDA Secretarial disaster designation, Presidential major disaster and Presidential emergency declarations, FSA Administrator’s Physical Loss Notification; and Quarantine designation by the Secretary under the Plant Protection Act or animal quarantine laws.

  Calls have been received from Congressional members, primarily asking about specific counties in their district and/or state that have been designated a disaster. Rep. Elise Stefanik (NY) and Tom O’Brien, Clerk for House Committee on Appropriations, have expressed concerns over the accuracy of the drought monitor. There also have been questions about to what a Secretarial Disaster Designation gives a State or County access.

- **Emergency Conservation Program (ECP)**

  ECP is a cost-share program that provides emergency funding and technical assistance to farmers and ranchers to rehabilitate farmland damaged by natural disasters and to
implement emergency water conservation measures in periods of severe drought. The availability of funding is determined by Congress annually.

Calls from several Congressional members concerning a lack of funding and payment statuses in their Congressional districts and/or State.
IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

<table>
<thead>
<tr>
<th>Entity</th>
<th>Relationship</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Services Administration (GSA)</td>
<td>GSA delegates leasing authority to USDA. GSA is also the lead agency for ensuring implementation of Personal Identity Verification (PIV) cards.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Department of Homeland Security (DHS)</td>
<td>FSA’s continuity of operations (COOP) is developed under the direction of the DHS.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>USDA Office of Homeland Security and Emergency Coordination (OHSEC)</td>
<td>OHSEC is USDA’s agency that provides Departmental executive leadership in and compliance with security, preparedness, and response efforts.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Federal Emergency Management Agency (FEMA)</td>
<td>FSA coordinates with FEMA to implement Agriculture Priorities and Allocations System (APAS) and COOP.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>USDA Risk Management Agency (RMA)</td>
<td>FSA provides management services for RMA.</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

**Information Technology**

<table>
<thead>
<tr>
<th>Entity</th>
<th>Relationship</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>USDA Client Technology Services (CTS)</td>
<td>CTS provides end user computing services (devices, office productivity software, and managed print services), Tier 1 Help Desk Support, telecommunication services and network services.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>USDA National Information Technology Center (NITC)</td>
<td>NITC provides Enterprise Data Center hosting and data storage services for non-SAP systems.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>USDA National Finance Center (NFC)</td>
<td>NFC provides Enterprise Data Center hosting and data storage services for FSA’s SAP system (MIDAS).</td>
<td>Ongoing</td>
</tr>
<tr>
<td>USDA Risk Management Agency (RMA)</td>
<td>RMA is responsible for implementing crop insurance programs. FSA shares customer and farm information with RMA and partners to fulfill the Acreage Crop Reporting Streamlining Initiative (ACRSI).</td>
<td>Ongoing</td>
</tr>
<tr>
<td>USDA Natural Resource Conservation Service (NRCS)</td>
<td>NRCS provides farmers and ranchers with financial and technical assistance to implement conservation practices. FSA provides systems and shares customer and farm information with NRCS to support various programs. NRCS provides FSA systems and data to support Common Provisions. FSA also partners with NRCS and other USDA agencies to acquire high resolution imagery data for use in multiple programs.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>USDA Rural Development (RD)</td>
<td>FSA and RD share the Program Loan Accounting System (PLAS), Program Funds Control System (PFCS) and Guaranteed Loan System (GLS). The National Finance and Accounting Operations Center (NFAOC) supports Farm Loan program finance and accounting servicing needs.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>USDA Agricultural Marketing Service (AMS)</td>
<td>FSA partners with AMS on the Web-based Supply Chain Management System (WBSCM), which supports domestic and international food aid programs.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>USDA Foreign Agriculture Service (FAS)</td>
<td>FSA provides IT systems and technical support for the General Sales Manager Program for the Foreign Agriculture Service (FAS).</td>
<td>Ongoing</td>
</tr>
<tr>
<td>USDA Forest Service</td>
<td>FSA partners with the Forest Service to acquire high resolution imagery data for use in multiple programs.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>General Services Administration (GSA)</td>
<td>FSA partners with GSA for consolidated search tools for the FSA public website.</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
## Office of Business and Program Integration (OBPI)

<table>
<thead>
<tr>
<th>Department of the Interior (DOI)</th>
<th>FSA partners with DOI, along with several USDA agencies, to acquire high resolution imagery data for use in multiple programs.</th>
<th>Ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of Justice (DOJ)</td>
<td>OBPI is FSA’s Agency liaison with DOJ for settlement of program litigation and potential litigation.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Government Accountability Office (GAO)</td>
<td>OBPI is FSA’s Agency liaison for all GAO studies and reports addressing FSA program, administrative, and financial operations.</td>
<td>Ad hoc</td>
</tr>
<tr>
<td>National Appeals Division (NAD)</td>
<td>OBPI represents FSA in NAD Director Reviews and provides technical guidance to FSA State and County Offices appearing before NAD hearing officers in the field.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Office of Budget and Program Analysis (OBPA)</td>
<td>OBPI collaborates with OBPA on development of USDA performance management policies and regulations; USDA and Agency-level strategic plans and annual operations plans, performance reporting, and performance information for budget exhibits.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Office of Chief Financial Officer (OCFO)</td>
<td>OBPI collaborates with OCFO on all facets of internal controls, enterprise risk management, and OIG Management challenges.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Office of the Inspector General (OIG)</td>
<td>OBPI serves as the agency liaison for all OIG audits and investigations addressing FSA program, administrative, and financial operations, and hotline complaints.</td>
<td>Ad hoc</td>
</tr>
<tr>
<td>Office of General Counsel (OGC)</td>
<td>OBPI serves as the liaison to OGC for settlement of program litigation and potential litigation; and ongoing OBPI operations.</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

## Budget and Finance

| Treasury Department | Treasury oversees the disbursement of payments to the public, revenue collection, and provides FSA with funds to administer and implement its programs. | Ongoing |

39
<table>
<thead>
<tr>
<th>Internal Revenue Service (IRS)</th>
<th>FSA submits data regarding payments to producers and business entities to the IRS. Also, they provide verification of adjusted gross income that assists in determining Farm Programs’ eligibility.</th>
<th>Ongoing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Security Administration (SSA)</td>
<td>USDA receives SSA’s “Death Master File.” This file is used to identify Farm Programs’ and Farm Loan Programs’ participants who are deceased. The information is further used to determine program eligibility.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>National Financial and Accounting Operations Center</td>
<td>USDA National Financial and Accounting Operations Center provides financial management, accounting, and portfolio management support for Direct and Guaranteed Credit Reform Loans and Grants for FSA and Rural Development.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>United States Agency for International Development (USAID)</td>
<td>CCC supplies commodities in connection with USAID’s international food aid programs, including Food for Peace, P.L. 480 Title II., which is appropriated to USDA and then transferred to USAID. All P.L. 480 Title II financial transactions impact CCC’s financial statements. From an accounting standpoint, there is a “parent-child” relationship, where USDA is the parent and USAID is the child.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Office of Management and Budget (OMB)</td>
<td>OMB oversees the preparation of FSA’s annual budget submission (President’s Budget), review/approves apportionment requests.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>OIG</td>
<td>FSA works with OIG on internal controls, the CCC annual management report, and updates to corrective action plans for audits.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Food and Nutrition Service (FNS)</td>
<td>CCC owned commodities are available for use in the administration of FNS’ domestic nutrition and feeding programs.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Foreign Agriculture Service (FAS)</td>
<td>FSA provides budgetary and financial support for CCC-funded foreign trade programs that are managed by FSA.</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

**Commodity Operations**

| USAID | Commodity Operations procures commodities and performs the off-shore transportation services for international food | Ongoing |
| **United States Department of Agriculture**  
| 2016 Presidential Transition  
| Farm Service Agency (FSA) |

| assistance programs administered by USAID. |
| FAS | Commodity Operations procures commodities and performs the off-shore transportation services for international food assistance programs administered by FAS. It also verifies, signs, reconciles and certifies payments in the Web-Based Supply Chain Management System. | Ongoing |
| USDA Grain Inspection, Packers and Stockyard Administration (GIPSA), Federal Grain Inspection Service (FGIS) | FGIS provides sampling and testing protocols and audit services on select commodities for Commodity Operations and its partners. | Ongoing |
| AMS | AMS provides sampling and testing protocols and audit services on select commodities for Commodity Operations and its partners. Commodity Operations provides procurement support services for AMS. | Ongoing |
| Food Aid Consultative Group (FACG) | Commodity Operations is a member of this statutorily-mandated group of Federal government and private sector organizations from the commodity, transportation and non-governmental organization sectors. The group discusses topics such as new technologies, formulations, and packaging related to food aid commodities. | Semi-annually |
| Department of Justice (DOJ) | Commodity Operations works with DOJ in the development and settlement of litigation against ocean carriers who ship commodities overseas. | Ongoing |
| Approved United States Warehouses | CCC approved warehouses store loan commodities pledged as collateral for marketing assistance loans and store forfeited commodities on behalf of USDA-FSA. | Ongoing |
| USDA Food and Nutrition Services (FNS) | DACO provides procurement support services for FNS. It also verifies, signs, reconciles and certifies payments in the Web-Based Supply Chain Management System. It also performs the off-shore transportation services for commodities purchased going to Alaska, Hawaii, Puerto Rico and Guam. | Ongoing. |

<table>
<thead>
<tr>
<th>Economic Policy Analysis Staff And Farm Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Know Your Farmer, Know Your Food’s Executive Committee</td>
</tr>
<tr>
<td>Economic Research Service (ERS), National Agricultural Statistics Service (NASS), Risk Management Agency (RMA)</td>
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</tbody>
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<thead>
<tr>
<th>Farm Loan Programs</th>
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<tbody>
<tr>
<td>Federal Deposit Insurance Corporation (FDIC)</td>
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<tr>
<td>Farm Credit Administration (FCA)</td>
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<tr>
<td>United States Department of Agriculture</td>
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<tr>
<td>Farm Service Agency (FSA)</td>
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<tr>
<td>Natural Resource Conservation Service (NRCS)</td>
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<tr>
<td>USDA Office of Tribal Relations (OTR)</td>
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<tr>
<td>USDA Rural Development</td>
</tr>
<tr>
<td>Small Business Administration (SBA)</td>
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<tr>
<td>Treasury Department, Community Development Financial Institutions (CDFI) Fund</td>
</tr>
<tr>
<td><strong>Advisory Committees</strong></td>
</tr>
<tr>
<td>Council for Native American Farming and</td>
</tr>
<tr>
<td>Association Name</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Ranching (CNAFR) related to the use of USDA programs by American Indians and Alaska Natives. FSA’s Administrator is a member. USDA’s Office of Advocacy and Outreach administers the BFRAC.</td>
</tr>
<tr>
<td>National Association of Credit Specialists (NACS)</td>
</tr>
<tr>
<td>National Association of FSA Support Employees (NASE)</td>
</tr>
<tr>
<td>National Association of FSA County Office Employees (NASCOE)</td>
</tr>
<tr>
<td>Farm Loan Chiefs Association (FLCA)</td>
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<tr>
<td>National Association of District Directors (NADD)</td>
</tr>
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</table>
### Recent engagements with stakeholder group

<table>
<thead>
<tr>
<th>Entity</th>
<th>Relationship</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Office of Budget and Finance (OBF)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dow Jones</td>
<td>OBF submits price support reports to Dow Jones.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Peanut Warehouses</td>
<td>OBF submits detailed monthly marketing assistance loan peanut load in charges to peanut warehouses.</td>
<td>Monthly</td>
</tr>
<tr>
<td>Producer and business entities</td>
<td>OBF submits IRS 1099 and IRS 1098 forms to producers and business entities, and reports the information to the IRS.</td>
<td>Annually in January</td>
</tr>
<tr>
<td><strong>Office of Business and Program Integration (OBPI)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cooperative Agreement Recipients</td>
<td>OBPI is the business office for cooperative agreements the Agency enters into for outreach, education, financial literacy, and technical assistance. There are over 60 cooperative agreement recipients.</td>
<td>Ongoing</td>
</tr>
<tr>
<td><strong>Deputy Administrator of Commodity Operations (DACO)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commodity Vendors</td>
<td>DACO meets with commodity vendors to discuss trends, procurement opportunities, commodity specifications, and other issues of importance.</td>
<td>Ad hoc</td>
</tr>
<tr>
<td>Private Voluntary Organization (PVO)</td>
<td>DACO meets with PVOs to discuss trends, procurement opportunities, commodity specifications, commodity transportation, and other issues of importance.</td>
<td>Ad hoc</td>
</tr>
<tr>
<td>Cotton Industry Groups</td>
<td>DACO participates and give presentations at conferences/meetings held by various cotton industry groups, including National Cotton Council, Cotton Growers Warehouse Association, and Cotton Warehouse Association of America.</td>
<td>Ad hoc</td>
</tr>
<tr>
<td>Grain Grower Industry Groups</td>
<td>DACO participates and gives presentations at conferences/meetings held by various grain grower groups, including National Grain and Feed Association, Association of Grain.</td>
<td>Ad hoc</td>
</tr>
</tbody>
</table>
Peanut Industry Groups  | DACO participates and gives presentations at conferences/meetings held by various peanut industry groups, including American Peanut Shellers Association and National Peanut Buying Points Association.  | Ad hoc
---|---|---
USA Dry Pea and Lentil Council  | DACO participates and gives presentations at conferences/meetings held by them.  | Ad hoc
Sugar Industry Groups  | DACO participates and gives presentations at conferences/meetings held by various sugar industry groups, including US Beet Sugar Association and US Cane Sugar Refiners Association.  | Ad hoc
National Association of State Departments of Agriculture (NASDA)  | DACO participates and gives presentations at conferences/meetings held by them.  | Ad hoc
<table>
<thead>
<tr>
<th><strong>Farm Loan Programs (FLP)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Agricultural Mediation Program (AMP) State-Certified Entities</strong></td>
</tr>
<tr>
<td>USDA AMP makes grants to state-designated entities that provide alternative dispute resolution (ADR) through mediation to agricultural producers, their lenders and others directly affected by the actions of certain USDA agencies. In mediation, a trained, impartial mediator helps participants identify and review their conflicts and to further identify solutions to resolve disputes. These grants are administered by FSA. Cases covered by the grants include agricultural loans, whether made by USDA or commercial lenders, and disputes involving USDA actions on farm and conservation programs, wetland determinations, rural water loan programs, grazing on national forest system lands, pesticides, rural housing and business loans, and crop insurance. FLP administers 40 different mediation grants throughout the United States.</td>
</tr>
<tr>
<td><strong>American Bankers Association (ABA)</strong></td>
</tr>
<tr>
<td>ABA is a trade association representing bankers throughout the United States. FSA maintains regular contact with its agricultural banking representatives to receive input on farm loan policy. Key issues for this group include reducing burden on lenders working with FSA and increasing program funding.</td>
</tr>
<tr>
<td><strong>Farm Credit Council</strong></td>
</tr>
<tr>
<td>The Farm Credit Council is a trade association representing the Farm Credit Associations throughout the United States. FSA maintains regular contact with this group to receive input on farm loan policy and program funding. Key issues for this group include reducing burden on associations, working with FSA, and increasing program funding.</td>
</tr>
<tr>
<td><strong>Farmer Mac</strong></td>
</tr>
<tr>
<td>Farmer Mac is a private corporation that was chartered by the U.S. government to serve as a secondary market in agricultural loans such as mortgages for agricultural</td>
</tr>
</tbody>
</table>
| **United States Department of Agriculture**  
| **2016 Presidential Transition**  
| **Farm Service Agency (FSA)**  

<table>
<thead>
<tr>
<th><strong>Organization</strong></th>
<th><strong>Description</strong></th>
<th><strong>Event</strong></th>
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</thead>
<tbody>
<tr>
<td><strong>Farmer Mac</strong></td>
<td>Farmer Mac purchases FSA Guarantees from lenders to improve liquidity and provide better rates and terms to farm customers. FSA maintains regular contact with Farmer Mac to ensure the secondary market process works smoothly for FSA Guarantees.</td>
<td>Mac- Nov. 13, 2016 (Open Forum/Presentation)</td>
</tr>
<tr>
<td><strong>Farmer Veteran Coalition (FVC)</strong></td>
<td>FVC cultivates a new generation of farmers and food leaders, and develops viable employment and meaningful careers through the collaboration of the farming and military communities. It connects veterans with agriculture and believe that agriculture offers purpose, opportunity, and physical and psychological benefits.</td>
<td>Ad hoc</td>
</tr>
<tr>
<td><strong>Independent Community Bankers of America (ICBA)</strong></td>
<td>ICBA is a trade association representing community bankers throughout the United States. FSA maintains regular contact with their agricultural banking representatives to receive input on farm loan policy. Key issues for this group include reducing burden on lenders working with FSA and increasing program funding.</td>
<td>Ad hoc</td>
</tr>
<tr>
<td><strong>Intertribal Ag Council (IAC)</strong></td>
<td>IAC promotes the conservation, development and use of agricultural resources in Indian country. IAC works on behalf of individual Indian producers and Tribal enterprises within the Indian community and Federal agencies on agricultural policies and programs.</td>
<td>2016 IAC Membership Meeting/Conference-Dec. 5-8, 2016 (Exhibit Booth/Youth Loan Workshop Session/Presentation)</td>
</tr>
<tr>
<td><strong>National Association of Rural Rehabilitation Corporations (NARRC)</strong></td>
<td>NARRC was established to assist members to more efficiently manage their assets, to share information on successful innovative programs, and to further the achievement of excellence in addressing rural America’s needs. FSA is responsible for the annual oversight of revenue and expenses for all NARRC programs.</td>
<td>2016 NARRC Annual Conference-Sept. 24-28, 2016 (Presentation)</td>
</tr>
<tr>
<td><strong>National Young Farmers Coalition (NYFC)</strong></td>
<td>NYFC represents, mobilizes, and engages young farmers to ensure their success, and envisions a country where young people</td>
<td>Ad hoc</td>
</tr>
</tbody>
</table>
United States Department of Agriculture  
2016 Presidential Transition  
Farm Service Agency (FSA)

who are willing to work, get trained and take a little risk can support themselves and their families in farming. NYFC supports practices and policies that will sustain young, independent and prosperous farmers now and in the future.

<table>
<thead>
<tr>
<th>Farm Programs (FP)</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>American Farm Bureau Federation (AFBF)</td>
<td>AFBF lobbies on behalf of farmers. FP meets with AFBF to discuss issues related to farm programs, including ARC/PLC, MPP-Dairy, and the effectiveness of ACRSL.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Association of Fish and Wildlife Agencies</td>
<td>CRP policy</td>
<td>September 2016</td>
</tr>
<tr>
<td>Community Involved in Sustaining Ag/MA</td>
<td>USDA Award Event</td>
<td>August 2016</td>
</tr>
<tr>
<td>Cooperative Marketing Association</td>
<td>Annual meeting with FSA</td>
<td>September 2016</td>
</tr>
<tr>
<td>Cotton Loan Servicing Agent</td>
<td>Annual meeting with FSA</td>
<td>September 2016</td>
</tr>
<tr>
<td>Louisiana (Baton Rouge)</td>
<td>FSA response to flooding</td>
<td>September 2016</td>
</tr>
<tr>
<td>Minnesota State Government</td>
<td>Discuss CREP proposal.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Montana State Government</td>
<td>Discuss CREP proposal.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>National Association of State Departments of Agriculture (NASDA)</td>
<td>FP meets with NASDA to discuss issues related to farm programs, including the Organic Certification Cost Share Program and Agricultural Management Assistance Program.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>National Farmers Union (NFU)</td>
<td>NFU lobbies on behalf of farmers. FP meets with NFU to discuss issues related to farm programs, including ARC/PLC, MPP-Dairy, and the effectiveness of ACRSI.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Natural Products Expo East</td>
<td>Supporting Organic</td>
<td>September 2016</td>
</tr>
<tr>
<td>New York Senator Kirsten</td>
<td>New York Agriculture Economy Panel</td>
<td>September 2016</td>
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<tr>
<td>Gillibrand’s Farm Day</td>
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<tr>
<td>New York State Government</td>
<td>Discuss CREP Proposal</td>
<td>Ongoing</td>
</tr>
<tr>
<td>North Dakota State Government</td>
<td>Discuss CREP proposal.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Oregon State Government</td>
<td>Discuss CREP proposal.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Peanut Designated Marketing Association</td>
<td>Annual Meeting with FSA</td>
<td>September 2016</td>
</tr>
<tr>
<td>Texas Pecan Growers Association</td>
<td>2017 Annual Conference and Trade Show</td>
<td>July 2016</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Farm Programs and Economic Policy and Analysis Staff</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Major commodity groups</td>
<td>FP meets with national commodity groups to discuss issues related to farm programs. Major groups include National Association of Wheat Growers, National Cotton Council, National Corn Growers Association, American Soybean Association, and others.</td>
</tr>
<tr>
<td>Sugar Industry Groups</td>
<td>Key sugar cane and beet producer stakeholders are: the Sugar Cane Growers Cooperative of Florida; U.S. Sugar Beet Association; American Sugarbeet Growers Association; American Sugar Cane League; Florida Sugar Cane League, Rio Grande Valley Sugar Growers, and the Hawaii Sugar Growers. These groups operate under the umbrella of the American Sugar Alliance. On the users’s side, the Sweetener Users Association represents Hershey, Mars, and other large sugar-using interests. EPAS has significant one-on-one interactions with sugar company officials (e.g., Imperial, Amalgamated, Florida Crystals, etc.). No sugar stakeholders favor continuation of</td>
</tr>
<tr>
<td>Industry Groups</td>
<td>Activities and Observations</td>
</tr>
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</tr>
<tr>
<td><strong>Cotton Industry Groups</strong></td>
<td>The National Cotton Council (NCC) and the American Cotton Shippers Association (ACSA) are regular visitors to FSA. For several years, ACSA has repeatedly asked USDA to include a China and/or Egyptian quote in the ELS Cotton Competitiveness Program methodology in order to increase the likelihood that the industry would receive a payment. USDA has declined to do so as it would affect the integrity of the program, per OGC’s reading of the 2014 Farm Bill. NCC has supported ACSA’s request. In addition, NCC carefully follows FSA announcements regarding the adjusted world price, the loan premium and discount schedule, and other matters.</td>
</tr>
<tr>
<td><strong>Peanut Industry Groups</strong></td>
<td>The peanut industry is in contact with FSA about market status (e.g., exports and stocks), sharing market information and requesting policy action (such as the American Peanuts Shellers Association request that storage and handling fee payments be increased—which would be a benefit to the industry should forfeiture occur). FSA has substantial interaction with specific companies, primarily Golden, Birdsong, and Premium Peanut.</td>
</tr>
<tr>
<td><strong>Rice Industry Groups</strong></td>
<td>U.S. A Rice Federation and U.S. Rice Producers visit USDA on a quarterly basis. They are keen on making sure they understand USDA/National Agricultural Statistics Service (NASS) data; they also inquire about any upcoming changes to FSA’s adjusted world price calculations and the outlook for ARC/PLC payments.</td>
</tr>
<tr>
<td><strong>Dairy Industry Groups</strong></td>
<td>The National Milk Producers Federation, Dairy America, Dairy Farmers of America, International Dairy Foods Association, and others (such as the American Farm Bureau and Farm Aid)</td>
</tr>
<tr>
<td><strong>Conservation Groups</strong></td>
<td>Many environmental groups frequently communicate with FSA, including the Association of Fish and Wildlife Agencies, Environmental Defense Fund, Sustainable Agriculture Coalition, Pheasants Forever, Ducks Unlimited, and the National Wildlife Federation. State Departments of Ag communicate about their own focused CREP proposals. These groups support the Conservation Reserve Program (CRP) and are interested in enrollment of land that best meets their groups’ interests. In contrast, the National Grain and Feed Association, which represents the grain elevator industry, would prefer to see fewer acres enrolled in CRP. FSA analysts working on conservation have substantial interaction with other agencies, including NRCS, the Forest Service, the Fish and Wildlife Service, USGS, and others.</td>
</tr>
<tr>
<td><strong>General Interest Groups</strong></td>
<td>The National Farmers Union and American Farm Bureau Federation are interested in a wide variety of FSA issues, such as the geographic distribution of ARC-county payments and the integrity of the underlying data, the incidence of MPP-Dairy payments, the effectiveness of ACRSI, among others.</td>
</tr>
<tr>
<td><strong>Commodity-Specific Groups</strong></td>
<td>In addition to the commodity groups noted above, other groups with an interest in FSA (particularly regarding ARC/PLC payments) include the National Association of Wheat Growers, the National Corn Growers Association, and the American Soybean Association.</td>
</tr>
<tr>
<td><strong>USDA New Farmer Coordinator</strong></td>
<td>The New Farmer Coordinator engages with NFU Beginning Farmers Institute on issues impacting beginning farmers and ranchers.</td>
</tr>
<tr>
<td>Organization</td>
<td>Description</td>
</tr>
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</tr>
<tr>
<td>National Sustainable Agriculture Coalition (NSAC) (including member groups)</td>
<td>The New Farmer Coordinator engages with NSAC on issues impacting beginning farmers and ranchers.</td>
</tr>
<tr>
<td>American Farm Bureau Federation (AFBF), Young Farmer and Ranchers Committee</td>
<td>The New Farmer Coordinator engages with AFBF Young Farmer and Ranchers Committee on issues impacting beginning farmers and ranchers.</td>
</tr>
<tr>
<td>National Young Farmers Coalition (NYFC)</td>
<td>The New Farmer Coordinator engages with NYFC on issues impacting beginning farmers and ranchers.</td>
</tr>
<tr>
<td>Rural Coalition (including member groups)</td>
<td>The New Farmer Coordinator engages with Rural Coalition on issues impacting beginning farmers and ranchers.</td>
</tr>
</tbody>
</table>

Engagement activity is included in the table provided above.

The co-location of NRCS, FSA, and RD in state and field offices allows for deepened collaboration with RD’s community economic development field staff in these agencies and enables USDA to bring well-coordinated assistance to unserved or underserved farmers and ranchers in rural areas. FSA’s partnership with RD on microloan programs for beginning and minority farmers has resulted in increased access to credit amongst local food-related cooperatives. This access to credit improves the viability of small and beginning farmers, resulting in a more stable product stream for food hub cooperatives and natural food retail cooperatives, particularly in target regions where local food is a key regional economic driver.
United States Department of Agriculture
2016 Presidential Transition
Farm Service Agency (FSA)

V. Top Issues

Hot Topics

The following are key policy and operations issues:

Information Technology

- MIDAS: In April 2016, an independent third-party assessment of the MIDAS platform was completed by MITRE Corporation. As a result of the assessment of FSA’s use of a single, commercial-off-the-shelf platform, FSA is conducting an analysis of alternatives (AoA) to assess the current solution and to thoughtfully identify and determine if it should move to a viable alternative. As part of this, comprehensive plans to effectively transition between the major customer relationship management components (e.g., Farm Records, Business Partner) that serve as a centralized source for all customer information and consolidate both land and producer information, and the new solution, will have to be defined and executed. The AoA and recommendation to address MITRE Corporation’s assessment will be complete in December 2016 and available for review in January 2017.

- Acreage and Crop Reporting Streamlining Initiative (ACRSI): A joint FSA and Risk Management Agency IT system has been developed to replace duplicative crop reporting of common acreage information by producers to both agencies and their crop insurance provider, saving time and potentially reducing inadvertent data reporting errors. Currently, FSA is exploring critical project decisions concerning policy, infrastructure, and system stability in fully-defining enhancements for the spring 2017 reporting period, the heaviest crop period.

ACRSI was piloted in the spring of 2015 in 30 counties in Iowa and Illinois. The agencies used lessons learned from the spring pilot to expand statewide reporting in incremental phases to 15 States and all counties in those States in the fall of 2015. For spring crops in 2016, RMA and FSA expanded ACRSI nationwide for 13 crops. Those crops were alfalfa, corn, cotton, fallow, grass, oats, peanuts, rice, rye, sorghum, soybeans, and wheat. This captured over 93% of all reported acres.

The FSA/RMA Joint Policy Team have implemented data standards and reporting protocols that will ensure an effective data sharing process between FSA, RMA, and insurance companies. RMA and FSA IT systems are currently being enhanced in preparation for the 2016 fall acreage reporting period and data sharing through ACRSI.

- Bridges to Opportunity (Bridges): Bridges, which is expanding to all FSA County Offices by January 2017, is a customer service platform that provides every FSA customer with a required Receipt for Service that gives a meaningful summary of his or her visit, and additional resources and referrals to other USDA agencies and local partners. Leveraging FSA’s relationships with its nearly two million customers, Bridges is working with USDA agencies and non-federal partners to provide farmers and ranchers with information on topics that include organic production, beginning farmer resources, integrated pest management,
disaster assistance, conservation practices, agricultural education courses, loans, grants, and other information and financial assistance that can benefit and grow farming and ranching operations.

In FY 2016, FSA reprogrammed $5.6M within Salary and Expenses (S&E) IT Non-Farm Programs Delivery to the USDA Service and Outreach to Agricultural Communities investment (Major IT investment FSA-124) to further expand Bridges. Bridges began as a pilot in October 2014. This reprogramming enabled FSA to renew the existing IT software licenses that expired in July 2016, supporting nationwide expansion to over 10,500 users in all State and FSA County Offices by early 2017. The nationwide expansion results in a significant cost savings on a per user basis due to a bulk discount agreement with the software vendor.

- **Connectivity:** To ensure sufficient bandwidth over the long-term needed to support the changing application and data requirements of FSA programs, County Office staff, and farmer and rancher customers, USDA’s Client Technology Services (CTS) provided a Service Center Agency (SCA) Telecommunications Modernization plan for FSA, Natural Resources Conservation Service, and Rural Development. The plan provides a long-term strategy for continuous site monitoring and scheduled upgrades to services utilizing higher bandwidth. A procurement using the General Services Administration’s, Network Services 2020 (NS2020) Services Agreement, is expected to be awarded in FY 2017.

Through FY 2015 and FY 2016, the initial phase of the USDA plan to upgrade a total of 1,038 sites from 1.5MB T1 lines to 10 MB Ethernet connections, increasing bandwidth up to 567 percent was implemented. This completed the upgrade of 70% of sites. Site installation costs were funded through the USDA Optimized Computing Environment (OCE) investment. Recurring monthly circuit charges will be funded by the SCA base budget. This OCE investment in VoIP technology allows for the consolidation of communications traffic, thereby resulting in a reduction in the number of voice lines. The reduced voice line costs will significantly offset the increased network costs. After deployment, USDA expects overall telecommunications costs for the SCAs to decrease. CTS will continually monitor sites upgraded during the initial phase of the SCA Telecommunications Modernization initiative to assess network utilization and confirm the upgraded connection is sufficient.

For the sites that were not prioritized in the initial phase due to various factors, such as sites geographically located in areas where upgraded telecommunications infrastructure is not yet commercially available, CTS is working with providers to improve the telecommunications infrastructure and bandwidth through technologies previously unavailable for installation at these sites. Implementation will be done on a rolling schedule, which will enable the SCA’s to continually review the new communication services, and install them in areas with the highest demand.

**Staffing and County Office Structure**

Since FY 2010, FSA has experienced significant reductions in available Federal (GS) and Non-federal (CO) permanent full-time equivalent (FTE) staffing levels to staff FSA State and
United States Department of Agriculture
2016 Presidential Transition
Farm Service Agency (FSA)

County Offices. These reductions have been a result of decreases in available Agency budget levels. From FY 2010 to FY 2016, FSA State GS total and CO permanent and temporary FTE staffing levels decreased approximately 20 percent. This includes base temporary staffing that FSA has traditionally used to implement Farm Bill programs and to respond to disasters. These levels were reduced significantly in FY 2017.

Congressional restrictions on the Agency office structure have further limited FSA’s ability to respond to changing customer needs and program delivery activities. Several years of these limitations has constrained FSA’s ability to close or restructure County Office operations, and has resulted in approximately 500 of 2,145 County Offices currently being staffed with 2 or fewer permanent employees. The Appropriations Act of 2015 directed FSA to contract with the National Academy of Public Administration (NAPA) to undertake an independent review of the Agency’s staffing models and "determine a clear path forward to ensure the Agency continues to provide the highest level of customer service." The NAPA report, completed in August 2016, concluded that the staffing models currently used by FSA and those proposed for development, have a sound framework with some recommended changes. Future analysis and plans that FSA may develop to adjust the Agency’s field office footprint will reference the recommendations on this issue in the NAPA report.

Historically, FSA’s State GS and CO permanent FTE staffing level distribution has been primarily based on core mandatory program workload activities. The previous FSA work measurement/workload system was replaced in 2008 with a managerial cost accounting (MCA) model, which is developing workload analytics. While not yet finalized, the staffing model determined by NAPA to be sound will be used as a factor in making recommendations regarding staffing levels and reallocations, but not necessarily determining them. Until the staffing model is fully developed, FSA continues to review workload activities and distribute available staffing resources to best respond to workload needs within available staffing and budgetary resources.

**Commodity Credit Corporation (CCC) Audit**

CCC as a corporation has been audited since the early 1990’s. While the corporation has a long history of clean audits, its audits have never been without challenge due to the complexity of accounting for farm programs, each with unique qualifications and terms. The corporation’s programs change with each new farm bill, and it is challenged to meet the need of providing timely financial assistance to producers so they may finance their operations.

The auditor, KPMG, gave the FY 2015 CCC financial statements a disclaimer. The disclaimer defined ten notice of findings and recommendations to address. The findings are predominantly related to CCC’s ability to justify programmatic balances, including USAID grant balances; and its ability to provide evidential documentation to support financial transactions.

To assist with the development of corrective action plans and to prepare for the FY 2016 audit, CCC has contracted with consultants specializing in audit readiness The USDA Office of the Chief Financial Officer has provided a seasoned Senior Executive Service resource to serve as
FSA’s Deputy CFO. He is focusing his attention primarily on overseeing the CCC FY 2016 audit process. KPMG, who is also conducting the FY 2016 audit, has agreed to add an additional audit partner to assist with conducting the engagement. CCC has hired a senior project manager to manage the audit process, including development of processes and procedures to address issues identified in the FY 2015 audit. The FY2016 audit opinion is expected in early November 2016.

**Agriculture Risk Coverage County (ARC-County) Yields**

The ARC-County program provides revenue loss coverage at the county level. ARC-County payments are required to be paid when the actual county crop revenue of a covered commodity is less than the ARC-County guarantee for the covered commodity.

FSA conducted an extensive educational outreach campaign to inform producers about the new programs. Prior to enrollment, producers were given the opportunity to reallocate their base acres and update yields. In 2015, program elections were processed for 1.76 million farms in the ARC and PLC programs. These programs have provided over $5.3 billion in financial assistance to producers for the 2014 crop year. USDA estimates an additional $8 billion in financial assistance will be provided under the ARC and PLC programs for the 2015 crop year.

USDA National Agricultural Statistics Service (NASS) surveys the primary growing regions for a crop and publishes yields at a county-level only if there are enough surveys returned. Given the wide swath of counties and number of covered commodities, many counties did not have any or had incomplete sets of county-level published yields. When NASS county-level yields were not available, FSA worked with RMA to aggregate unpublished yield data for crop insurance participants and used this RMA data if there were sufficient results (at least 25% of reported acreage and at least 5 farms). These two sets of county-level yield data only provided about 43,000 yields, but represent an area such that about 90% of the base acres are in counties that had NASS or RMA county-level yields. If the county-level data was not available, NASS district-level data (aggregate data covering a group of counties) was used, with discretion for the state committee to be able to adjust them based on knowledge of the county relative to the others in the district. If none of these data sets were available, the FSA state committee was delegated responsibility for setting the appropriate yield using whatever sources or expert opinion it could find. The limited data available and lack of county-specific data explains why for some less common crops in a state, there may be a group of counties with the same yield (e.g. a district yield) or even the same yield for the entire state in cases where there was not even district-level data.

From the onset, the data requirements, especially for the ARC-County program, were large considering it is a nationwide program covering 21 commodities that requires 5 years of benchmark yields and the current crop year’s yield for each calculation. In the end, FSA established nearly 100,000 separate crop/county yields in order to implement 2014 ARC-County in fall 2015. Because ARC-County is a county-based program, payments will vary by county.
There are two significant challenges to providing flexibility to override data with expert opinion from the State committee or others. First, if the yields were part of the benchmark years, that would be changing data that was examined by producers when they made their one-time program elections and potentially re-open that decision. Second, in an analogous situation where FSA overrode NASS survey data related to Conservation Reserve Program soil rental rates, the USDA Office of Inspector General found that FSA had acted improperly and the agency had to subsequently revise the rental rates using the data.

**Conservation Reserve Program (CRP) Enrollment**

The most recent CRP general signup period in 2016 was one of the most selective sign-up periods in CRP’s 30-year history, with a record high Environmental Benefits Index cut-off and the lowest-percentage of applications accepted. The high bar means that the per-acre conservation benefits are being maximized and that acres enrolled address multiple conservation priorities simultaneously. An updated nationwide acreage limit was established for this program in the 2014 Farm Bill, capping the total number of acres that may be enrolled at 24 million for FY2017 and FY2018. At the same time, USDA has experienced a record demand from farmers and ranchers interested in participating in this voluntary program partly due to low commodity prices. The 24 million acre cap has led the agency to batch continuous offers, and pursue a strategy of stacking benefits when possible and prioritizing the most environmentally sensitive land.

As of July 2016, 23.9 million acres were enrolled in CRP, with 1.7 million acres set to expire this fall. Over three million acres have been offered for enrollment this year across the three main categories within CRP, with FSA receiving over 26,000 offers to enroll more than 1.8 million acres during the general enrollment period, and over 4,600 offers to enroll more than one million acres in the new CRP Grasslands program.

Coming off a record-setting 2015 continuous enrollment of over 860,000 acres, more than 624,000 acres already have been accepted for 2016 in the CRP continuous enrollment, triple the pace of last year. This was the most competitive selection process in the history of the CRP program; FSA will enroll 411,000 acres in general enrollment and 101,000 acres in the new CRP Grasslands program. The continuous CRP signup includes a number of important programs and initiatives:

- Multiple wetland and duck nesting initiatives that help to improve water quality and provide habitat in the Midwest and throughout the U.S.

- Upland bird habitat initiative that gives landowners a way to use a small portion of their land to create a bird habitat while continuing to farm in the Midwest, South, and throughout the U.S.

- Longleaf pine initiative that helps to restore in the Southeast some of the most diverse forest ecosystems in the world by providing habitat for important species while also protecting soil and water quality
United States Department of Agriculture  
2016 Presidential Transition  
Farm Service Agency (FSA)

- State Acres for Wildlife Enhancement (SAFE) restores vital habitat to meet high-priority State wildlife conservation goals

- Highly Erodible Lands Initiative (HELI) offers a practical solution to create wildlife habitat while protecting cropland that is highly susceptible to erosion (with an erosion index over 20)

- Pollinator Habitat, which enhances honey bee and native pollinator populations throughout the country

- Conservation Reserve Enhancement Program (CREP) targets high-priority conservation concerns identified by a State, whereby federal funds are supplemented with non-federal funds to address those concerns. These partnerships range from agreements to help protect water quality, such as the one that protects the New York City drinking water supply, to those with broader wildlife and wildlife concerns from the Midwest to Hawaii.

**Peanuts**

Following passage of the 2014 Farm Bill, market changes—combined with unintended consequences from the new farm bill—encouraged peanut production. These factors included softening prices for many competing crops like cotton, corn and soybeans, but also three elements of the new ARC-PLC program: 1) a separate payment limit for peanuts in addition to other commodities (peanuts has a separate $125,000 payment limit), 2) a generous reference price that resulted in substantial 2014-crop peanut PLC payments, and 3) a requirement that generic base acres be planted to a covered commodity in order to trigger a payment, which encourages peanut planting due to the relatively high reference price.

Given that Marketing Assistance Loans on harvested peanuts are available for $355 per ton and that peanuts can be forfeited in lieu of repaying the loan, the large supply of 2015-crop peanuts had initially led USDA to expect significant quantities of peanuts to be forfeited to the Commodity Credit Corporation (CCC) as the loans matured in the summer of 2016.

As of late September, no 2015-crop forfeitures have yet occurred. This is largely due to strong demand—particularly from China—and the resulting strong redemption rate. It is unclear whether China will be a large buyer in future years. USDA expects that with continued strong interest in peanut plantings, 2016-crop forfeitures in the summer of 2017 may again loom as a potential issue.

**Sugar**

USDA manages the U.S. supply of sugar to maintain prices at or above support levels through domestic marketing allotments, by restricting imports and by selling to bioenergy producers if there is excess sugar in the market. USDA is mandated to operate the program at no cost to the extent practicable. Two major issues have affected the industry in 2016 and may well remain issues in 2017:
United States Department of Agriculture  
2016 Presidential Transition  
Farm Service Agency (FSA)

- National Labelling Law and the Genetically Modified Beet Crop—Virtually all of the U.S. beet crop is genetically modified (GM), and data collected by FSA indicate that the demand for beet sugar has declined relative to cane sugar (which is non-GM). This unprecedented dichotomy in the sugar market between beet and cane sugar has increased the likelihood of FY16 beet sugar loan forfeitures. The new national labelling law, which will not be fully enacted for two years, is expected to curb the movement away from beet sugar, especially by manufacturers using multiple GM inputs in their production lines who will find it too expensive to go 100 percent GM free.

- Common Market Situation with Mexico—Under NAFTA, Mexico was allowed unlimited duty-free access to the U.S. sugar market, which hindered USDA’s ability to control sugar supplies and resulted in large FY 2013 forfeitures. Subsequently, the U.S. sugar industry filed an anti-dumping/countervailing duty (AD/CVD) case against Mexican sugar. To avoid countervailing and anti-dumping duties, Mexico and the U.S. government in December 2014 signed two “suspension agreements.” The “AD agreement” sets minimum prices for two types of Mexican sugar (raw, which is of lower grade, and refined, which is suitable for food use) entering the United States. The “CVD agreement” set the maximum quantity Mexico may ship to the U.S. in a fiscal year and further sets the maximum quantity of refined sugar that Mexico can ship. The U.S. sugar industry is seeking to revamp these agreements, largely due to unforeseen changes in the marketplace (see below). Mexico is currently the leading foreign source of U.S. sugar, supplying almost 40 percent of total U.S. sugar imports. Any changes to the agreements will have important ramifications for the U.S. sugar industry.

Because there are no restrictions in the suspension agreements on who can buy the lower-priced Mexican raw sugar, U.S. cane refiners, which require raw sugar to produce refined sugar, lost market share to new U.S. “melt stations” (the “unforeseen change” noted above). Melt stations are able to take Mexican raw sugar, liquefy it, and then process it to make it suitable for human consumption more cheaply than typical U.S. cane refiners. (Compared to refined cane sugar, melt station product is lower quality food grade sugar). U.S. cane refiners, finding raw sugar supplies inadequate to meet their sales orders, convinced USDA to increase raw sugar import access by 200,000 tons on May 17, 2016—60,000 tons to Mexico and 140,000 tons to tariff-rate quota countries. Mexico was upset that it did not receive the full 200,000-ton access, but as of late September, had shipped approximately 30,000 tons of its 60,000-ton share to a Louisiana raw cane refiner.

Meanwhile, U.S. beet processors are upset that USDA added more sugar to the market at a time when they had substantial stocks left to sell (in large part associated with the GM sugar issue noted above). In addition, cane refiners are still facing shortages of raw sugar as evidenced by FY 2016 ending stocks falling well below normal levels. The group that petitioned the Department of Commerce to investigate AD/CVD charges against Mexico—“the Coalition” (composed of cane refiners and beet processors)—is seeking to revamp the AD and CVD suspension agreements.
The Coalition has proposed changing the CVD suspension agreement to require Mexico to ship mostly raw sugar to the U.S. and only to cane refiners who crystallize sugar (five U.S. companies). Mexico is unlikely to accept these conditions and, in contrast to the U.S. industry, is pleased with the suspension agreements. Although the agreements limit Mexico’s exports, they have supported Mexican grower prices and will likely do so in the future. Mexico has stated that there is no need to again renegotiate the CVD suspension agreement and that they are in full compliance.

The Coalition, in contrast, is expected to press the Department of Commerce to void the CVD suspension agreement if Mexico does not accept the proposed conditions (e.g., shipment of mostly raw sugar and only to cane refiners who crystallize sugar). If the CVD suspension agreement is voided, Commerce will be compelled to investigate whether the AD agreement is causing price suppression, and if their finding is positive, Commerce may also void the AD agreement. Commerce cited FY 2013 forfeitures as proof of price suppression when it assigned duties on Mexican sugar in the pre-suspension agreement period to compensate for damages caused to the domestic industry by Mexican imports. Beet processors have threatened forfeitures in the summer of 2016 in part because doing so would demonstrate price suppression. As of late September, however, no sugar forfeitures have occurred yet this year.

If Mexico fails to agree to the terms offered by the Commerce/Coalition, then the Coalition will likely push for the termination of both the AD and CVD suspension agreements. USDA is consulting with Commerce on alternative solutions and continues to monitor the sugar supply. If the AD and CVD agreements are terminated, Commerce would impose pre-suspension agreement duties on Mexican sugar, which would price Mexican sugar out of the U.S. market. Mexico’s response is unknown but, prior to the suspension agreements, Mexican officials had threatened to pursue retaliatory trade measures if duties are once again applied. The Department of Commerce continues to work with USDA to develop a path forward that is at least minimally acceptable to all parties.

**Disaster Programs**

FSA administers multiple disaster programs, which are regularly at the top of the hot topics list due to their value to producers and rural communities following disasters that occur year round in varying geographic areas throughout the nation.

Under the 2014 Farm Bill, FSA implemented the Livestock Forage Disaster Program (LFP), Livestock Indemnity Program (LIP), the Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish (ELAP), and the Tree Assistance Program (TAP). Payments for these programs were retroactive back to October 1, 2011. Disaster payments for these programs from 2012 to 2016, as of August 31, 2016, for Livestock Forage Program (LFP), LIP, TAP, and ELAP, total of over $6.2 billion for eligible losses under these programs.
As required by 2014 Farm Bill, in 2015, USDA expanded the Noninsured Crop Disaster Assistance Program (NAP) to include buy-up protection, similar to buy-up provisions offered under crop insurance.

FSA also administers the Emergency Conservation Program, which is a cost-share program that provides emergency funding and technical assistance to farmers and ranchers to rehabilitate farmland damaged by natural disasters and to implement emergency water conservation measures in periods of severe drought. The availability of funding is determined by Congress annually. Subject to funds availability, locally-elected members of FSA County Committees are authorized to implement ECP for all disasters except drought, which is authorized by the FSA National Office. The County Committees determine land eligibility based on site inspections of damaged land and the type and extent of the damage.

**Margin Protection Program for Dairy (MPP-Dairy)**

This voluntary risk management program for dairy producers offers protection to them when the difference between the national all milk price and the national average feed cost (the production margin) falls below a certain dollar amount selected by the producer. Many Congressional members have expressed concerns about dairy farmers being hit extremely hard by low farm milk prices that have resulted in sharply reduced incomes. They are interested in regional pricing to account for higher feed costs, such as in the northeast, where inputs such as labor, energy and transportation are more expensive. The statute authorizes only national pricing.

Milk prices continue to run lower than a year ago. However, dairy price projections see an increase throughout the rest of the year. Continued increases in milk production and other factors including low world market prices, increased milk supplies and inventories, and slower demand, are affecting dairy prices. The trade picture for U.S. dairy producers is not optimistic. Imports were higher and exports lower in 2015 than the previous year and early results in 2016 have led to projections for another year of higher imports and lower exports. Strong increases in European milk production and slower sales into leading importers’ markets, like China, have increased competition in world markets. The strong U.S. dollar has reduced U.S. exports and encouraged U.S. imports of butter and cheese in recent months. That relationship is expected to continue through the rest of 2016.

All final USDA prices for milk and feed components required to determine the national average margin for May/June 2016 were released on July 29, 2016. Dairy producers who enrolled at the $6 through $8 margin trigger coverage level have received payments totaling approximately $11.2 million in financial assistance as of August, the largest payment since the program began in 2014.

Signup for 2017 coverage began July 1, 2016, and the signup deadline of September 30, 2016, has been extended to December 16, 2016, to encourage program participation and allow more time to make coverage elections. Dairy operations that participated in coverage year 2016 are required to participate in the MPP-Dairy program through 2018 with at least catastrophic level coverage.
As of March 2016, producers and milk handlers now also have the option to accept premium payments from dairy milk handlers, and milk handlers can deduct their share of the premium payment on a monthly basis through producers’ milk checks.

USDA has worked with industry to make this program work better for producers by allowing intergenerational transfer of dairy operations and creating the opportunity to transfer institutional knowledge of the dairy business on to a new generation of dairy producers.

**County Office Leases**

FSA is responsible for the acquisition, disposal, administration, and operations management of the facilities and real property assets for FSA, the Risk Management Agency (RMA), and Foreign Agricultural Service (FAS), which are located with the Farm and Foreign Agricultural Mission Area. FSA is also responsible for directing programs and developing policies and procedures covering real property management, including acquisition, disposal, administration, and operations management of facilities and real property assets utilized by FSA State and County Offices, RMA and FAS.

Currently, there are approximately 200 leases in holdover status and over the next three years an additional 1,200 leases are scheduled to expire. A holdover lease is a tenancy that is created when the tenant (i.e., the USDA in this case) continues to occupy the premises beyond the expiration date of the lease term. Holdover tenancies often lead to friction between the landlord and the Government as the Government has no contractual right to occupy the premises. The General Services Administration (GSA) has directed all agencies to eliminate lease holdovers. Failure to eliminate holdovers could result in USDA losing its delegated leasing authority granted by GSA.

To reduce holdover leases and, thereby, mitigate the threat of USDA losing its delegated leasing, there is an agreement by FSA, the Natural Resources Conservation Service (NRCS), and Rural Development (RD), also known as the Service Center Agencies (SCA) of USDA, to redistribute according to their actual footprint in field offices the lease portfolio. FSA manages, 1,736 direct leases, representing 70% of the SCA’s lease portfolio. FSA leasing contracting officers are responsible for an average of 72 leases each, whereas GSA recommends a ratio of 35 to 40 leases per contracting officer.

Under the new plan agreed to by the SCAs, FSA will manage 44% of the portfolio, NRCS will manage 51% of the portfolio, and RD will manage the remaining 5%. To accomplish the portfolio rebalancing, FSA will transfer a net of 600 leases to NRCS. This transfer will be achieved in three phases:

- **Phase I** transfer of 200 by December 2016
- **Phase II** transfer of 200 leases by June 2017
- **Phase III** transfer of the final 200 leases at a date to be determined later
If this redistribution schedule is not followed, the number of holdover leases may increase and threaten USDA’s leasing authority delegated by GSA. FSA would also need to increase staffing or contractor support.

**Farm Loan Programs**

Three consecutive years of reduced commodity prices and farm incomes have depleted farmers’ working capital, contributing to an increased demand for non-real estate credit. In the Kansas City and Chicago Federal Reserve districts, surveys of lenders in 2016 indicate that demand among farm customers seeking non-real estate credit approached levels unseen since the 1990s. While farms overall have strong balance sheets with low debt-to-asset ratios, a majority of the farm debt is held by farms with more than $500,000 in farm sales. These larger farms, which tend to be more indebted, are more likely to face liquidity constraints. Continuing declines in net cash and net farm income and modest declines in farmland values have increased loan renewals and extensions and the demand for short-term operating loans, and also led to some loan repayment problems. A continuation of lower farm incomes and further deterioration of farmers’ working capital will likely increase the demand for both direct and guaranteed loans.

The FY 2017 budget requested funding for a $6.7 billion loan level for direct and guaranteed loans for farm ownership, farm operating, conservation, emergency, and other farm loan programs. This is a higher level than the $6.4 billion budget for FY 2016 and $5.6 billion in actual obligations for FY2015. The FY2017 program levels will cost about $81.3 million in budget authority, which is a 17 percent increase above the $69.6 million in budget authority for FY2016. This is due in part to the increase in beginning farmer assistance and stress in certain sectors of the agriculture economy. Under the Continuing Resolution, Farm Loans will be operating under a percentage of the FY 2016 budget, but FSA may request an advance on the rest of the fiscal year funds.

**Organic Certification Cost Share Programs**

The Organic Certification Cost Share Program (OCCSP) and Agricultural Management Assistance Program (AMA) assist certified organic operations in defraying the costs associated with organic certification. Beginning with FY 2017, administration of the programs transfers to FSA from the Agricultural Marketing Service (AMS).

Under both programs, organic operations may receive up to 75 percent of their certification costs, not to exceed $750 per certification scope. The OCCSP is available to organic producers and handlers of crops, livestock and wild crops in all 50 States and several territories. The AMA is available to certified organic producers—only crop and livestock operators—in sixteen states designated by Congress.

Historically, the programs were administered through AMS under grants initiated with State Departments of Agriculture. FSA is continuing this practice in addition to now offering producers and handlers the ability to apply for OCCSP through local FSA county offices. FSA sees this initiative as complementing its work on local foods and specialty crops and
broadening its customer base. Overall, FSA has worked on expanding assistance to organic farmers and ranchers.

The cost share programs have been historically underutilized, with many eligible operations not participating. While the overall amount reimbursed to organic producers and handlers continues to increase each year, dollars remain unspent. By utilizing the FSA State and county office structure, USDA plans to increase awareness of the program through improved outreach, as well as taking advantage of operational efficiencies at the field level. Organic producers will also be made aware of other FSA programs that may be of benefit to their operations, including microloans, Noninsured Crop Disaster Assistance, Farm Storage Facility Loans, and Conservation Reserve Program.

FSA will provide State Departments of Agriculture the option to continue to administer the program cooperatively, should they so choose. Program enrollment will be offered at the county and State office levels in all 50 States, working closely with any interested State cooperators to coordinate outreach efforts and to ensure proper oversight, particularly to prevent duplicate payments. FSA has demonstrated success in similar cooperative programs, such as the Conservation Reserve Enhancement Program, and it anticipates similar success with the organic certification cost share programs.

Timeline

Reports, Issues, Events

January 2017

- **MIDAS Project**
  Per findings from the MITRE Corporation’s independent third-party assessment, the analysis of alternatives for the MIDAS platform will be complete in December 2016 and available for review in January 2017.

- **Report to Congress: International Food Aid Report**
  Required by H. Report 114-205. The Committee directs FSA to make publicly available reports detailing U.S. Commodities purchased for international food aid. The Committee also directs FSA to include the amount, value, destination, and type of commodity shipped by U.S. port of origin. This is an annual report prepared by Commodity Operations.

- **National Food and Agriculture Council (NFAC)**
  On January 1, FSA will become Chair of NFAC, a position that rotates each year to one of the three members: FSA Administrator, NRCS Chief, and RD Deputy Under Secretary for Operations and Management. The council was established to approve or deny office actions (e.g., closures, consolidations), particularly when multiple agencies occupy the same field office. The council is also a forum to discuss leveraging resources, such as sharing vehicles for outreach visits to customers.

- **Report to Congress: Changes to Cropland Report**
Required by SEC. 11014 of the Agricultural Act of 2014 (P.L. 113-79). Not later than January 1, 2015, and each January 1 thereafter through January 1, 2018, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report that describes the cropland acreage in each applicable county and State as of the date of submission of the report; and the change in cropland acreage from the preceding year in each applicable county and State. This is an annual report prepared by Farm Programs.

- **Direct Loan System**
  Planned change to enable Farm Loan Programs’ front-line loan officials to view online all the loan making and servicing transactions associated with a customer’s loan. This change migrates data off old, mainframe technology.

- **Bridges to Opportunity**
  Planned systems’ expansion to 20 additional States, completes nationwide implementation. Training to be provided to field staff.

- **National Leadership Training**
  Planned for the second quarter.

- **Continuing Education for Appraisers**
  Planned for the second quarter.

- **National Price Support Training**
  Planned for the second quarter.

- **One-USDA Web TA 2.4 Training**
  Planned for the second quarter.

- **State Warrant Officers’ Training**
  Planned for the second quarter.

- **Customer Service Training for Contracting Officers, Contracting Officers’ Representatives and Project Managers**
  Planned for the second quarter.

**February 2017**

- **Margin Protection Program for Dairy**
  Planned 4.0 release: Adds automatic transfer of receivables to the National Receipts and Receivables System on October 1 of each year. Program regulations mandate the debt collection be initiated for participants that have not paid the requisite administrative fee and/or premium by September 30 of the applicable coverage year. This effort ensures that receivables are established timely for all participants not in compliance with program requirements.
• FSA Farm+
  Planned 2.0 release: Adds major functional improvements, including field level data extensions allowing tenant access, sub-field depiction and measurement functions in the geospatial display with the ability to add attribute data, and geospatial file format additions to the export function.

• Workforce Diversity and Career Opportunities in Food and Agriculture

• National Association of Conservation Districts

• USDA Outlook Forum

March 2017

• Secretarial Appointments to FSA’s County Committees
  March 1 deadline.

• Report to Congress: Quarterly IT Report and Briefing
  The Secretary is directed to continue briefings for the Committees regarding all IT projects and activities related to farm program delivery. This is a quarterly report due March 30 and June 30 and is prepared by Office of Chief Information Officer, followed-up with a scheduled briefing.

• USDA National Ag Week Observations

April 2017

• Report to Congress: Farm Programs IT Operations Report
  This is an annual report prepared by Office of Chief Information Officer.

• Report to Congress: Quarterly Loan and Grant Program Budget Report
  Required by H. Report 114-205. The Committee directs the Department, through the Office of Budget and Program Analysis, to provide quarterly reports to the Committees on Appropriations of the House of Representatives and the Senate on the status of obligations and funds availability for the loan and grant programs provided. The Committee further directs that if an estimate of loan activity for any program funded in Titles I and III of this bill indicates that a limitation on authority to make commitments for a fiscal year will be reached before the end of that fiscal year, or in any event whenever 75 per centum of the authority to make commitments has been utilized, the Secretary shall promptly notify the Committees in writing. This is a quarterly report prepared by Farm Loan Programs, or more often as required.

• Report to Congress: Farm Bill Funding Status Report
  Required by H. Report 113-468. On October 1, 2014, and every quarter thereafter until the funds are expended; the Committee directs the Secretary to provide a status
report on the obligations and outlays and expects that the Committee will be notified if there are any significant deviations from the plan. The Committee reminds the Secretary that funding is not available to hire new full-time equivalent staff at FSA. As such, this funding should not be used for that purpose. (The original plan was sent to the Chair and Ranking Members of the House and Senate Agriculture Appropriation Committees on August 1, 2014.) This is a quarterly report due January 1 and April 1 prepared by Office of the Chief Financial Officer.

- **State Executive Director Orientation and Training**
  Planned for third quarter.

- **State Executive Director, Administrative Officer and Executive Officer Annual Training**
  Planned for third quarter.

- **National Leadership Training**
  Planned for the third quarter.

- **Continuing Education for Appraisers**
  Planned for the third quarter.

- **Regional Outreach and Communications Training**
  Planned for the third quarter.

- **State Warrant Officers’ Training**
  Planned for the third quarter.

- **Customer Service Training for Contracting Officers, Contracting Officers’ Representatives and Project Managers**
  Planned for the third quarter.

- **One-USDA Web TA 2.4 Training**
  Planned for the third quarter.

- **Other One-USDA Training for Other Departmental Applications**
  Planned for the third quarter.

- **One-USDA Onboarding Training**
  Planned for the third quarter.
May 2017

- **Report to Congress: Commodity Credit Corporation Report**
  Required by H. Report 114-205. The Committee directs the Secretary to provide a report on November 15 and May 16 on planned uses of funding under the authorities of Section 4 and Section 11 of the Commodity Credit Corporation Charter Act. This bi-annual report is prepared by Office of the Chief Financial Officer.

- **Report to Congress: Farm Programs IT Plan for Expenditures Report**
  Required by Consolidated Appropriations Act, 2016. (Paraphrased) That not more than 50% of the funding made available under this heading for information technology related to farm program delivery, may be obligated until the Secretary submits to the Committees on Appropriations a plan for expenditure that (1) identifies for each project/investment over $25,000, (2) demonstrates each project/investment and (3) has been reviewed by GAO and approved by the Committees of Appropriations of both Houses of Congress. This is an annual report prepared by Office of Chief Information Officer.

- **Margin Protection Program for Dairy**
  Planned 5.0 release: Creates new billing service. Program regulations mandate that outstanding administrative fees and premiums be paid by September 30 of the applicable coverage year. This effort will notify all participants of the outstanding amounts in advance of debts being created.

June 2017

- **Field Office Leases Redistribution Among Service Center Agencies**
  Complete the transfer of the acquisition and management of 200 leases from FSA to the Natural Resources Conservation Service no later than June 30, thereby completing Phase II of the agreement by the Service Center Agencies to redistribute leases according to the actual office footprint of each agency. A date for the Phase III transfer of the final 200 leases is to be determined. The Phase I transfer of 200 leases is to occur in December 2016.

- **Report to Congress: Quarterly IT Report and Briefing**
  This is a quarterly report due March 30 and June 30 and is prepared by Office of Chief Information Officer.

- **Common Processing System**
  Planned 3.2 release: Forfeitures and settlements for all commodities other than cotton and soybeans. Provides functionality for basic settlement and basic forfeiture, and is to create alignment so that all commodities in the release are handled consistently.

- **FSA Farm+**
  Planned 3.0 release: Adds significant new capabilities.
• National Appraisal Tracking System
  Planned new application for Farm Loan Program officials to process and track property appraisals needed in the loan making process.

• National Land Access Conference
  A senior USDA official has been requested to speak.

2017 FSA Employee Association Events

Budget permitting, FSA senior managers make every effort to attend employee association events, or stagger attendance to ensure coverage at meetings and DC.

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<td>March 2-4, 2017</td>
<td>Seattle, WA</td>
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<td>Zone B</td>
<td>February 2-4, 2017</td>
<td>Sioux Falls, SD</td>
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<td>Zone C</td>
<td>March 9-11, 2017</td>
<td>Pittsburgh, PA</td>
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<td>Zone D</td>
<td>February 9-11, 2017</td>
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<td>National Convention</td>
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<td>All South</td>
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<td>March 31-April 2, 2017</td>
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<td>May 4-6, 2017</td>
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<td>National Convention</td>
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Cross-Cutting Initiatives

New/Beginning Farmers and Ranchers

- FSA is tailoring programs to be more flexible and responsive to the needs of producers, and by enhancing customer service offerings to be effective, modern, and truly “one-stop-shopping.” Examples include targeted outreach of FSA program waivers for beginning farmers and ranchers and farm loan programs that are available to beginning farmers. Over 200 FSA offices are providing enhanced service through “Bridges to Opportunity” – a service that connects producers, including beginning farmers and ranchers, with the resources, programs, events and partners to assist and support their farming aspirations. All FSA offices will participate in the service in early 2017.

- Four of five regional New and Beginning Farmer Coordinators were hired to work across the National Food and Agriculture Council (NFAC) agencies: FSA, NRCS and RD. They are to analyze barriers and partner with organizations to connect new and beginning farmers to USDA. These coordinators are headquartered in Georgia, Kentucky, New Mexico, and Virginia, and serve six states.

- In FY 2016, FSA announced 55 cooperative agreement awards totaling $2.5 million for outreach to underserved producers and new and beginning farmers to assist in their utilizing FSA programs.

Land Tenure

In October, 2015, a USDA Land Tenure Initiative Working Group was formed to address the challenges of access to land, capital, and technical assistance, with a particular focus on the challenges to new and beginning farmers and ranchers, as well as economic development in rural communities. Three months prior, the Beginning Farmers and Ranchers Advisory Committee provided a report with more than 50 recommendations to address these challenges. USDA agencies have made significant progress to assess and implement the Advisory Committee’s recommendations and adapted them where possible.

Know Your Farmer, Know Your Food (KYF2)

FSA recognizes the growth of local and regional food systems, and aims to support those farmers, ranchers and other food producers engaged in local and regional markets. This segment of agriculture is a vibrant growth area that is drawing young people back to rural communities, generating jobs, and improving quality of life in rural and urban communities. We value the collaboration between FSA’s New Farmer work and the Know Your Farmer, Know Your Food (KYF2) team to better serve new and beginning farmers and ranchers, many of whom get their start in farmers markets, CSAs, and other direct markets in their local communities.

We also know that as local and regional food systems mature, the demand for local food is expanding beyond direct markets and into major grocery stores, restaurants, and schools. In
recent years, FSA has developed new programs and adapted services and credit processes to meet the needs of local and regional food system stakeholders. Below are some examples of Know Your Farmer, Know Your Food (KYF2) activities.

**Building staff capacity to serve local and regional food systems stakeholders and other non-traditional producer audiences**

- Key FSA staff serve on the KYF2 Management Team and Taskforce to coordinate efforts across USDA.
- FSA Outreach offers field trainings for FSA staff to support their field outreach efforts that target producer segments, including new and beginning farmers, non-traditional, small-scale, niche and organic producers. FSA also encourages local and regional outreach efforts at farmers markets, coops and food hubs to further improve awareness of FSA support to these local producer communities.
- FSA’s Bridges to Opportunity service bridges the gap between agricultural producers and a broad range of agriculture resources provided by USDA and partners beyond FSA’s traditional loan and commodity programs. Bridges to Opportunity provides packages of agriculture resources directly to customers and offers referrals to relevant partners. The service is scheduled to have nationwide reach by early 2017. Partnerships across USDA agencies and with nonfederal partners are critical to the success of this project. A strong Know Your Farmer, Know Your Food partnership will expand the resource offerings available through the service, conduct outreach to new audiences, and enhance field office staff ability to respond to new stakeholders, including beginning farmers and ranchers, urban agriculture producers, direct marketing farmers, and those working on access to healthy foods in institutions and communities.
- FSA has created a new Outreach Coordinator position to support agriculture in urban areas. The position, based in Brooklyn, New York City, is tasked with working across the wide range and diversity of agriculture happening within all the NYC boroughs to support urban producers through the various loans and farm programs FSA offers.

**Increasing access to credit for smaller farms and those working in local and regional food systems**

- FSA Microloan Programs has approved nearly 22,000 microloans (as of September 2016) since 2013. The microloans offer more flexible access to credit and serve as an attractive loan alternative for smaller farm operations and others working in local and regional food systems. The focus of Microloans is on the financing needs of small, beginning farmer, niche and non-traditional farm operations, such as truck farms, farms participating in direct marketing and sales such as farmers’ markets, CSA’s (Community Supported Agriculture), restaurants and grocery stores, or those using hydroponic, aquaponic, organic and vertical growing methods. FSA has Direct Farm Ownership Microloans and Farm Operating Microloans, and the program recently expanded to include a Guarantee Microloan program. KYF2 builds awareness and conducts outreach about these Microloan programs across USDA and through partnerships and presentations to key audiences.
FSA updated the Farm Storage Facility Loan program to include more commodities and allow it to help finance portable storage structures, portable equipment, and storage and handling trucks. This will help FSA better serve fruit and vegetable farmers and others who need to get crops safely and efficiently to local farmers’ markets, schools, restaurants, food hubs, and retail stores.

FSA continues to review and tailor commodity support and risk management programs to consider small scale production, organic and direct market pricing, and non-traditional production.

Understanding uptake in programs among nontraditional farmers (specialty crops) and beginning, limited resource, veterans, and historically disadvantaged farmers, all of whom are very active in local and regional markets

FSA launched the Microloan program in response to suboptimal credit availability for underserved farmers. Based on published summary statistics, participation rates among targeted groups in different states appear to be uneven. FSA is working with researchers in ERS, FSA, and the White House Social and Behavioral Sciences Team to conduct a field experiment investigating the factors affecting take up of these loans by underserved farmers in southern Strike Force states: Understanding Uptake Decisions for Microloans among Small-Scale Farmers in the United States (extension of an existing ERS Policy Effectiveness Grant).

Organic Agriculture

FSA has expanded and adapted numerous programs to support the growing organic sector. In 2015, retail sales of organic food and fiber reached $43 billion.

In FY2017, USDA Agricultural Marketing Service transferred the administration of USDA’s two organic certification cost share programs to the FSA. The Organic Certification Cost Share Program (OCCSP) and the Agricultural Management Assistance Organic Certification Cost Share Program (AMA) help organic producers to offset certification costs. Where states are still interested in administering OCCSP and AMA, they will still have the opportunity to administer it in their state. FSA will announce early in FY2017 details on how and when we will offer this program through our offices, increasing customer access and participation in the program. Organic producers will experience uniformity in the program throughout the country.

Place-Based Initiatives (Local Communities)

StrikeForce for Rural Growth and Opportunity

USDA’s StrikeForce Initiative addresses specific challenges associated with rural poverty in 25 states and Puerto Rico, across 970 counties, parishes, and boroughs.
United States Department of Agriculture
2016 Presidential Transition
Farm Service Agency (FSA)

- StrikeForce aims to create self-sustaining, long-term economic development in persistent poverty rural communities by increasing investment through intensive outreach and stronger partnership with community leaders, businesses, and foundations. StrikeForce seeks to improve food security by increasing access to safe and nutritious foods.

**Bridges to Opportunity (Bridges)**

Bridges’ services, which are expanding to all FSA County Offices by January 2017, is a customer-relationship management information technology application providing every FSA customer with a required Receipt for Service that gives a meaningful summary of his or her visit, and additional resources and referrals to other USDA agencies and local partners. Leveraging FSA’s relationships with its nearly two million customers, Bridges is working with USDA agencies and non-federal partners to provide farmers and ranchers with information on topics that include organic production, beginning farmer resources, integrated pest management, disaster assistance, conservation practices, agricultural education courses, loans, grants, and other financial assistance that can benefit and grow farming and ranching operations.

**Climate Change**

FSA has been involved in two efforts relating to climate change: USDA Building Blocks for Climate Smart Agriculture and Forestry and USDA Climate Hubs.

Announced by USDA in 2015, the Building Blocks are a plan to reduce by 2% net greenhouse gas (GHG) emissions by 2025 through various USDA actions that will help farmers, ranchers, forestland owners, and rural communities respond to climate change. The actions are grouped into ten “building blocks” and FSA, jointly with NRCS, is responsible for tracking and making progress on the Conservation of Sensitive Lands building block.

FSA must report annually on whether annual milestones associated with this building block have been achieved. The four milestones have been achieved, as reported in mid-2016:

<table>
<thead>
<tr>
<th>Action</th>
<th>Lead USDA Agency(s)</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enroll 40,000 additional high-carbon acres annually in wetland and riparian buffer practices</td>
<td>FSA</td>
<td>118k new acres of riparian forest buffer and wetlands were signed up under the Conservation Reserve Program (CRP) in FY2016.</td>
</tr>
<tr>
<td>Provide technical assistance funding to Forest Service for States to hire additional foresters in the Chesapeake Bay area</td>
<td>FSA</td>
<td>FSA provided support to Chesapeake Bay-area states to hire several additional foresters, who are currently providing outreach to encourage adoption of riparian forest buffers.</td>
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</table>
Provide outreach funds for State foresters | FS, FSA | As a result of an agreement with FSA, the Forest Service held workshops earlier in FY2016 to train outreach foresters who are conducting riparian forest buffer assessments.  

Complete organic soils outreach study | FSA, NRCS | FSA and NRCS collaborated with ERS and the Center for Behavioral and Experimental Agri-Environmental Policy Research (CBEAR) to ascertain whether CRP participation by producers growing crops on organic soils is affected by different types of targeted outreach. In early FY2017, the results will be available to analyze.

Use of CRP makes major contributions to reducing climate change. In 2013, for example, it resulted in the equivalent of a 45 million metric ton net reduction in atmospheric CO2 from sequestration, reduced fuel use, and nitrous oxide emissions avoided by not applying fertilizer. Carbon sequestration helps offset the release of GHG from other sources into the atmosphere. CRP sequesters more carbon on private lands—38 million metric tons carbon dioxide equivalent (CO2)—than any other federally-administered program. The total reduction in GHG is equivalent to removing 8.7 million cars from the road for one year.
## Appendix A: Acronyms

<table>
<thead>
<tr>
<th>ACRONYMS</th>
<th>DEFINITION</th>
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<tbody>
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<td>8(a)</td>
<td>Section 8(a) of the Small Business Act; Federal Contracting Preference Program for Disadvantaged Businesses</td>
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<td>A&amp;A</td>
<td>Assessment and Authorization</td>
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<td>AAOM</td>
<td>Associate Administrator for Operations and Management</td>
</tr>
<tr>
<td>AAPI</td>
<td>Asian American Pacific Islander</td>
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<tr>
<td>AAPP</td>
<td>Associate Administrator for Operations and Management</td>
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<td>AAR</td>
<td>Acquisition Approval Request</td>
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<td>AAR</td>
<td>After Action Report</td>
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<td>AASM</td>
<td>Application Authorization Security Management</td>
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<tr>
<td>ABBREVS</td>
<td>Abbreviations</td>
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<tr>
<td>ABC</td>
<td>Acquisition Business Case</td>
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<td>AC</td>
<td>Automation Coordinator</td>
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<td>ACCP</td>
<td>Accelerated Payment</td>
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<td>ACEP</td>
<td>Agriculture Conservation Easement Program</td>
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<td>Automated Clearing House</td>
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<td>Agricultural Credit Insurance Fund</td>
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<td>ACL</td>
<td>Accelerated</td>
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<td>ACP</td>
<td>Agriculture Conservation Program</td>
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<td>ACR</td>
<td>Acreage Conservation Reserve</td>
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<td>ACRE</td>
<td>Average Crop Revenue Election</td>
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<td>ACRS</td>
<td>Automated Cotton Reporting System</td>
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<td>ACRSI</td>
<td>Acreage Crop Reporting Streamlining Initiative</td>
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<tr>
<td>ACRSI</td>
<td>Acreage Crop Reporting Streamlining Initiative</td>
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<td>Automated Claims System</td>
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<td>Consolidated Farm And Rural Development Act</td>
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<td>Anti-Deficiency Act</td>
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<td>Automated Development Center</td>
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<td>Average Daily Principal Balance</td>
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<td>Alternative Dispute Resolution</td>
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<td>American Federation of Government Employees</td>
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<td>Agriculture Foreign Investment Disclosure Act</td>
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<td>AGAR</td>
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<td>AGI</td>
<td>Adjusted Gross Income</td>
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<td>AgLearn</td>
<td>Agriculture Learning Service Database</td>
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<td>AGP</td>
<td>Aquaculture Grant Program</td>
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<td>Abbreviation</td>
<td>Full Form</td>
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<td>AGPMR</td>
<td>Agriculture Property Management Regulation</td>
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<td>AI</td>
<td>Account Information</td>
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<td>AIAN</td>
<td>American Indian Alaska Native</td>
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<td>AILFP</td>
<td>American IndianLivestock Feed Program</td>
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<td>Apple Market Loss Assistance Program</td>
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<td>AMP</td>
<td>Association-Type Minor Program</td>
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<td>Agriculture Market Transition Act</td>
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<td>Approving Official</td>
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<td>Agriculture Priorities and Allocation System</td>
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<td>APCD</td>
<td>Type Of Applicant Code</td>
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<td>APFO</td>
<td>Aerial Photography Field Office</td>
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<td>APH</td>
<td>Actual Production History</td>
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<td>APO</td>
<td>Army Post Office</td>
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<td>APSS</td>
<td>Automated Price Support System</td>
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<td>ARA</td>
<td>Alternative Repayment Agreement</td>
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<td>ARC</td>
<td>Agriculture Risk Coverage</td>
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<td>Agricultural Resource Conservation Program</td>
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<td>AREI</td>
<td>Agricultural Resources and Environmental Indicators</td>
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<td>ARP</td>
<td>Acreage Reduction Program</td>
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<td>ARRA</td>
<td>American Recovery And Reinvestment Act Of 2009</td>
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<td>AS</td>
<td>Agricultural Specialist</td>
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<td>ATO</td>
<td>Authority to Operate</td>
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<td>Animal Unit</td>
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<td>Budget and Acquisitions Office</td>
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<td>BCAP</td>
<td>Biomass Crop Assistance Program</td>
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<td>BCIS</td>
<td>Bureau Of Citizenship And Immigration Services</td>
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<tr>
<td>BEA</td>
<td>Bureau of Economic Analysis</td>
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<tr>
<td>BEHT</td>
<td>Bill Emerson Humanitarian Trust</td>
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<td>BEOS</td>
<td>Bid, Evaluation &amp; Optimization Solution</td>
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<td>BF</td>
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<td>BFR</td>
<td>Beginning Farmer and Rancher</td>
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<td>BOPR</td>
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<td>BTO</td>
<td>Bridges to Opportunity</td>
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<tr>
<td>Bu or bu</td>
<td>Bushel</td>
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<tr>
<td>BUS Code</td>
<td>Bargaining Unit Status Code</td>
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<td>BY</td>
<td>Base Year; the first year of a multi-year contract</td>
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<td>CAB</td>
<td>Crop Acreage Base</td>
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<td>Concentrated Animal Feeding Operation</td>
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<td>Commercial and Government Entity</td>
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<td>Credit Alert Interactive Voice Response System</td>
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<td>Critical Asset List</td>
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<td>Combined Administrative Management System</td>
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<td>Community Based Organization</td>
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<td>Communications Coordinator</td>
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<td>CCE</td>
<td>Common Computing Environment</td>
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<td>Commodity Certificate Exchange Program</td>
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<td>Description</td>
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<td>Critical Infrastructure Security Program</td>
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<td>Constant Maturity Treasury</td>
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<td>CNAFR</td>
<td>Council for Native American Farmers and Ranchers</td>
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<td>CNC</td>
<td>Currently Not Collectible</td>
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<td>Cntd or Cont</td>
<td>Continued</td>
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<td>CO</td>
<td>County Office (non-federal employees)</td>
</tr>
<tr>
<td>Co</td>
<td>Company</td>
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<td>CO</td>
<td>Contracting Operations</td>
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<td>Outside the Continental United States</td>
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<td>COOP</td>
<td>Continuity of Operations</td>
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<td>County Operations Review Program</td>
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<td>County Operations Trainee (CED training program)</td>
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<td>Cost Plus Award Fee</td>
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<td>Contractor Performance Assessment Report System</td>
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STATE PROFILE

Alaska is larger than the combined area of the next three largest states, Texas, California, and Montana. Farmers have been here since the early 1900’s, but in many ways Alaska is still a pioneer state, with a lack of essential infrastructure to support agriculture. There are currently approximately 800 farms and ranches in Alaska. However, interest in local food, farmer’s markets and local production is increasing rapidly, and with it a demand for FSA loans and programs. Alaska farmers face many challenges, but the future looks bright! In FY 2015, FSA delivered nearly $1.9 million in federal program payments and loans to Alaska farmers and ranchers.

STATE PROGRAM DELIVERY STRUCTURE

• **State Office Address**: Alaska State Office, 800 W Evergreen, Ste. 216 Palmer, AK 99645
• **Service Center Structure** – There are 2 FSA Service Centers servicing the State of Alaska
• **Employee Profile**
  o Total County Non-Federal and Federal Permanent employees as of September 1, 2016:
    ▪ County Non-Federal Permanent: 4
    ▪ Federal Permanent: 5
• **Program Participation**: These programs had the highest activity levels for FY15 in Alaska:
  o Conservation Program $690,378 (CRP $619,517, GRP $70,861)
  o Commodity Program $325,544 (Commodity Loans $12,753, RTCP $313,791)
  o Disaster Assistance $236,636 (NAP $20,188, LIP $216,448)
• **Farm Loan Programs Profile**:
  o FY15 Direct Loan Program: 15 operating loans, including 10 loans to beginning farmers and 9 loans to targeted underserved producers $466,120
  o FY15 Microloans: 8 Loans $169,590

HOT TOPICS

• **Farm Loan Programs** are our highest priority. Alaska has high numbers of beginning farmers and we promote microloans and other loan programs to a wide audience of new producers.
• **Reimbursement Transportation Cost Payment Program for Geographically Disadvantaged Farmers and Ranchers (RTCP)**. This program, which assists Alaska producers reduce high production costs, reaches a diverse group of growers, across sectors, size of operations, and geography. Many RTCP applicants have had no previous contact with FSA, so it’s also an important outreach tool to introduce new producers to other important FSA programs that may support their operations.
• **Local and Regional Food**. Only 5% of the food consumed by Alaskans is produced here. FSA programs help increase local food production, which can support the economy, health and security of local communities. Alaska FSA is increasing outreach efforts to beginning farmers and Alaska Native villages located in remote areas off of the road system. There are 229 federally recognized Tribes in Alaska.
Danny Consenstein, STATE EXECUTIVE DIRECTOR

Danny Consenstein is the State Executive Director of the Alaska Farm Service Agency. He has over 30 years of experience with government, non-profits and private sector consulting, helping Alaska communities grow and thrive. Under his leadership, Alaska FSA is reaching out to beginning farmers and collaborating with other agencies, partners and local communities to build a stronger, more secure food system.

KEY STAKEHOLDERS

| Alaska Farm Bureau, Partner | Alaska Federation of Natives (AFN), Partner |
| Alaska Farmers Union, Partner | Alaska Congressional Delegation, Partner |
| Alaska Peony Growers Association, Partner | Alaska Future Farmers of America (FFA), Partner |
| Alaska Association of Conservation Districts, Partner | Alaska Tribal Conservation District Association, Partner |
| Alaska Shellfish Growers Association, Partner | Alaska Farmland Trust, Partner |
| Kawerek Reindeer Association, Partner | Alaska State Fair, Partner |
| University of Alaska, Cooperative Extension Service, Partner | Alaska Veterans Healing Hearts, Partner |
| Alaska Food Policy Council, Partner | State of Alaska, Division of Agriculture, Partner |

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Nathan Soboleff, Regular Member
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STATE PROFILE

Agriculture in Alabama is a major, diverse industry, accounting for approximately 40% of the state GDP and employing roughly 580,000 people. Alabama’s top commodities include: soybeans, cotton, corn, peanuts and wheat. The FSA in Alabama provides support to over 179,000 farms within the State and has approximately 20,400,000 million acres of farm land participating in FSA programs. Additionally, farmland represents roughly 60.5% of Alabama’s total available acreage (33,548,172 total acres) for the State. Alabama FSA supports the USDA mission to ensure a healthy, stable, accessible and affordable food supply, while employing roughly one in eight Alabama residents in agriculture related jobs.

STATE PROGRAM DELIVERY STRUCTURE

In bullet point form, provide the following information:

- **State Office Address:** Alabama FSA Office, 4121 Carmichael Road, Suite 600, Montgomery, AL 36106
- **Service Center Structure** – There are 45 service centers serving 67 counties in the State of Alabama.
- **Employee Profile**
  - Total County Non-Federal and Federal Permanent employees as of August 6, 2016:
    - County Non-Federal Permanent: **138**
    - Federal Permanent: **55**
- **Program Participation**: These programs has the highest activity levels for FY 2015 in Alabama.
  - Commodity Loans (including upland cotton) 185 Applications $78 Million
  - Conservation Reserve Program 8,460 Applications $14.5 Million
  - Disaster Assistance Programs 1,286 Applications $21.2 Million
- **Farm Loans Programs Loan Profile**: As of September 13, 2016, Alabama FSA has made the following loans for a total of **1,056** loans for a total dollar amount of **$118,397,235**.
  - Direct OL – 558/$21,532,998
  - Microloan OL – 307/$9,635,220
  - Direct FO – 50/$10,367,650
  - Emergency – 5/$1,478,400
  - Guaranteed OL – 34/$9,264,443
  - Guaranteed FO – 102/$66,118,524

HOT TOPICS

Three Key Issues of Concern

- Currently, Alabama’s GS and CO employees currently eligible or will be eligible for retirement within the next five years is roughly 25% of the workforce. Thus, management must concentrate on employee retention rates, cross training, and incentives for increased employee morale.
- Increasing the number of Full Time Employees (FTE) on both the federal and county side would alleviate stress and possible problems, as indicated on COR IPIA reviews.
- Increased budget for outreach activities allows for outreach to targeted groups, promotional/informational items, and attendance at large events we normally cannot attend due to budgetary restraints.

Three Initiatives of Importance

- Increase the number of military veterans that participate in FSA programs.
- Continue the established SED Advisory Board, which consists of both GS and CO employees.
- Continue cross training and county office shadowing of GS employees (STO personnel).
DANIEL ROBINSON, STATE EXECUTIVE DIRECTOR

Daniel Robinson serves as State Executive Director (SED) for the Alabama Farm Service Agency. He also previously served under the Clinton Administration as the SED for Alabama FSA from 1998-2001. Prior to his current appointment, he served in various FSA positions from 1970 – 2001. Robinson briefly retired in 2001 but returned to work with agriculture producers’ through employment with the Alabama Dept. of Ag. & Industries from April 2003 until October 2009, as the Assistant Marketing Director. He has received numerous accolades for his service including a Certificate of Appreciation (COA) from Secretary Tom Vilsack in 2016, COA from Vice President Al Gore (2000), and countless more. Robinson holds a B.S. in Ag. Ed. from Alabama A & M University in Normal, AL.

KEY STAKEHOLDERS

Tuskegee University, Partner
Alabama A&M University, Partner
Auburn University, Partner
Alabama Cooperative Extension Service, Partner
Alabama Department of Agriculture, Partner
Federation of Southern Cooperatives, Partner
Multiple RC&D Councils, Partner
National Women in Agriculture, Partner
National Center for Appropriate Tech., Partner
National Black Growers Council, Partner
Alabama Future Farmers of America, Partner
Poarch Band of Creek Indians, Partner
Alabama Forestry Commission, Partner
Alabama Farmers Federation, Partner
Women and Youth in Agriculture, Partner
Alabama Indian Affairs Commission, Partner
The United Christian Community Association, Partner
Multiple Cattlemen’s Association, Partner

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STATE PROFILE

Arkansas has a diverse landscape and climate that produces a wide variety of agricultural products. Number one in rice production, Arkansas is also a major exporter of soybeans, cotton, poultry and feed grains. There are approximately 49,350 farms statewide and 97 percent of Arkansas’ farms are family-owned. Agriculture and forestry encompass more than 95 percent of Arkansas’ land resources, with 6.2 million acres devoted to crops, 8.3 million acres of livestock and hay, and 18.8 million acres of forest land. Farm Service Agency supports the mission of serving Arkansas agricultural producers to strengthen economic stability in our rural communities.

STATE PROGRAM DELIVERY STRUCTURE

• Arkansas State FSA Office, 700 West Capitol, Room 3416, Little Rock, AR 72201
• Service Center Structure – There are 52 FSA offices servicing 75 counties in the state of Arkansas
• Employee Profile
  • Total County Non-Federal and Federal Permanent employees as of September 6, 2016:
    • County Non-Federal Permanent: 159
    • Federal Permanent: 98
• Program Participation: These farm programs had the highest level of activity for 2015 in Arkansas
  • ARCPLC 25,185 Enrollment Contracts $213.8 Million
  • MAL’s & LDP’s 1,198 MAL & LDP Applications $135.8 Million
  • Disaster Assistance 3,477 Applications $20.2 Million
  • CRP Program 330 Applications $16.9 Million
• Farm Loans Programs Loan Profile: The Arkansas Farm Service Agency has implemented a Participation Farm Ownership Policy. With its implementation, Arkansas has been able to obligate more Farm Ownership Loans in the past two fiscal years than in the past. In the process, Arkansas has been able to “assist more with less” and lead farmers to commercial lenders. As of 9/15/16, Arkansas State FSA obligated the following loans:

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<th>Loan Type</th>
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<td>741 Loans</td>
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<tr>
<td>Guaranteed Operating</td>
<td>242 Loans</td>
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<tr>
<td>Direct Ownership</td>
<td>116 Loans</td>
<td>$19,099,604</td>
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HOT TOPICS

• Evaluation of staffing needs, program and loan portfolios, and agricultural customer needs will be necessary.
• Implementation of the Limited English Proficiency initiative will continue, as FSA Outreach to a new and diverse rural community is ever changing. Focus should remain on reaching agricultural producers across the state of Arkansas.
LINDA NEWKIRK STATE EXECUTIVE DIRECTOR

Linda Newkirk serves as State Executive Director for the Arkansas Farm Service Agency. Newkirk started working for ASCS (predecessor to FSA) in 1977 and worked continually in the Arkansas State Office in various sections of the Agency during the years. For 10 years prior to becoming SED, Newkirk worked with the Arkansas State Committee and all program appeals and relief cases.

KEY STAKEHOLDERS

Arkansas Department of Agriculture, Partner
Arkansas Cooperative Extension Service, Partner
AR Natural Resources Commission, Partner
Arkansas Association of Conservation Districts, Partner
Arkansas Forestry Commission, Partner
Arkansas Rural Endowment Fund, Partner
Hmong National Development, Inc., Partner
U of A School of Law Indigenous Food & Ag Initiative, Partner
U of A Armed to Farm Veterans Initiative, Partner
University of Arkansas-Pine Bluff, Partner
Heifer International, Partner
Arkansas Farm Bureau Federation, Partner
Arkansas Game and Fish Commission, Partner
Arkansas Agricultural Council, Partner
Arkansas Farm Credit Associations, Partner
U.S. Fish and Wildlife Service, Partner
Arkansas Department of Environmental Quality, Partner
State Historic Preservation Officer, Partner
Tribal Historic Preservation Officer, Partner
Arkansas Land and Community Development Corporation, Partner

KEY CAREER STAFF

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STATE PROFILE

Arizona has a strong and rich history in agriculture, its historical economic core was once the five C’s: cotton, climate, cattle, citrus, and copper. In Arizona, 33,613 farmers operate 20,005 farms on 26.2 million acres; the average farm is 1,312 acres. Approximately 50% of Arizona producers are Native American with small operations. (2012 Ag Census) Arizona has a year round growing period (320 days). Yuma is the winter lettuce capital of the world. Arizona’s top commodities are Lettuce, Alfalfa, Cattle/Calves, Dairy, and Cotton.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office** is located at 230 N 1st Avenue, Suite 506; Phoenix, Arizona
- **Service Center Structure:** There are eight (8) FSA offices serving Arizona’s 15 Counties
- **Employee Profile**
  - Total County Non-Federal and Federal Permanent employees as of September 12, 2016: 49
    - County Non-Federal Permanent: 27
    - Federal Permanent: 22
- **Program Participation:** These programs had the highest activity levels for FY 2015 in Arizona:
  - Disaster Assistance Program $30.6 Million—Livestock Forage Program Lead program
  - Commodity Program Payments $24.5 Million—Cotton Transition Assistance Program and Loan Deficiency Payments Lead programs
- **Farm Loans Programs Loan Profile:** In FY 2015, Arizona obligated $16.2 Million in Direct and Guaranteed Operating and Farm Ownership Loans.
  - Guaranteed Operating
    - 3 Loans
    - $1.97 Million
  - Guaranteed Ownership
    - 12 Loans
    - $5.5 Million
  - Direct Ownership
    - 220 Loans
    - $6.3 Million
  - Direct Ownership
    - 9 Loans
    - $1.7 Million
  - Microloans
    - 27 Loans
    - $689,200

HOT TOPICS

- Retirement of 3-4 senior staffers in the State Office is expected between December 2016-July 2017.
- The future of cotton remains a top issue - Upland Cotton decreased 42% from 2014 to 2015; in 2016 the acreage increased compared to 2015 but still falls short of 2013 and 2014 planting. Pima Cotton (ELS) has been steady over the last few years, between 15-17,500 acres. Many Arizona Pima Cotton (ELS) Producers are monitoring the Welspun Egyptian cotton scandal. Especially as companies look for a domestic and high quality alternative to Egyptian cotton.
- If the water level in Lake Mead goes below 1,075 feet there would be significant triggers as agreed to by various parties of the Central Arizona Project (CAP), of which Arizona while the keeper has the least legal rights. The first tier of individuals to experience water rations would be farmers.
GLORIA MONTAÑO GREENE, STATE EXECUTIVE DIRECTOR

Gloria Montaño Greene serves as State Executive Director for the Arizona Farm Service Agency. Gloria has extensive experience in policy, management, advocacy, organizing, and intergovernmental affairs. Gloria previously served as Chief of Staff to Congressman Raúl M. Grijalva, Director of the National Association of Latino Elected and Appointed Officials (NALEO) DC Office, and Business Manager for AARP's multicultural department. Gloria is originally from Arlington, Arizona, a rural community.

KEY STAKEHOLDERS

Arizona Association of Tribal Conservation Districts
Arizona Association of Conservation Districts
Arizona Beef Council
Arizona Cattle Growers Association
Arizona Cotton Growers Association
Arizona Farm Bureau Federation
CalCOT
Dine Inc.
Indian Nations Conservation Alliance
Intertribal Agriculture Council
Inter-Tribal Council of Arizona

Navajo Farmer Rancher Congress
Southwest Indian Agricultural Association
United Dairymen of Arizona
University of Arizona-College of Agriculture and Ag Extension
Women in Agriculture – affiliate of Farm Bureau

Various Government agencies including state (e.g. Arizona Department of Agriculture) and tribal.

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STATE PROFILE

With 76,400 farms and ranches, California's agriculture is a $54 billion dollar industry and contributes over $100 billion to the state's economic growth. California's top commodities include: milk, almonds, grapes, over 400 miscellaneous crops and cattle. California has the most diverse agriculture in the United States. Over a third of the country’s vegetables and two-thirds of the country’s fruits and nuts are grown in California. The Farm Service Agency in California sees over 100,000 farmers each year in Service Centers located around the State and takes acreage reports for approximately 18 million acres for participation in FSA programs in the State.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address:** 430 G St. Davis, CA 95616
- **Service Center Structure:** There are 30 County Offices serving 58 counties.
- **Employee Profile:**
  - Total County Non-Federal and Federal Permanent employees as of August 6, 2016: 165
    - County Non-Federal Permanent: 104
    - Federal Permanent: 61
- **Program Participation:** These programs hold the highest activity for FY 2015 in California
  - Agricultural Risk Coverage and Price Loss Coverage 8,661 Contract 21.9 Million
  - Disaster Assistance Program 4,567 Applications 81.7 Million
  - Marketing Assistance Loans 1,178 Applications 233.3 Million
- **Farm Loans Programs Loan Profile:** 722 guaranteed loans made to 580 borrowers
  - FSA CA has 2042 direct loans made to 1302 borrowers, 159 are emergency loans made to 84 borrowers.
  - Also for direct loans, an estimated 200 microloans were made to 180 borrowers.

HOT TOPICS

- With the decrease in number of temporary staffing, CA will struggle to keep with the demand for assistance.
- In 2013, President Obama and Secretary Vilsack announced $5 million in ECP funds for farmers and ranchers who want to build or improve water sources for their livestock. The funds went quickly and the need for additional funds will continue into 2017. There is a great need for a full time archeologist in the Southwest to handle and process cultural resource surveys.
- Extensive outreach has been done with Hispanic, African American, and Hmong farmers that should continue in future years.
Oscar Gonzales, STATE EXECUTIVE DIRECTOR

Oscar Gonzales serves as State Executive Director for the California Farm Service Agency. Oscar previously served as Secretary Vilsack’s Deputy Chief of Staff and also served as the Deputy Director of Intergovernmental Affairs, Acting Deputy Assistant Secretary for Congressional Relations, and Deputy Assistant Secretary for Administration. Before USDA, Oscar worked for the UFW Foundation working on immigration, water, worker’s rights, and agricultural issues. Gonzales was the Director of the National Hispanic Environmental Council from 2004-2006. Gonzales also worked with inner city youth and on community empowerment issues at the Corporation for National Service, Building-Up Los Angeles, the California Community College Foundation, and the Constitutional Rights Foundation.

KEY STAKEHOLDERS

- Valley Small Business Administration, Coop-Partner
- University of California Extension, Coop-Partner
- California Farmlink, Coop-Partner
- Sustainable Agriculture Education, Partner
- State Center Community College District, Partner
- California Agricultural Mediation Program, Coop
- Agriculture & Land-Based Training Association (ALBA), Cooperative Agreement
- California Office of Emergency Service, Partner

- California Farm Bureau, Partner
- National Hmong American Farmers Association, Coop
- California Polytechnic University’s Farmer Experimental Education & Development Program (MOU)
- California Small Farms Conference, Partner
- California Cattleman’s Association, Partner
- California Wheat Commission, Partner
- California Rice Commission, Partner

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STATE PROFILE

Colorado Farm Service Agency serves over 55,000 customers involved in farm and ranch operations in 64 counties in Colorado, through 39 local and regional offices. With grass acreage a top use of acres within the state, livestock is a major commodity. Colorado other major commodities include Wheat, Corn, Mixed Forage, Sorghum and Alfalfa. Colorado agriculture is proud of the growing opportunities through the production of Potatoes, Fruits and Vegetables. Colorado is also a home to a growing number and volume of marketing through Colorado Farmers Markets. Colorado FSA supports the FSA mission of maintaining an economical viable food, fiber, fuel producing infrastructure in rural Colorado.

STATE PROGRAM DELIVERY STRUCTURE

- **Address of State Office**: Colorado FSA Office, Denver Federal Center, Bldg. 56, Room 2760, Denver, CO 80225-0426
- **Service Center Structure**: There are 39 FSA County or Regional Offices serving 64 counties in Colorado.
- **Employee Profile**:
  - Total County Non-Federal and Federal Permanent employees: 146
    - County Non-Federal Permanent: 106
    - Federal Permanent: 40
- **Program Participation**: These programs had the highest activity levels for FY 2015 in Colorado:
  - Conservation Reserve Program 11,740 Contracts $69.8 Million
  - ARC/PLC Programs $55.5 Million
  - Non-Insured Crop Disaster Assistance Program $6.2 Million
- **Farm Loans Programs Loan Profile**: Colorado FSA provided record levels of funding to Colorado producers in 2016.
  - Direct Operating 376 loans $22.1 million
  - Guaranteed Operating 85 loans $16.8 million
  - Direct Ownership 100 loans $19.5 million
  - Guaranteed Ownership 79 loans $37.1 million
  - Microloans 62 loans $1.5 million
  - Farm Storage 15 loans $1 million

HOT TOPICS

- As Colorado is a headwater state, a major issue is the cost of water and availability of water for agricultural use versus population growth around the state.
- Current 24 million enrollment cap on Conservation Reserve Program (CRP) acreage has limited the voluntary enrollment of acreage in the program, creating a situation for increased wind erosion and loss of wildlife habitat for endangered species.
- Current immigration policies have limited availability of laborers needed for many agricultural operations, from fruit and vegetable growers to dairy operations, seasonal to long term.
Leland Swenson, STATE EXECUTIVE DIRECTOR

Leland Swenson serves as State Executive Director for the Colorado Farm Service Agency. Leland served as President of the National Farmers Union from 1988 – 2002; following that service, he assisted a number of organizations with leadership transition and government relations. Leland has also held Presidential and Secretarial appointments to the 21st Century Commission on Production Agriculture and the USDA Agricultural Policy Advisory Committee on Trade. Swenson served in the United States Air Force and Army National Guard.

KEY STAKEHOLDERS

COBANK
Colorado AgrAbility Project
Colorado Agricultural Water Alliance
Colorado Association of Conservation District
Colorado Beans Association
Colorado Cattle Women, Inc.
Colorado Cattlemen’s Association
Colorado Corn Growers
Colorado Dairy Farmers
Colorado Department of Agriculture
Colorado Farm Bureau
Colorado FFA Association
Colorado Fruit and Vegetable Growers Association
Colorado Livestock Association

Colorado Pork Producers Council
Colorado Potato Administrative Committee
Colorado State University
Colorado Sugar Beet Growers Association
Colorado Wheat Growers Association
Colorado Wool Growers Association
Farm Credit of Southern Colorado
First Nations Development Institute
Women Involved in Farm Economics (WIFE)
Independent Bankers of Colorado
NOMAR - Denver
Rocky Mountain Agribusiness Association
Rocky Mountain Farmers Union

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STATE PROFILE

Agriculture contributes $3.5 billion to the economy in Connecticut. The number of farms and diversity of farmers has increased in the state. The last Census of Agriculture showed an increase of 22% in the number of farms, 8% increase in farmland, and a 30% increase in the number of women owning and operating the farm. Our top five agricultural products are greenhouse and nursery, dairy, eggs, vegetables, and cigar tobacco.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address:** Connecticut State Office, 344B Merrow Rd, Tolland, CT 06084
- **Service Center Structure:** There are five FSA offices serving eight counties in Connecticut.
- **Employee Profile:**
  - Total County Non-Federal and Federal Permanent employees as of Oct. 18, 2016:
    - County Non-Federal Permanent Ceiling: 11; 8 on board
    - Federal Permanent Ceiling: 10; 9 on board
- **Program Participation:** These programs had the highest activity levels for FY 2015 in CT:
  - **ARC/PLC** $652,912
  - **Disaster Assistance Programs** $862,987
  - **MPP Dairy** 89 participants
- **Farm Loans Programs Loan Profile:** The Farm Service Agency has seen a great interest in the new microloan program, which fits in with the types of new and beginning farmer needs from the census. As of Sept. 14, 2016, we had approved of 25 loans for $2,815,980.
  - Direct – 4 for $130,000
  - Guaranteed – 10 loans for $2,404,500
  - Microloans – 11 loans for $281,480

HOT TOPICS

- Dairy producers continue to face tight margins and are struggling to remain viable. Producers do not see the Dairy Margin Protection Program (MPP) as an effective protection of their margins and profitability.
- Personnel – CT shares two positions with MA and RI, the Farm Loan Chief and State Outreach Coordinator. The three states should convene a meeting with both positions to understand the management structure and establish expectations.
- Bridges to Opportunity – CT was a leader in the development and implementation of Bridges to Opportunity. A staff meeting to review and get up to speed on the program would be helpful as it is launched nationally, likely with CT involvement.
BRYAN HURLBURT, STATE EXECUTIVE DIRECTOR

Bryan P. Hurlbut has served as the State Executive Director for the Connecticut Farm Service Agency since 2013. Prior to serving at FSA, he was serving in the Connecticut House of Representatives where he was elected to four consecutive terms. He served as the Vice Chair of the Environment Committee and House Co-chair of the Appropriations Sub-Committee. Bryan was widely recognized by agricultural and conservation groups for his efforts to open opportunities for Connecticut grown agriculture. He was also the Managing Director of the Juice Bar Electric Vehicle Charging Station Company.

KEY STAKEHOLDERS

CT Department of Agriculture, Partner
CT Farm Bureau, Partner
UCONN Extension, MOU/Partner
Farm Credit East, Partner
New CT Farmer Alliance, Partner
AgriMark Co-Op, Partner
Farmers Cow, Partner
CT Apple Growers Association, Partner
Working Lands Alliance, Partner
CT Sea Grant, Partner
Last Green Valley, Partner
CT Agricultural Experiment Station, Partner
CT Northeast Farmers Association, Partner
New London Farm to School, Partner
CT Farmland Trust, Partner
CT Resource Conservation & Development, Partner

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STATE PROFILE

Delaware has more than 8,400 farms encompassing over 508,000 acres of cropland, contributing to a sector that supports 1 in 11 jobs nationwide. Agricultural product sales added over $1.2 billion to Delaware’s economy in 2015 and provided consumers throughout the region with a variety of food products. Delaware’s top agricultural products include poultry, corn, soybeans, wheat, processing beans, sweet corn, peas, and other fruits and vegetables.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address**: Delaware State FSA Office, 1221 College Park Dr., Suite 201, Dover, DE 19904
- **Service Center Structure**: There are 3 FSA offices servicing 3 counties in the state of Delaware.
- **Employee Profile**:
  - Total county non-federal and federal permanent employees as of August 6, 2016: 19
  - County non-federal permanent: 10
  - Federal permanent: 9
- **Farm Program Participation**: Key program activities for FY2015 included:
  - Ag Risk Coverage/Price Loss Coverage Programs: 3769 contracts, Payments TBD after 10/1/16
  - Conservation Reserve Program/CREP: 462 contracts, $544,000
  - Farm Storage Facility Loans: 25 loans, $2,338,134 principal
  - Marketing Assistance Loans: 25 loans disbursed, $2,338,134 principal paid
- **Farm Loan Programs Loan Profile**: The Farm Service Agency saw an influx of new loans in FY 2016 with a total obligation for farm operating loans of $1,339,250 and farm ownership Loans of $15,460,000. Loan commitments as of September 9, 2016 consisted of:

<table>
<thead>
<tr>
<th>Direct Farm</th>
<th>Guaranteed Farm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>Operating</td>
</tr>
<tr>
<td>12</td>
<td>3</td>
</tr>
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<td>$650,000</td>
<td>$585,000</td>
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<td>Ownership</td>
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<tr>
<td>11</td>
<td>18</td>
</tr>
<tr>
<td>$3,250,000</td>
<td>$12,210,000</td>
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<tr>
<td>Microloans</td>
<td>Emergency Loans</td>
</tr>
<tr>
<td>6</td>
<td>0</td>
</tr>
<tr>
<td>$104,250</td>
<td>$1,995,092</td>
</tr>
</tbody>
</table>

HOT TOPICS

- Due to the tremendous increase in poultry house construction loans, the number of environmental assessments completed for FLP has soared in the past 3 fiscal years. Limited staffing, unprecedented loan volume, increased interest and involvement from the general public in environmental issues, and difficulties in coordinating environmental reviews with various state agencies have contributed to delays in loan processing.
- Current funding levels for Guaranteed and Direct Loans are not keeping pace with the increased demand for Farm Loan Programs, due to low commodity prices and the local poultry house construction boom.
Robert Walls, STATE EXECUTIVE DIRECTOR

Robert (Bob) Walls serves as State Executive Director for the Delaware Farm Service Agency. A lifetime resident of Delaware, Bob has dedicated his entire career to the field of Agriculture. Previously he worked for O.A. Newton & Son for 28 years, overseeing all aspects of the Irrigation and Farm Equipment Division. Bob then started Walls Irrigation, Inc., a small business specializing in agricultural irrigation systems where he served as Owner and President. Bob was elected to the Delaware State House of Representatives for the 33rd District, where he served on the House Small Business Caucus and chaired the House Agriculture Committee for two years.

### KEY STAKEHOLDERS

| Delaware Department of Agriculture | University of Delaware Cooperative Extension |
| Delaware Department of Natural Resources and Environmental Control | Delaware State University Cooperative Extension |
| Delaware Farm Bureau | MidAtlantic Farm Credit, First Financial Bank, and other lenders |
| Delmarva Poultry Industry, Inc. | Conservation Districts |
| Delaware Fruit and Vegetable Growers Association | USDA – Natural Resources Conservation Service and Rural Development |
| Other consulting State and Federal agencies with a role in environmental compliance | Local agribusinesses such as seed, fertilizer, chemical, farm equipment, and irrigation suppliers |

### KEY CAREER STAFF

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| robin.talley@de.usda.gov | drscuse@yahoo.com |
| (302) 678-4252 | 302-423-4145 |
| Jennifer Feindt, Farm Loan Specialist | Robert Baker |
| Jennifer.feindt@de.usda.gov | bakerrob@verizon.net |
| (302) 678-4255 | 302-420-4866 |
| Tammy Foraker, Administrative Officer | |
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| (302) 678-4264 | |
**STATE PROFILE**

Most of Florida’s commodity crops are grown in North Central Florida and the Panhandle, so this is where most of Florida’s workload exists. Also, this is where most of Florida’s highly erodible soils exist, so this is where almost all of our CRP is administered. Central Florida and South Florida are, by and large, areas where disasters drive FSA’s workload, so the workload in these areas consists mostly of disaster relief and loans.

**STATE PROGRAM DELIVERY STRUCTURE**

- **Address of State Office:** Florida State Office, 4440 N.W. 25th Place, Suite 1, Gainesville, FL 32606
- **Service Center Structure** – There are 30 FSA offices serving 67 counties in the state of Florida. In addition, Florida is the State Office for the Virgin Islands with one office serving the three islands.
- **Employee Profile**
  - Total County Non-Federal and Federal Permanent employees as of August 6, 2016:
    - County Non-Federal Permanent: 66
    - Federal Permanent: 43
- **Program Participation:**
  - ARCPLC: 10,808 Enrolled Farms,
  - NAP: 3,272 Applications
  - TAP: 731 Applications
- **Farm Loans Profile:** Current and Pending Obligations for fiscal year 2016 (thru July 31, 2016): 442 loans totaling approximately $50,000,000.

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Loans</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Operating</td>
<td>343</td>
<td>$18.6 Million</td>
</tr>
<tr>
<td>Guaranteed Operating</td>
<td>39</td>
<td>$14 Million</td>
</tr>
<tr>
<td>Direct Ownership</td>
<td>28</td>
<td>$5.1 Million</td>
</tr>
<tr>
<td>Guaranteed Ownership</td>
<td>31</td>
<td>$12.9 Million</td>
</tr>
<tr>
<td>Emergency</td>
<td>1</td>
<td>$50 Thousand</td>
</tr>
</tbody>
</table>
- **HOT TOPICS**

- Livestock Indemnity Program (LIP): There are too many Florida panthers living in too small of a geographic area in southwest Florida. As a result, ranchers are losing an inordinate number of cattle.
- The farm economy is down across the board, so the farm loan business has skyrocketed as farmers find they can’t receive credit elsewhere. Consequently, FL’s delinquency rate may increase in 2017.
- FSA Florida is working with the Florida citrus industry and RMA to make changes to the standard crop insurance policy to include the damages of citrus greening. Discussions will continue into 2017.
Rick Dantzler, STATE EXECUTIVE DIRECTOR

Rick Dantzler is a third generation Floridian. He was elected to the Florida House of Representatives in 1982 and the Florida Senate in 1990. In 1998 he ran for governor, ultimately becoming the Democratic nominee for lieutenant governor. He is a lawyer and mediator. In his free time, he enjoys fishing, hunting, playing golf and writing. The author of three books, his writings fall under the genre of historical fiction. He is a graduate of the University of Florida where he received his undergraduate and law degrees. He and his wife of 32 years have two daughters.

KEY STAKEHOLDERS

- Association of Florida Conservation Districts, Partner
- Florida Agricultural and Mechanical University Extension, Partner
- Florida Cattlemen’s Association, Partner
- Florida Department of Agriculture and Consumer Services, Partner
- Florida International University, 2501 Partner
- Florida State University, Partner
- 11th Episcopal District of the African Methodist Episcopal Church, Partner
- Nolo Consulting, Partner
- North South Institute, 2501 Partner
- University of Florida/Institute of Food and Agricultural Sciences Extension, Partner
- Veterans Farm, 2501 Partner
- Wealth Watchers, Inc., 2501 Partner

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**STATE PROFILE**
Agriculture in Georgia contributes approximately $74.35 billion annually to Georgia’s economy. Recently reported Farm Gate Value for the state was $14 billion. One in seven Georgians works in agriculture, forestry, or related fields. In 2015, there were 40,500 farms in Georgia encompassing 9.3 million acres of land. The average farm size was 230 acres. Georgia is perennially the number one state, or near the top, in the nation in the production of peanuts, broilers (chickens), pecans, rye, and spring onions. We are also at or near the top when it comes to cotton, watermelon, peaches, eggs, blueberries, sweet corn, bell peppers, tomatoes, onions, cantaloupes, and cabbage. Producers across the state raise cattle, horses, goats, sheep, hogs, poultry, and alligators.

**STATE PROGRAM DELIVERY STRUCTURE**
- **State Office Address**: Georgia State FSA Office, 355 E. Hancock Ave., Stop 100, Athens, GA 30601
- **Service Center Structure**: There are 66 FSA offices servicing 159 counties in the state of Georgia.
- **Employee Profile**:
  - Total County Non-Federal and Federal Permanent employees as of September 14, 2016: 297
    - County Non-Federal Permanent: 226
    - Federal Permanent: 71
- **Program Participation**: These programs recorded the highest activity levels for FY 2015 in Georgia:
  - Marketing Assistance Loans
    - 4,745 Applications
    - $577.5 Million
  - Cotton Transition Assistance Prog.
    - 29,938 Applications
    - $493 Million
  - Disaster Assistance Programs
    - 7,776 Applications
    - $26.3 Million
  - Loan Deficiency Payments
    - 18,060 Applications
    - $18.1 Million
  - Conservation Reserve Prog.
    - 11,029 Applications
    - $17.5 Million
- **Farm Loan Programs Loan Profile**: The Farm Service Agency saw monumental funding milestones in FY 2015, obligating $5.6 Billion in Direct and Guaranteed Operating (OL) and Farm Ownership Loans (FO), the highest ever in Agency history. As of 9/12/16, Georgia State FSA made the following loans:
  - **Direct Operating**: 460 Loans
    - $33.3 Million
  - **Guaranteed Operating**: 158 Loans
    - $61.6 Million
  - **Direct Ownership**: 38 Loans
    - $6.7 Million
  - **Guaranteed Ownership**: 42 Loans
    - $20.4 Million
  - **Microloans**: 121 Loans
    - $3.5 Million
  - **Emergency**: 3 Loans
    - $0.4 Million

**HOT TOPICS**
- **Peanut Marketing Assistance Loan (MAL) Processing** – Problems with the CLPS application when processing Marketing Assistance Loans although CLPS is fully functional, errors continue to be encountered, prohibiting peanut MAL activity in the county offices.
- **Georgia’s Employment (FSA) Diversity** – Georgia employment diversity as recorded in the Farm Service Agency (FSA) Employee Demographics Relative to NASS’s Census of Agriculture Primary Operator Demographics is, and will continue to be in the near future, a major challenge, as we are lacking in diversity at the Program Technician (PT) and County Executive Director (CED) position levels. Existing policy and procedures greatly hampers the enhancement of diversity at these two levels (PT and CED) and is relatively nonexistent.
- **New Farmer Outreach and Education** – Coordination of strategic events and trainings for new and beginning farmers and ranchers, as well as significant outreach and assistance to military veterans. Georgia houses one of the nation’s five New/Beginning Farmer Coordinators.
FRED HARRISON, JR., STATE EXECUTIVE DIRECTOR

Fred Harrison, Jr., serves as State Executive Director for the Georgia Farm Service Agency. Harrison, prior to this appointment, served as a member of the Georgia State FSA Committee for four years. Before joining FSA, the Alumnus and Dean Emeritus for Fort Valley State University (FVSU), College of Agriculture, Home Economics and Allied Programs, provided 32 years of senior leadership and policy development to agriculture, both in Georgia and nationally—he served at FVSU from 1983-2004, and he spent 10 years at the University of Georgia as Extension Specialist for Personnel and Staff Development, and as Assistant Professor of Extension Education.

KEY STAKEHOLDERS

- USDA RD/NASS/RMA/NRCS, Partners
- Economic Research Service, Partner
- Georgia Department of Natural Resources, Partner
- Georgia Forestry Commission, Partner
- University of Georgia Cooperative Extension Service, Partner
- Fort Valley State University Cooperative Extension Program, Partner
- Georgia Department of Agriculture, Partner
- Sunbelt Agricultural Exposition, Partner
- Georgia Development Authority, Partner
- Georgia Pecan Growers Association, Partner/Cooperative Agreement

- The Federation of Southern Cooperatives/ Land Assistance Fund, Partner/Cooperative Agreement
- STAG VETS, Partner/Cooperative Agreement
- Farm Credit Associations of Georgia (AgGeorgia/AgSouth), Partner
- Georgia Cotton Commission, Partner
- NASCOE/GACOE, Partner
- Southwest Georgia Project, Partner

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STATE PROFILE
Farm Service Agency Hawaii and the Pacific Basin serves a diverse mix of predominantly small and minority producers with highly diversified crops ranging from temperate to tropical vegetable, fruit, nuts, fish and livestock. Hawaii also serves as a base for national and international seed companies with ongoing hybrid and GMO seed research and replication of desirable varieties and lines. On the other side, serving three (3) US Territories (Guam, Commonwealth of the Northern Mariana Islands and American Samoa) and three (3) independent COMPAC nations (Republic of the Marshall Islands, Federated States of Micronesia and Palau) in the Western Pacific, FSA staff is required to be able to navigate unique jurisdictional boundaries, customs and business models which makes for dynamic delivery of services.

STATE PROGRAM DELIVERY STRUCTURE
- **Address of State Office** 300 Ala Moana Blvd, Room 5-108, P.O. Box 50065 Honolulu, HI 96850
- **Service Center Structure** There are 6 Service Centers serving 7 counties and 11 individual islands
- **Employee Profile** County Non-Federal and Federal Permanent employees as of August 6, 2016:
  - County Non-Federal Permanent: 12
  - Federal Permanent: 16
- **Farm Programs Participation** Severe storms were limited in scope in 2015 and the drought conditions in the State of Hawaii began to subside; thus, there was some leveling and even decline in requests for disaster assistance. Highlights of program participation include:
  - Noninsured Crop Disaster Program 1,440 applications $932,931
  - Reimbursement of Transportation Costs Payment Program 410 applications $886,000
  - Livestock Forage Program 114 applications $283,404
- **Farm Loan Programs Loan Profile** Specializing in loans to minorities & women totaling $8.6 Million
  - Direct Operating Loans 117 Loans $2,133,710 including Microloans 83 Loans $1,255,900
  - Guaranteed Operating Loans $111,000 & Guaranteed Farm Ownership 11 Loans $6,372,429
  - Emergency Loans 2 Loans $55,000

HOT TOPICS
- Farm Service Agency (FSA) has an opportunity to more fully participate in a confluence of the Hawaii Governor’s goal to increase local food production, coupled with Hawaii Legislative initiatives and business decisions currently playing out in the state. It is likely the number of small family farms will exponentially increase in the coming years, challenging FSA’s staffing resources.
- Successive retirement of senior State Office staff has and will likely continue to result in critical knowledge gaps despite on-going efforts to transmit information, train and prepare the balance of staff.
DIANE L. LEY, STATE EXECUTIVE DIRECTOR

Diane L. Ley is the State Executive Director for the USDA Farm Service Agency (FSA) in Hawaii and the Pacific Basin and is responsible for the Agency’s delivery of credit, disaster assistance and conservation programs for farmers and ranchers. A former vegetable farmer, Ley previously held executive positions in agriculture with the State of Hawaii, the County of Hawaii and the Hawaii Farm Bureau. Diane L. Ley plans to leave her position at the end of November 2016.

KEY STAKEHOLDERS

Hawaii Department of Agriculture, Partner
Hawaii Department of Health, Partner
College of Tropical Agriculture & Human Resources, Partner
Hawaii Farm Bureau Federation, Partner
The Kohala Center, Partner
Ulupono Initiative, Partner
Kona Pacific Public Charter School, Partner
Hawaii Agricultural Research Center, Partner
Hawaii Farmers Union United, Partner

Hawaii Crop Improvement Association, Partner
Hawaii Agricultural Leadership Foundation, Partner
Waimea Nui Agricultural Complex, Partner
North Kohala Food Hub
University of Guam, Partner
American Samoa Department of Agriculture, Partner
Commonwealth of the Northern Mariana Islands Department of Land and Natural Resources, Ptnr
US Government of Freely Associated States Working Group, Partner

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Chairperson
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Steven Kai 808-639-4564
kaik1220@outlook.com

The third seat is currently vacant
STATE PROFILE

Rural Iowa is home to 88,637 farms across 30.6 million acres. Iowa’s top agricultural products include corn, hogs, soybeans, cattle and eggs. All told, sales of farm products contributed nearly $31 billion to Iowa’s economy in 2014. Iowa agriculture contributes to a sector that nationwide supports one in 11 jobs. Iowa is a leader in grain, and livestock processing. Iowa is the nation’s top ethanol producer, and number 2 in wind energy.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address**: 10500 Buena Vista CT, Des Moines, IA 50322
- **Service Center Structure**: There are 97 County offices serving 99 counties in Iowa
- **Employee Profile**:
  - Total County Non-Federal and Federal Permanent employees as of August 6, 2016:
    - County Non-Federal Permanent: 468
    - Federal Permanent: 122
- **Program Participation for 2015**
  - there were 151,368 farms enrolled in the ARC/PLC program
  - 6,132 Marketing Assistance Loans for $439,450,429
  - 2016 CRP-107,046 contract on 1,689,287 acres, total dollars paid of $393,895,853
- **Farm Loans Programs Loan Profile**
  - Direct Loans; 4,549 accounts, $633 million. This includes; 2,108 operating loans; Microloans 531 loans; 3,027 farm ownership loans; 75 Emergency loans
  - Guaranteed Loans; $789 million; 1,204 operating loans - $207 million; 1,707 farm ownership loans - $582 million

HOT TOPICS

- Low commodity prices, high input cost and negative profit margins are limiting commercial credit and have created financial stress in agriculture increasing demand for our FLP programs further leveraging our human resources in administering supervised credit and all FSA programs. Near record flooding on major rivers and tributaries causing infrastructure and crop and livestock losses has added to devastating losses to many in the agricultural community.
- The Congress mandated Conservation Reserve Program acre cap will be reached in early FY2017 creating a very volatile situation impacting the agriculture economy along with environmental and conservation compliance issues.
- Water quality issues brought to the forefront by the largest water municipality in the state filing a law suit against counties impacting agricultural land drainage as source point pollution will have far reaching implications on millions of cropland acres - funding is needed by the USDA to be able to work with producers to address and solve water quality issues.
John Whitaker, STATE EXECUTIVE DIRECTOR

John R. Whitaker serves as State Executive Director (SED) of the USDA Farm Service Agency in Iowa. Before being named to this position, he served 7 years in the Iowa House of Representatives (2003-2009) and was Assistant Minority Leader from 2005-2006 and Assistant Majority Leader from 2007-2009. In the Iowa Legislature, he served on several committees including; Agriculture, Transportation, Natural Resources, Environmental Protection, Public Safety. John also served 10 years (1993-2002) on the Van Buren County Board of Supervisors, and 9 years as President of the Iowa Farmers Union.

KEY STAKEHOLDERS

Practical Farmers of Iowa—Partner
Iowa Veterans in Agriculture- Partner
Iowa Department of Agriculture and Land Stewardship- Partner
Pheasants Forever- MOU
Iowa Farmers Union- Partner
Iowa Farm Bureau- Partner
Iowa Cattleman’s Assn- Partner
Iowa State University- Partner
Iowa State University Extension and Outreach- Partner
Iowa Department of Natural Resources- Partner
Iowa Corn Growers Assn- Partner
Iowa Soybean Assn- Partner
Iowa Pork Producers- Partner

KEY CAREER STAFF

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**STATE PROFILE**

Production agriculture and related agricultural businesses, when combined, are the largest industry in Idaho, accounting for 20% of output/sales, 14% of jobs and 16% of the State’s GDP in 2015. Of the 38,000 farms in Idaho, 21,000 have enrolled over 3.0 million base acres to participate in one or more FSA program offering revenue protection, conservation or disaster programs. Idaho ranks in the top ten nationally in the production of potatoes, trout, alfalfa, barley, sugar beets, wheat, peas, lentils, milk, cheese, hops, mint and cattle. This diversity and productivity is due to significant irrigation water in the South and ample rainfall in the North.

**HOT TOPICS**

- **National:** As commodity prices decrease, demand for Conservation Reserve Program contracts increase. Unfortunately, the 24 million acre cap reduces availability of contracts that could assist producers and expand our conservation footprint. In the last sign-up approximately 25% of the contracts offered were accepted, down from an average of over 90% in previous sign-ups.
- **Conservation Reserve Enhancement Program Demand:** As adjudication expands and cut back in allotments increase, demand for Conservation Reserve Enhancement Program will increase. The program is very “workload” intensive for our employees. Stakeholders have asked for an increase in rental rates in order to attract acres.
- **Shared Management Constraints:** As demand for FSA services increase due to lower prices and FTEs continue at the same levels, increase shared management will be required. However a lack of vehicles, and alternative transportation (NRCS vehicles) will limit our ability to provide adequate services.
MARK SAMSON, STATE EXECUTIVE DIRECTOR

Samson has worked in the wheat industry for the majority of his career, serving as assistant director of Western Wheat Associates (now U.S. Wheat Associates) in Washington, D.C., administrator for the Idaho Wheat Commission and vice president for the U.S. Wheat Associates’ for South Asia in Singapore and vice president for Europe, the Middle East, East and North Africa in Egypt and the Netherlands. Earlier in his career he worked for Morrison Knudsen in Alaska and Saudi Arabia, the Idaho Department of Economic Development and Commerce and has owned his own international trading and consulting firm. He has a MS in Ag Econ from the U of I and has worked with numerous Ag groups in Idaho.

KEY STAKEHOLDERS

- Idaho Department of Agriculture
- University of Idaho Cooperative Extension Service
- Idaho Barley Commission
- Idaho Grain Producers Association
- Idaho Food Producers
- Idaho Department of Fish and Game
- Farm Credit Association
- Idaho Wheat Commission
- Idaho Rural Partnership
- Idaho Ground Water Appropriators Association
- Idaho Bankers Association (Ag Committee)
- United Dairymen of Idaho
- Larry Branen Idaho Ag Summit
- Idaho Alfalfa and Clover Seed Commission
- Idaho State Soil & Water Conservation Commission
- Idaho Rangeland Resource Commission
- Idaho Hay and Forage Association
- Idaho Cattle Association
- Idaho Agriculture in the Classroom
- Idaho FFA Association

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STATE PROFILE

Agriculture in Illinois is the major industry, boasting the most farms and highest number of farmers in the nation. Approximately one million people in Illinois are employed in the food and agriculture industry which contributes over $199 billion to the state’s economic growth. Illinois’ top commodities include: corn, soybeans, hogs, cattle and dairy products. Illinois leads the nation in pumpkin and horse radish production. More than 95% of farms in Illinois produce corn, its top commodity. The Farm Service Agency in Illinois sees over 150,000 farmers each year in Service Centers located around the State and takes acreage reports for approximately 25.9 million acres for participation in FSA programs in the State.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address**: Illinois State FSA Office, 3500 Wabash Avenue, Springfield, IL 62711-8287
- **Service Center Structure** – There are 84 full time and 9 part time FSA Offices service 102 Illinois counties.
- **Employee Profile**
  - Total County Non-Federal and Federal Permanent employees as of September 21, 2016: **519**
    - County Non-Federal Permanent: **421**
    - Federal Permanent: **98**
- **Program Participation**: These programs had the highest activity levels for FY 2015 in Illinois:
  - Conservation Reserve Program: 46,403 Contracts, $300.3 Million
  - Marketing Assistance Loans: 2,071 Loans, $155.3 Million
  - Farm Storage Facility Loans: 158 Loans, $20.9 Million
- **Farm Loan Programs Loan Profile**: The Farm Service Agency saw monumental funding milestones in FY 2015, obligating $5.6 Billion in Direct and Guaranteed Operating (OL) and Farm Ownership Loans (FO), the highest ever in Agency history. As of 9/21/16, Illinois State FSA made the following loans:
  - Direct Operating: 178 Loans, $14.2 Million
  - Guaranteed Operating: 139 Loans, $41.3 Million
  - Direct Ownership: 289 Loans, $48.9 Million
  - Guaranteed Ownership: 274 Loans, $117.6 Million
  - Microloans: 88 Loans, $2.0 Million
  - Emergency: 1 Loan, $.20 Million

HOT TOPICS

- A large percentage of FSA Illinois employees are eligible to retire. Leadership will need to be cognizant of the fact that numerous employees could retire, taking years of FSA experience with them, draining our FSA knowledge. Succession planning, whether formal or informal, is imperative.
ILLINOIS FSA STATE OFFICE FACT SHEET

SCHERRIE GIAMANCO, STATE EXECUTIVE DIRECTOR

Scherrie Giamanco serves as State Executive Director for the Illinois Farm Service Agency. Giamanco began her career with Illinois FSA in 1993 with the Office of Intergovernmental Affairs Midwest Disaster Liaison. She then served as Price Support Chief Program Specialist previous to her selection to serve as the State Executive Director for USDA, Farm Service Agency. Prior to joining FSA, Giamanco was Illinois Special Projects director in economic development, agriculture and rural issues with the Illinois office of U.S. Senator Paul Simon.

KEY STAKEHOLDERS

- Illinois Farm Bureau, Partner
- Illinois Department of Agriculture, Partner
- Illinois USDA Natural Resources Conservation Service, Partner
- Illinois USDA Rural Development, Partner
- Association of Illinois Soil & Water Conservation Districts, Partner
- Illinois Department of Natural Resources, MOU/Partner
- University of Illinois Extension Service, Partner
- Illinois Corn Growers Association, Partner
- Illinois Soybean Association, Partner
- Grain and Feed Association of Illinois, Partner
- Illinois Beef Producers Association, Partner
- Illinois Pork Producers Association, Partner
- Illinois Agri-Women, Partner
- Illinois AgriAbility Unlimited, Partner
- Grain Handling Safety Coalition, Partner
- Illinois Specialty Growers Association, Partner

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STATE PROFILE

Agriculture has a rich heritage in Indiana and contributes an estimated $25 billion a year to the state’s economy. The agriculture industry involves more than production agriculture, which includes the raising of livestock, poultry or crops. It also includes manufacturing, wholesale, storage, support services, tourism, and retail operations. From corn and soybean production across the state, to rolling pastureland in the south, to specialty crop production in southwestern Indiana, 83% of our land is dedicated to farms and forests; 245,000 jobs are supported by agriculture; 19.4 million acres of land is in farms and forests; and the average size farm is 245 acres. The top five commodities by value of sales are: Corn ($4 billion); Soybeans ($2.9 billion); Hogs ($1.2 billion); Poultry ($1.1 billion); and Dairy ($660 million). Indiana ranks 10th in the nation in agricultural sales.

STATE PROGRAM DELIVERY STRUCTURE

- **Address of State Office:** 5981 Lakeside Blvd, Indianapolis, IN 46278
- **Service Center Structure:** There are 75 FSA offices servicing 92 counties in the state of Indiana.
- **Employee Profile:**
  - Total County Non-Federal and Federal Permanent employees as of September 2016:
    - County (CO) Non-Federal Permanent: 277
    - Federal (GS) Permanent: 64
- **Program Participation:**
  - ARC-CO Payments: $153 million with 103,000 participating farms
  - Conservation Reserve Program: 35,423 contracts on 236,158 acres totaling $36.8 million in annual rental payments
  - Farm Storage Facility Loans: 486 loans with a balance of over $25 million
  - Commodity Loans: 1,820 loans issued for $174.9 million
  - Non-Insured Crop Disaster Assistance Program: $1.23 million
- **Farm Loans Programs Loan Profile:**
  - Direct Operating, 173 loans, $11.6 million
  - Guaranteed Operating, 192 loans, $42.5 million/Guaranteed Ownership, 231 loans, $110.9 million
  - Direct Ownership, 154 loans, $28.8 million
  - Microloans, 61 loans, $1.5 million

HOT TOPICS

- Indiana has utilized an outstanding temporary workforce in implementing the 2014 Farm Bill from 2014 to October 2016. Due to a FY17 budget uncertainty, our baseline temporary ceilings have been decreased and could dramatically impact delivery and customer service.
- In the next 5 years, Indiana FSA has 29 Federal employees and 105 County employees who can retire. Dealing with the knowledge transfer and the inability to effectively plan for these retirements poses a challenge.
- Dairy producers continue to face tight margins and are struggling to remain viable. Producers do not see the Dairy Margin Protection Program (MPP) as an effective protection of their margins and profitability.
JULIA A. WICKARD, STATE EXECUTIVE DIRECTOR

Wickard was appointed by President Barack Obama in August 2009. Before her federal service, Wickard served as the Executive Vice President of the Indiana Beef Cattle Association. She also has worked for Indiana Farm Bureau Inc. and served eight years as Deputy Director in the Office of the Commissioner of Agriculture. She has worked for two Members of Congress in Washington DC, and she serves on several agricultural and community boards and commissions. Wickard is a Purdue University graduate with a bachelor’s degree in agricultural communications and political science. Wickard, her husband, Chris, and their two children, Jordyn and Jacob, reside in Hancock County on their 100-year homesteaded family farm where they raise Registered Angus Cattle and operate a corn, soybean, hay operation with her family.

KEY STAKEHOLDERS

Partners/Key Stakeholders:
- Indiana 4-H Foundation
- Indiana Agricultural Media – Print and Broadcast
- Indiana Association of Soil and Water Conservation Districts
- Indiana Beef Cattle Association
- Indiana Board of Animal Health
- Indiana Congressional Delegation
- Indiana Conservation Partnership
- Indiana Corn Growers Association
- Indiana Dairy Association of Indiana
- Indiana Dairy Producers of Indiana
- Indiana Department of Environmental Management
- Indiana Department of Natural Resources
- Indiana Farmers Union
- Indiana FFA Association
- Indiana Farm Bureau Inc.
- Indiana Horticultural Society
- Indiana Pork Producers Association
- Indiana Soybean Alliance
- Indiana State Department of Agriculture
- Indiana State Fair
- Indiana State Legislature
- Indiana State Poultry Association
- Indiana Vegetable Growers Association
- Purdue University
- USDA National Agricultural Statistics Service
- USDA Rural Development
- USDA Risk Management Agency

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STATE PROFILE

Agriculture is the largest economic driver in Kansas, valued at more than $62 billion and accounting for 43 percent of the state’s total economy. 88.9 percent of the more than 46 million acres in Kansas is devoted to farming, and 86% of those farms and ranches are family-owned. While Kansas agriculture covers everything from grain commodities to fruit orchards to poultry, Kansas has always held the number one spot in the nation for wheat production. Kansas also ranks first in grain sorghum production and third in cattle production, with over 16 million acres of pastureland used for animal grazing. Other top-ranked agricultural products in Kansas are hay, corn, soybeans, hogs, milk, cotton, and sheep.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address**: Kansas State FSA Office, 3600 Anderson Ave, Manhattan, KS  66503
- **Service Center Structure**: There are 96 FSA Offices serving 182,000 ag producers in 105 counties
- **Employee Profile**:
  - Total County Non-Federal and Federal Permanent employees as of August 6, 2016: **474**
    - County Non-Federal Permanent: 373
    - Federal Permanent: 101
- **Program Participation**: These programs had the highest activity levels for 2015 in Kansas:
  - Conservation Reserve Program: 38,905 Applications $98 Million
  - Disaster Assistance Programs: 25,661 Applications $194.1 Million
  - Marketing Assistance Loans: 329 Loans $35.9 Million
- **Farm Loans Programs Loan Profile**: The Farm Service Agency saw monumental funding milestones in FY 2015, obligating $5.6 Billion in Direct and Guaranteed Operating (OL) and Farm Ownership Loans (FO), the highest ever in Agency history. As of 9/29/16, Kansas State FSA made the following loans:
  - Direct Operating: 614 Loans $52 Million
  - Guaranteed Operating: 144 Loans $32 Million
  - Direct Ownership: 389 Loans $62 Million
  - Guaranteed Ownership: 150 Loans $69 Million
  - Microloans: 186 Loans $4 Million
  - Emergency: 2 Loans $.5 Million

HOT TOPICS

- Demand for credit assistance from USDA is exceeding the available funds
- A high percentage of employees are reaching retirement eligibility, which will result in high anticipated turnover during the next two years.
ADRIAN J. POLANSKY, STATE EXECUTIVE DIRECTOR

Polansky was appointed SED of USDA’s Farm Service Agency in Kansas by President Barack Obama in July 2009. He served in the same capacity from 1993 to 2001 under the Clinton Administration. Polansky, a native Kansan, brings a lifetime of agriculture experience to USDA. He served as secretary of the Kansas Department of Agriculture from February 2003 to July 2009, and owns a 1,900-acre family farm and wholesale farm seed company, both in Belleville, Kansas. Polansky graduated from Kansas State University in 1972 with a Bachelor of Science degree in agronomy, and has received many honors and awards, including the Kansas State University 2011 Distinguished Alumnus Award and 2006 College of Agriculture Distinguished Service Award.

KEY STAKEHOLDERS

- Kansas State University/Research and Extension (partner)
- Kansas Farm Bureau (partner)
- Kansas Farmers Union (partner)
- Kansas Farm Credit (partner)
- Kansas AgriWomen (partner)
- National Farmers Organization (partner)
- Kansas Department of Agriculture (partner)
- Kansas Livestock Association (partner)
- Kansas Wheat (partner)
- Kansas Corn (partner)
- Kansas Grain Sorghum (partner)
- Kansas Soybean Association (partner)
- Kansas Pork Association (partner)
- Kansas Dairy (partner)
- Kansas State 4-H (partner)
- Kansas FFA Association (partner)

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STATE PROFILE

From a booming broiler sector and iconic products such as bourbon to dedicated education and research, Kentucky agriculture is a big deal. The Bluegrass State boasts 76,500 farms across 13 million acres of land. These farms raise the state’s top commodities, including broilers for meat, which brought $866.6 million to the economy in 2012, along with corn, horses and mules, soybeans, and cattle and calves. Kentucky is home to 1.1 million beef cows and takes the title as the largest producer of beef cattle east of the Mississippi River, and the eighth-largest in the nation. Kentucky FSA’s dedicated team of professionals in each of our service centers are committed to serving the farm community and supporting the USDA mission.

STATE PROGRAM DELIVERY STRUCTURE

• Kentucky State Office Address: 771 Corporate Dr., Ste. 205, Lexington, KY 40503
• Service Center Structure: There are 64 Service Centers serving 120 counties
• Employee Profile:
  o Total County Non-Federal and Federal Permanent employees as of August 6, 2016: 325
    ▪ County Non-Federal Permanent: 219
    ▪ Federal Permanent: 106
• Program Participation: These three programs had the highest participation for FY 2015 in KY
  Conservation Reserve Program 20,989 Applications $41.9 Million
  Disaster Assistance Programs 941 Applications $18.8 Million
  Commodity Program Payments 156,020 Payments $45.8 Million
• Farm Loans Programs Loan Profile:
  Guaranteed Loans 388 Loans $74.5 Million
  Direct Loans 2,844 Loans $89.0 Million
  Microloans 473 Loans $9.1 Million

HOT TOPICS

• Conservation Reserve Program (CRP) cover requirements on land coming out of contract will drastically reduce the number of enrolled acres in Kentucky.
**John W. McCauley, STATE EXECUTIVE DIRECTOR**

John W. McCauley serves as State Executive Director for the Kentucky Farm Service Agency. Prior to joining the Obama administration, John owned and managed JWM Consulting Service. In that role, he covered the U.S. representing the agricultural chemical industry on legislative and regulatory issues. He is the former chairman of the Southern Crop Production State Affairs Committee and a past national president of the Association of Structural Pest Control Regulatory Officials. He served under two Kentucky governors and on the staff of former U.S. Senator Walter D. Huddleston.

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**KEY STAKEHOLDERS**

<table>
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<tr>
<th>Agricultural Organizations</th>
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<td>Community Farm Alliance</td>
<td>Lending institutions</td>
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<td>Congressional delegation</td>
<td>Minorities in Agriculture, Natural Resources and Relates Sciences (MANNRS)</td>
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<td>County and State Commissioners</td>
<td>NAACP Chapters in KY</td>
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<td>Environmental organizations</td>
<td>Non-profit community and faith-based organizations</td>
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<td>Farm workers</td>
<td>Other USDA and federal agencies</td>
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<td>Farmers and Ranchers (targeted, general, currently participating)</td>
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<td>FSA Employees</td>
<td>State and local governments</td>
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<td>General public/local communities</td>
<td>University of Kentucky and other institutions of higher learning</td>
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<td>KY Commodity Groups</td>
<td>Youth groups/Beginning farmers and ranchers</td>
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<td>KY Extension Service</td>
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<td>KY Farm Bureau</td>
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<td>KY FFA Association</td>
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<td>KY News Media, including TV, Newspaper/Magazines and Radio Stations</td>
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**KEY CAREER STAFF**

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</table>

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<table>
<thead>
<tr>
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<th>Title</th>
<th>Email</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>
STATE PROFILE

Louisiana is known throughout the world for the diversity of its food, its population and its culture. Louisiana agriculture is certainly reflective of the State! Whether it is rice grown on the coastal prairies of the Southwest, sugar cane grown along the banks of the Bayou Teche, vegetable, nursery and timber operations in the Southeast, or the livestock, feed grain and cotton produced in the Northern half of the State, Louisiana agriculture is big business and provides significant contributions to the State, particularly in rural areas. FSA proudly provides Louisiana producers with risk-management tools (Agriculture Risk Coverage and Price Loss Coverage Program, Noninsured Crop Disaster Assistance Program, Marketing Assistance Loans, etc.) and capital investment opportunities through both the Direct and Guaranteed Loan Programs.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address:** Louisiana State FSA Office, 3737 Government Street, Alexandria, LA 71302
- **Service Center Structure:** There are 37 FSA offices servicing 64 parishes in Louisiana
- **Employee Profile:**
  - Total County Non-Federal and Federal Permanent employees as of August 12, 2016: 183
    - County Non-Federal Permanent: 109
    - Federal Permanent: 74
- **Program Participation:** These programs had the highest activity levels for FY 2015 in Louisiana:
  - Conservation Reserve Program: 4,701 contracts, $21,148,014
  - Price Support: $223,000,000
- **Farm Loans Programs Loan Profile:**
  - Direct Operating: 459 loans for $23.1 Million
  - Guaranteed Operating: 139 loans for $56.66 Million
  - Microloans: 230 loans for $6.8 Million
  - Direct Farm Ownership: 9 loans for $1.65 Million
  - Guaranteed Farm Ownership: 13 loans for $7.68 Million

HOT TOPICS

- The circumstances of economics, combined with flood related losses experienced during crop years 2015 and 2016, have seriously affected the economic health of all agricultural sectors. When considering the loss of on-farm income due to lower yields, crop quality and commodity prices, along with the loss of equity due to depleted cash reserves and declining equipment values, many producers will have difficulty reaching a positive cash flow in 2017 and FSA loan programs will be paramount to their success.
Craig A. McCain, STATE EXECUTIVE DIRECTOR

Craig A. McCain serves as State Executive Director for the Louisiana Farm Service Agency. McCain served for nearly 25 years as the County Executive Director in three FSA offices in Louisiana before serving as District Director for three years. McCain has served on several National Task Forces, which were responsible for writing FSA policy and developing software applications. He has also participated in the development and presentation of a number of National and State training sessions. During his tenure as SED over the past two and one-half years, McCain has greatly expanded outreach efforts in the State of Louisiana, both by forming new partnerships and renewing and strengthening existing partnerships.

### KEY STAKEHOLDERS

| American Sugar Cane League, Partner |
| Central LA Economic Development Alliance, Partner |
| Coastal Communities Consulting, Partner |
| LA Armed Forces Coalition |
| LA Association of Community Based Organizations, Partner |
| LA Association of Cooperatives, Partner |
| LA Bankers Association, Partner |
| LA Cattlemen’s Association, Partner |
| LA Cotton & Grain Association, Partner |
| LA Department of Agriculture & Forestry, Partner |
| LA Farm Bureau Federation, Partner |
| LA Rice Council, Partner |
| LA Rice Growers Association, Partner |
| Louisiana State University AgCenter, Partner |
| Morehouse Black Farmers Association, Partner |
| Southern University AgCenter, Partner |
| Women in Agriculture, Partner |

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Macaria Williams, Secretary to SED
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### STATE COMMITTEE MEMBERS

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</table>
STATE PROFILE

Massachusetts agriculture contributes over $492 million annually to the state’s economy, ranks 5th nationally in direct market sales and 1st in the percentage of farms practicing Community Sustained Agriculture. With great diversity in both crops and in the nature of farming enterprises, Massachusetts has some of the best quality agricultural land in the country with 7,755 farms on over 523,000 acres. 80% of our farms are family-owned, 95% qualify as “small farms” under $250,000 in sales, and more new farms are beginning operations each year. Challenges for farmers include high input costs and contending with one of the highest farmland values in the U.S at $10,600 per acre.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address:** Massachusetts State FSA Office, 445 West Street, Amherst, MA 01002
- **Service Center Structure:** There are 7 FSA offices servicing 14 counties in the Commonwealth.
- **Employee Profile:**
  - Total County Non-Federal and Federal Permanent employees as of October 2, 2016: **32**
  - County Non-Federal Permanent: 15
  - Federal Permanent: 17
- **Program Participation:** These programs had the highest activity levels for FY 2015 in Massachusetts:
  - Disaster Assistance Programs: 26 Applications, $620,007
  - Noninsured Assistance: 203 Applications, $180,855
  - Direct & Counter Cyclical: 55 Applications, $79,552
- **Farm Loans Programs Loan Profile:** As of 8/31/2016, Massachusetts FSA made the following loans:
  - Direct OL: 45 Loans, $2.16 Million
  - Guaranteed OL: 6 Loans, $2.275 Million
  - Direct FO: 5 Loans, $884,000

HOT TOPICS

- In southeastern Massachusetts, market prices for cranberries generally remain below the cost of production. Many growers are FSA loan customers and loan staff continue to monitor and assist during these challenging times.
- A frost/freeze early in the year, followed by sustained drought conditions over the 2016 growing season, led to significant losses among all crop types. Peaches and other tree crops were substantially impacted by the frost/freeze and dairy and livestock producers suffered considerably under the drought. Massachusetts dairy farmers already have high input costs and the latest crisis only further threatens the industry’s viability.
JONATHAN D. NIEDZIELSKI, STATE EXECUTIVE DIRECTOR

Jon Niedzielski serves as State Executive Director for the Massachusetts Farm Service Agency. Niedzielski previously was Deputy Chief of Staff and District Director for Congressman John W. Olver, MA-01. During 20 years as a Congressional aide, he lead Mr. Olver’s constituent services and economic development teams and acted as his principal district representative. Niedzielski also served on the board of Common Capital Inc., a nonprofit community development institution providing both capital and technical assistance to small businesses in western and central Massachusetts.

### KEY STAKEHOLDERS

| New Entry Sustainable Farming Project, FSA Cooperative Agreement - $75,000 | Central Mass Grown, Partner |
| Community Involved in Sustaining Agriculture, FSA Cooperative Agreement - $64,030 | Berkshire Grown, Partner |
| World Farmers, Inc., FSA Cooperative Agreement - $50,000 | SEMAP, Partner |
| Massachusetts Department of Agricultural Resources, Partner | Cape Cod Cranberry Growers, Partner |
| UMass Extension, Partner | Mass Farm to School Project, Partner |
| Massachusetts Farm Bureau Federation, Partner | The Carrot Project, Partner |
| New England Farmers Union, Partner | Massachusetts Dairy Promotion Board, Partner |
| | Massachusetts Forest Alliance, Partner |
| | Massachusetts Maple Producers, Partner |
| | Land for Good, Partner |

### KEY CAREER STAFF

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### STATE COMMITTEE MEMBERS

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Maryland’s agricultural production is as diverse as the state and second to none in its importance to the state’s economy, environment, food supply and quality of life. Maryland’s agriculture includes poultry, grain, livestock and equines, forests and nurseries, orchards and vineyards, dairy and ice cream, vegetables and fruit. Special emphasis is placed on the Chesapeake Bay production of fish, crabs, and oysters. FSA programs directly affect the Chesapeake Bay and continuing to support bay health. Maryland FSA supports the USDA mission and helps ensure a healthful, stable, accessible and affordable food supply.

**STATE PROGRAM DELIVERY STRUCTURE**

- **State Office Address:** Maryland State FSA Office, 339 Busch’s Frontage Rd., Annapolis, MD. 21409
- **Service Center Structure:** There are 20 FSA offices servicing 23 counties in the state of Maryland.
- **Employee Profile:**
  - Total County Non-Federal and Federal Permanent employees as of September 9, 2016, = 77
    - County Non-Federal Permanent: 56
    - Federal Permanent: 21
- **Program Participation:** These programs had the highest activity levels for FY 2015 in Maryland:
  - Conservation Reserve Program  5915 Applications  $10.7 Million
  - Disaster Assistance Program    16 Applications    $174,912  
  - Marketing Assistance Loans    102 Applications    $9.9 Million

- **Farm Loans Programs Loan Profile:** The Farm Service Agency saw monumental funding milestones in FY 2015, obligating $15.2 Million in Direct and Guaranteed Operating (OL) and Farm Ownership (FO).
  As of 7/31/16, Maryland State FSA made the following loans:
  - Direct Operating  43 Loans  $2.5 Million  Guaranteed Ownership  15 Loans  $8.6 Million
  - Guaranteed Operating  3 Loans  $276,000  Microloans  13 Loans  $272,000
  - Direct Ownership  16 Loans  $3.5 Million

**HOT TOPICS**

- Class II Environmental Reviews – Poultry loans dominate the Eastern Shore of Maryland and require a Class II Environmental Assessment prior to loan approval. Resistance to agriculture, and agricultural products, is being applied from outside organizations such as Waterkeeper’s Alliance, Food and Water Justice Program, Food and Water Watch, and Earth Justice, as well as area citizens. Numerous FOIA requests have been filed, local meetings held by concerned residents complaining about poultry operations being planned in their area, and Congressional representatives have been contacted by these groups and citizens. This continues to be a volatile situation on Maryland’s Eastern Shore. Examples of this situation include One Haul Farms (Katie Winstead) and Galen Horst farms. Both of these cases remain very active on the radar of Maryland FSA.
Linda Slacum serves as State Executive Director for the Maryland Farm Service Agency. Linda has been with FSA almost 34 years, serving as a County Program Assistant in an Indiana County office before coming home to Maryland. Since returning to Maryland she has also served as a Program Assistant and later, a County Executive Director, Executive Officer, and SED.

KEY STAKEHOLDERS

Maryland Farm Bureau Federation, Partner
Maryland Department of Natural Resources, Partner
Maryland Division of Forestry, Partner
Maryland State University Extension, Partner
Maryland Department of Agriculture, Partner
Farm Credit Association, Partner
University of Maryland Eastern Shore, Partner
Maryland FFA Association, Partner
Maryland Corn Growers, Partner
Maryland Agricultural Council, Partner
University of Maryland, Partner
Ducks Unlimited, Partner
Chesapeake Bay Foundation, Partner
Maryland Soil Conservation Districts, Partner

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STATE PROFILE

Maine is blessed with a diversity of agriculture. The top crops are: potatoes, dairy, eggs, apples, aquacultural products, corn, hay, small grains, and we are the world’s largest producer of wild low bush blueberries. The growth in vegetable production has resulted in an increase in local farmers markets providing locally grown fresh food to the people of Maine. Maine FSA services beginning and existing producers with low interest loans and programs that support stability within a high risk industry that is critical to the nation’s security and future success.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address:** Maine FSA State Office, 927 Illinois Ave, Suite 2, Bangor, ME 04401
- **Service Center Structure:** There are 13 County Service Centers which cover all 16 counties
- **Employee Profile**
  - Total County Non-Federal and Federal Permanent employees as of September 21, 2016:
    - County Non-Federal Permanent: 21 (allocation is 24 – 3 positions flexed to GS)
    - Federal Permanent: 34 (allocation is 31 – 3 positions flexed from CO)
- **Program Participation:** The top programs in Maine include the following:
  - Marketing Assistance Loans (MAL) - $428,860 – 14 loans (Barley, Oats, and Soybeans)
  - Conservation Reserve Program (CRP) - $418,834 – 7933.7 acres – 330 contracts
  - Emergency Conservation Program/Emergency Forest Restoration Program (ECP/EFRP) - $96,146
  - Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish (ELAP) - $26,076
- **Farm Loans Programs Loan Profile:**
  - **Direct Program:** 325 borrowers with $35.9 M outstanding principal and interest, delinquency rate is 9.79%. Loan profile as of August 31, 2016:
    - Operating (OL): 515 loans (24 youth, 98 MLs) - $15 M
    - Emergency (EM): 11 loans - $1 M
  - **Guaranteed Program:** 68 borrowers with $23 M in principal outstanding, delinquency rate is 3.05%.
    - Loan profile as of August 31, 2016, is:
      - Operating (OL) - 27 loans - $5 M
      - Farm Ownership (FO) - 72 loans - $18 M

HOT TOPICS

- **Rapid reduction in dairy farms** due to increased costs of production and low milk pricing. Maine has a state program that has slowed this loss some. Other New England states have no state programs and have lost larger percentages of dairy farms than Maine. We continue to use all of our servicing tools available to assist those farmers who are working to stay viable during this challenging period.
- **Potential drought developing** - FSA has been part of the Maine Emergency Management Agency (MEMA) Drought Task Force for the past three months. The National Geological Survey has presented facts in regards to our ground water situation and compared it to the drought that took place in the sixties. Unless we have a large snow pack this winter and rains next spring, we may be headed into a long term drought condition.
- **Transition of personnel:** One of the largest challenges facing Maine FSA is the transition of personnel due to retirements. This loss of institutional knowledge along with the lack of experienced people in lower leveled jobs will leave the agency in a very difficult situation.
Donovan E. Todd, III, MAINE FSA STATE EXECUTIVE DIRECTOR

Don Todd received a BS degree from the University of Maine at Orono in May of 1975. He worked for USDA, FmHA from 1974-1989. From 1989-1994 he was General Manager for Sebasticook Packers Inc. in Corrina, Maine. Mr. Todd was a self-employed licensed potato broker from 1994-2005, and also served on the Maine Potato Board from 1989-2005, and was President of the board for two years. Mr. Todd was a self-employed carpenter from 2005 through August 2009. Mr. Todd was appointed as Maine State Executive Director for Farm Service Agency in August 2009 and received the Administrators Award for Management Excellence in 2015 after being nominated by his employees.

KEY STAKEHOLDERS

- Beginning Farmer Resource Network (BFRN)
- Coastal Enterprises, Inc.
- Cultivating Community
- Farm Credit East
- Land For Good
- Maine AgrAbility
- Maine Association of Conservation Districts
- Maine Aquaculture Association
- Maine Department of Agriculture, Conservation and Forestry

- Maine Farm Bureau
- Maine Farmland Trust
- Maine Federation of Farmers’ Markets
- Maine Organic Farmers and Gardeners (MOFGA)
- Maine Risk Management and Crop Insurance Education Program
- Maine Sustainable Agriculture Society
- Sea Grant – Maine
- USDA National Agricultural Statistics Service
- USDA Natural Resources Conservation Service
- UMaine Extension

KEY CAREER STAFF

- Sherry Hamel: Executive Officer
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- Lucia Brown: Farm Loan Specialist
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- Bill Jordan: District Director
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Vacant Seat – intent is to fill with representative of aquaculture industry after election
Michigan farmers grow and raise more than 300 varieties of food/commodities on nearly 10 million acres of farm land, making it the second most diverse agriculture industry in the nation. Of Michigan’s 51,600 farms, 98% are family owned. Yet, Michigan agriculture contributes $101 billion to the state’s economy and employs about 923,000 Michiganders. Michigan is the country’s top producer of dry black and cranberry beans, blueberries, tart cherries, pickling cucumbers, squash, and many species of floriculture. Michigan’s major crops include milk, corn, soybeans, vegetables, fruit, cattle, hogs, poultry and sugar beets. Michigan FSA proudly supports the producers in this state’s diverse agriculture economy.

### STATE PROGRAM DELIVERY STRUCTURE

- **Address:** Michigan Farm Service Agency, 3001 Coolidge Road, Suite 350, East Lansing, MI 48823
- **Service Center Structure:** Forty-nine FSA Service Centers serve 83 Michigan counties.
- **Employee Profile:**
  - Total County Non-Federal and Federal Permanent employees as of Aug. 6, 2016: 256
  - County Non-Federal Permanent: 184
  - Federal Permanent: 72
- **Program Participation:** Top farm programs in Michigan for 2015:
  - Ag. Risk / Price Loss Coverage: 49,854 Contracts
  - Disaster Assistance: 1,312 Participants
  - Conservation Reserve Program: 166,621 Acres
  - Commodity Loans: 602 Loans
  - Farm Storage Facility Loans: 22 Loans
- **Farm Loans Programs Loan Profile:** 865 farm loans, totaling $118.8 million in FY 2015.
  - Direct Operating: 356 Loans $22.8 million
  - Guaranteed Operating: 109 Loans $21.8 million
  - Direct Ownership: 170 Loans $26.5 million
  - Guaranteed Ownership: 135 Loans $45.7 million
  - Microloan: 92 Loans $1.9 million
  - Emergency: 3 Loans $.149 million

### HOT TOPICS

- The Lenawee County FSA Service Center is under a full internal audit and reconciliation due to numerous errors discovered during a target review by the COR of CRP contracts and payments.
- Experience level of the county office staffs is a short-term concern due to recent and continuing personnel turnover. A strong training plan, focus on mentorship, and close monitoring is recommended until all new personnel are fully trained and integrated.
- The agriculture economy in Michigan is struggling more than in previous years due to shifts in the market. This is especially true for the dairy industry. A greater demand for direct farm loans, guaranteed loans, and commodity loans are expected.
CHRISTINE WHITE, STATE EXECUTIVE DIRECTOR

Christine White was appointed USDA Farm Service Agency State Executive Director in July, 2009. From 2003 to 2009, she had served as Michigan Department of Agriculture Deputy Director for Policy as well as other duties. White started her career with the Farm Service Agency first as a County Executive Director then as a District Director before being appointed State Executive Director in 1995 until 2001. In addition, White served a brief period as Administrative Officer for the Animal Plant Health Inspection Service’s Michigan Office. White has a Bachelor of Arts from St. Mary’s College of Notre Dame, Indiana.

### KEY STAKEHOLDERS

- Michigan Dept. of Ag. & Rural Dev., Partner
- Michigan Agriculture Council, Partner
- Michigan State University Extension, Partner
- Michigan Farm Bureau, Partner
- Michigan Agribusiness Association, Partner
- Michigan Farmer Veteran Coalition, Partner
- Michigan Food & Farming Systems, Partner
- Keep Growing Detroit, Partner
- Pheasants Forever, Partner
- Michigan Milk Producers Association, Partner
- Michigan Wheats Program, Partner
- Michigan Corn Growers Association, Partner
- Michigan Milk Producers Association, Partner
- Michigan Cattlemen’s Association, Partner
- Michigan Soybean Association, Partner
- Michigan Forage Council, Partner
- Michigan Organic Food & Farm Alliance, Partner
- Michigan Pork Producers Association, Partner
- Cherry Marketing Institute, Partner
- Michigan Vegetable Council, Partner
- Michigan Apple Committee, Partner
- Michigan Arability, Partner
- Michigan Beekeepers Association, Partner

### KEY CAREER STAFF

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### STATE COMMITTEE MEMBERS

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STATE PROFILE

Agriculture in Minnesota is a major industry. Minnesota’s top commodities include corn, soybeans, wheat, alfalfa, and sugar beets. Minnesota leads the nation in turkey production, sugar beet production, and sweet corn for processing. Over 1.1 million acres are enrolled in the Conservation Reserve Program (CRP). The Farm Service Agency in Minnesota serves over 80,000 producers each year in Service Centers around the State. Annually, County Office staff accept acreage reports for approximately 21.7 million acres for participation in FSA programs. Minnesota FSA supports USDA’s mission to deliver timely, effective programs and services to farmers and ranchers and ensure a stable and affordable food supply.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address:** Minnesota State FSA Office, 375 Jackson Street, Suite 400, St. Paul, MN 55101
- **Service Center Structure:** There are 74 FSA offices serving 87 counties in the state of Minnesota
- **Employee Profile:**
  - Total County Non-Federal and Federal Permanent employees as of August 14, 2016:
    - County Non-Federal Permanent: 324
    - Federal Permanent: 109
- **Program Participation:** These programs had the highest activity levels for FY 2015 in Minnesota:
  - Conservation Reserve Program: 53,973 Applications, $114.5 Million
  - Disaster Assistance Programs: 1,867 Applications, $8.2 Million
  - Marketing Assistance Loans: 3,536 Loans, $323.8 Million
- **Farm Loan Programs Loan Profile:** As of September 6, 2016, Minnesota State FSA made the following loans:
  - Direct OL: 613 Loans, $49.2 Million
  - Guaranteed OL: 303 Loans, $133.2 Million
  - Guaranteed FO: 327 Loans, $93.2 Million
  - Direct FO: 179 Loans, $35.8 Million
  - Microloans: 216 Loans, $5.3 Million
  - Emergency: 3 Loans, $.4 Million

HOT TOPICS

Key issues in Minnesota include the following:

- **Buffer Initiative/CREP:** Negotiations continue to move forward with MN BWSR to rollout a new CREP impacting 54 counties in the southwestern part of the state. The Governor’s buffer initiative will impact workload in County Offices as producers research methods to meet the requirements.
- **Urban Agriculture:** Increasing awareness of FSA programs available to urban producers using ongoing relationships with partners and food hubs to identify potential participants. This ensures a source for direct market data and provides maximum benefits to new and beginning farmers.
- **Declining Farm Prices:** Farm families who are unable to repay annual operating loans or term debt payments will find it difficult to secure 2017 annual operating loans to timely purchase inputs at a discounted rate. This will further strain FSA’s ability to meet continued increase for loan fund demands without increased program funding.
GRANT HERFINDAHL, STATE EXECUTIVE DIRECTOR

Grant Herfindahl, the State Executive Director (SED) for Minnesota is a family farmer from Benson in
West Central Minnesota. He has a BA in Social Science from the University of Minnesota, Morris and
also attended Augustana College, Sioux Falls, SD and the University of Oslo, Norway. He was a policy
fellow at the University of Minnesota’s Humphrey Institute and is active in state and local civic affairs.
He has over 20 years of experience as a FSA County Executive Director (CED) in Meeker, Pope and
Douglas counties in Minnesota. In February of 2016, he was selected as State Executive Director for
Minnesota.

KEY STAKEHOLDERS

MN Department of Agriculture, Partner
University of MN Extension, Partner
MN Department of Natural Resources, Partner
Pheasants Forever, Partner
MN Corn Growers, Partner
MN Soybean Growers, Partner
MN Board of Water and Soil Resources, Partner
MN Farm Bureau, Partner
MN Farmers Union, Partner
Natural Resources Conservation Service, Partner
U.S. Fish and Wildlife Service, Partner

Hmong American Farmers Association, Partner
Hmong American Partnership, Partner
Latino Economic Development Center, Partner
MN Wheat Growers, Partner
MN Barley Growers, Partner
MN Cattlemen’s Association, Partner
MN Pork Producers, Partner
Land Stewardship Project, Partner
MN Food Association, Partner

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STATE PROFILE

Agriculture is a vital part of Missouri’s economy, and is home to nearly 100,000 farms located on more than 28 million acres and the agriculture industry employees a quarter million Missourians. Missouri is also a hub for the bioscience industry and home to 3,500 bioscience-related firms, including the headquarters for Monsanto and Boehringer Ingelheim Vetmedica, among others. Its top commodities are soybeans, cattle/calves, corn, hogs and broilers, but Missouri agriculture is very diverse with rice, cotton and fruit and vegetable production. Annually, Missouri FSA provides service to over 61 thousand farmers and acreage reports for over 15 million acres.

STATE PROGRAM DELIVERY STRUCTURE

- **Address of State Office**: Missouri State FSA Office, Parkade Center Suite 235, 601 Business Loop 70 West, Columbia, MO  65203
- **Service Center Structure**: There are 94 FSA offices servicing 114 counties in the state of Missouri.
- **Employee Profile**
  - Total County Non-Federal and Federal Permanent employees as of August 6, 2016: 429
    - County Non-Federal Permanent: 324
    - Federal Permanent: 105
- **Program Participation**: These programs had the highest activity levels for FY 2015 in Missouri:
  - Conservation Reserve Program (annual payments) 37,693 Contracts $105.3 Million
  - Marketing Assistance Loans 1,353 Loans $94.8 Million
  - Livestock Forage Disaster Assistance (LFP) 6,891 Applications $37.7 Million
- **Farm Loans Programs Loan Profile**: In Fiscal Year 2015, Missouri’s farm loan team provided nearly $72 million in assistance to Missouri’s farmers and ranchers. The following is a profile of our loan portfolio as of September 15, 2016:
  - Direct Operating 485 Loans $24.9 Million
  - Guaranteed Operating 238 Loans $54.4 Million
  - Direct Ownership 275 Loans $42.9 Million
  - Guaranteed Ownership 338 Loans $119.9 Million
  - Emergency 1 Loan $248 Thousand

HOT TOPICS

- Ag financial outlook and subsequent mental health issues facing the agriculture producers in our state, especially with new and beginning farmers, is becoming a major issue.
- The percent of our workforce eligible for retirement over the next 5 years is substantial, which will create a need to determine how to train and regain the institutional knowledge lost when those career employees leave.
- The challenge for new and beginning farmers and non-traditional customers finding the resources they need. We have had increased efforts for outreach in Missouri, including the rollout of Bridges to Opportunity as a pilot state and a StrikeForce designation.
Mark Cadle, STATE EXECUTIVE DIRECTOR

Mark Cadle serves as the State Executive Director for the Missouri Farm Service Agency. Cadle has been with FSA since 1993, most recently serving as a County Executive Director over Gentry and Worth Counties, shared management offices in Northwest Missouri. Prior to his employment with FSA, he worked for as a District Representative, for Congresswoman Pat Danner. His family farm produces corn, soybeans and beef cattle. His son is the 7th generation of the Cadle family to live and farm in Worth County, Mo.

KEY STAKEHOLDERS

- Missouri Department of Agriculture, Partner
- University of Missouri Extension, Partner
- Lincoln University Cooperative Extension, Partner & Grant Recipient
- Missouri Department of Conservation, Partner
- Missouri Department of Natural Resources, Partner
- Missouri Soil and Water Conservation Program, Partner
- Pheasants and Quail Forever, Partner
- Hmong National Development (HND), Partner & Grant Recipient
- Missouri Farm Bureau, Partner
- Missouri Farmer’s Union, Partner
- Missouri AgrAbility Program, Partner
- Missouri Corn Growers, Partner
- Missouri Soybean Association, Partner
- Missouri Pork Association, Partner
- Missouri Cattlemen’s Association, Partner
- Missouri FFA Association, Partner

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STATE PROFILE

Agriculture is Mississippi's number one industry, employing approximately 29% of the state's workforce. Agriculture in Mississippi is considered a 7.4 billion-dollar industry. There are approximately 37,100 farms in the state covering 10.9 million acres. The average size farm in Mississippi is 294 acres. All 82 counties receive a significant contribution through various aspects of Agriculture. For fiscal year 2016, Mississippi Farm Service Agency (FSA) certified 4,799,541.77 acres participating in programs. Mississippi FSA continues to support USDA's mission to assist in ensuring a healthful, stable, accessible and safe supply of food and fiber.

STATE PROGRAM DELIVERY STRUCTURE

- **Address of State Office**: Mississippi FSA State Office, 6311 Ridgewood Rd, Ste. W100 Jackson, MS 39211
- **Service Center Structure**: There are 63 FSA Offices servicing 82 counties in the state of Mississippi.
- **Employee Profile**:
  - Total County Non-Federal and Federal Permanent employees as of August 3, 2016: **251**
    - County Non-Federal Permanent: 173
    - Federal Permanent: 78
- **Program Participation**:
  - Conservation Reserve Program: $44,312,164
  - Commodity Loans: $38,972,738
  - Farm Storage Facility Loans: $1,503,809
- **Farm Loans Programs Loan Profile**: As of September 21, 2016, MS FSA made the following loans:
  - Direct Loans: 502, $20,901,155.91
  - Beginning Farmer: 247, $12,636,775.91
  - Socially Disadvantaged: 168, $5,741,381.00
  - Guaranteed: 108, $87,383,033.41
  - Beginning Farmer: 62, $51,636,587.00
  - Socially Disadvantaged: 18, $14,144,370.00

HOT TOPICS

- **Staffing**: Approximately 30% of Mississippi's FSA current staff is eligible for retirement and the state has had difficulty recruiting diverse staff.
- **Actively Engaged**: Mississippi is among the highest states in the number of producers that were directly affected by the new Actively Engaged rule.
MICHAEL R. SULLIVAN, STATE EXECUTIVE DIRECTOR

Okolona’s Mike R. Sullivan serves as State Executive Director for the Mississippi Farm Service Agency. Sullivan has over 45 years of experience as a full-time farmer operating a third generation 2,000-acre row crop, poultry, cattle and timber business with his brother. He has experience in real estate sales for agricultural and economic development projects, holds a bachelor’s degree in Agricultural Economics from Mississippi State University and is a member of the Mississippi Farm Bureau, Mississippi Cattlemen’s Association, and National Cattlemen’s Beef Association, along with a number of other civic and charitable organizations throughout the country.

<table>
<thead>
<tr>
<th>KEY STAKEHOLDERS</th>
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<tr>
<td>Alcorn State University, Partner &amp; USDA Funded</td>
<td>National Center for Appropriate Technology, Partner and FSA Funded</td>
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<tr>
<td>Mississippi Minority Farmers Alliance, Partner &amp; USDA Funded</td>
<td>Tougaloo College Farm Aid, Partner &amp; USDA Funded</td>
</tr>
<tr>
<td>Mississippi Association of Cooperative, Partner and FSA Funded</td>
<td>Tri-County Agricultural Cooperative, Partner &amp; USDA Funded</td>
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<tr>
<td>Mississippi State University Extension Service, Partner</td>
<td>Winston County Self Help Cooperative, Partner and USDA Funded</td>
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<td>Mississippi FFA Association, Partner</td>
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<td>Mississippi Department of Agriculture and Commerce, Partner</td>
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<td>Mississippi Farm Bureau Federation, Partner</td>
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<thead>
<tr>
<th>KEY CAREER STAFF</th>
<th>STATE COMMITTEE MEMBERS</th>
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<tbody>
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<td>Orlando Kilcrease, Chairperson</td>
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<td></td>
<td>Sterling Withers</td>
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</tr>
</tbody>
</table>
STATE PROFILE

Agriculture is Montana’s largest industry. Montana is the third largest producer of wheat and the sixth largest producer of beef cattle. We are also a leading producer of alfalfa hay, pulse crops and honey. Montana is a geographically very large, disaster prone state where even in a good year, it is likely that parts of the State will be too dry. That, combined with distance and remoteness, makes delivering FSA programs challenging and costly. Our critical priorities are serving those we have always served, producers on our seven (7) Indian Reservations and non-traditional producers. The strength of FSA is our county offices, especially our Program Technicians who do a great job for our producers.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address**: 10 East Babcock Ave., 5th Floor, Bozeman, MT 59715
- **Service Center Structure**: There are 48 Service Centers servicing 56 counties in Montana.
- **Employee Profile**:
  - Total County Non-Federal and Federal Permanent employees as of August 6, 2016: **220**
    - County Non-Federal Permanent: **158**
    - Federal Permanent: **62**
- **Program Participation**: These programs had the highest activity levels for FY 2015 in Montana:
  - Conservation Reserve Program: 9,954 contracts $55.4 Million
  - Marketing Assistance Loans: 948 loans $53.2 Million
  - Livestock Forage Program: 1,243 payments $11.4 Million
- **Farm Loans Programs Loan Profile**: The Farm Service Agency saw monumental funding milestones in FY 2015, obligating $5.6 Billion in Direct and Guaranteed Operating (OL) and Farm Ownership Loans (FO), the highest ever in Agency history. As of 9/29/16, Montana State FSA made the following loans:
  - Direct Operating: 332 Loans $25.9 Million
  - Guaranteed Operating: 121 Loans $32.6 Million
  - Direct Ownership: 50 Loans $10.7 Million
  - Guaranteed Ownership: 78 Loans $39.9 Million
  - Microloans: 65 Loans $1.5 Million
  - Emergency: 2 Loans $0.1 Million

HOT TOPICS

- Supporting the county offices with heavy Loan Deficiency Program/Marketing Assistance Loans, Farm Loan Program and livestock program activity.
- Working with the Tribes to implement new policies to expand service to the Reservations.
- Completion and implementation of the Conservation Reserve Enhancement Program proposal for the Upper Clark Fork River Basin.
Bruce Nelson, STATE EXECUTIVE DIRECTOR

Bruce Nelson, a 4th generation Montana farmer, has been FSA State Executive Director 1993-2000, 2009-2011 and since 2012. From April 2011-July 2012, he served as FSA Administrator. Bruce has also been Chief of Staff to Governor Brian Schweitzer, Construction Project Manager for Zoot Construction, Chief of Staff to Congressman Pat Williams and Vice-President & President of Triangle N Farm, Inc., his family’s farm near Fort Benton. He graduated from Fort Benton High School and has a BA in Political Science from the University of Montana. Bruce and his wife Nancy, a Family & Consumer Science teacher at Belgrade Middle School, live in Bozeman and have three grown children.

KEY STAKEHOLDERS

Montana Department of Agriculture
Montana Department of Natural Resources and Conservation
Montana Department of Livestock
Blackfeet Tribe
Chippewa Cree Tribe
Crow Tribe
Confederated Salish & Kootenai Tribes
Fort Peck Assiniboine & Sioux Tribes
Northern Cheyenne Tribe
Fort Belknap Assiniboine and Gros Ventre Tribes
Native American Community Development Corporation – Financial Services
Montana Natural Resource Damage Program
Montana State Technical Committee (USDA)

Montana Wool Growers Association
Montana Wheat and Barley Committee
Montana Farmers Union
Montana Farm Bureau Federation
Montana Grain Growers Association
Montana Stockgrowers Association
Intertribal Agriculture Council
Indian Nations Conservation Alliance
Montana Drought Advisory Committee
Community Food & Agriculture Coalition
Upper Clark Fork Watershed Restoration Coalition
Montana Organic Association
National Center for Appropriate Technology

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Floyd Dahlman
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Anita Matt
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STATE PROFILE

North Carolina is one of the most agriculturally diverse states. Gross sales of agricultural products totaled over 11.6 billion dollars in 2015 with the top commodities being broilers, hogs, turkeys, tobacco, and eggs. There are over 4.5 million acres of crops reported to FSA with the top crops in acreage being soybeans, corn, wheat, cotton, tobacco, peanuts, and sweet potatoes. North Carolina ranks #1 in the production of sweet potatoes, tobacco, poultry, and eggs; and #2 in Christmas trees, hogs and pigs, and turkeys. North Carolina FSA Service Centers provides service to approximately 49,000 farm operations each year.

STATE PROGRAM DELIVERY STRUCTURE

- State Office Address: NC State FSA Office, 4407 Bland Road, Suite 190, Raleigh, NC 27609
- Service Center Structure: There are 72 FSA offices servicing 100 counties in the state of NC.
- Employee Profile:
  - Total County Non-Federal and Federal Permanent employees as of 7/23/16: 330
    - County Non-Federal Permanent: 259
    - Federal Permanent: 71
- Program Participation
  - NAP: 6,308 applications
  - ARCPLC: 51,949 applications
  - CRP: 5,599 contracts
  - Commodity Loans: 841 applications
  - Loan Deficiency Payments: 2521 payments
- Farm Loan Programs Loan Profile: The Farm Service Agency saw monumental funding milestones in FY 2015, obligating $5.6 Billion in Direct and Guaranteed Operating (OL) and Farm Ownership (FO) Loans, the highest ever in Agency history. As of 9/19/16, North Carolina FSA obligated the following loans:
  - Direct Operating: 405 loans ($29,820,670)
  - Guaranteed Operating: 88 loans ($20,337,490)
  - Guaranteed Ownership: 96 loans ($58,377,057)
  - Direct Ownership: 35 loans ($6,064,200)
  - Emergency: 68 loans ($6,992,610)
  - *Microloans: 131 loans ($3,279,320)

*(These figures included in Direct OL numbers)

HOT TOPICS

- Reduced farm income and its effect on program participation and loan repayment ability.
BOB ETHERIDGE, STATE EXECUTIVE DIRECTOR

Bob Etheridge has served as State Executive Director of the NC Farm Service Agency since 2014. In 1978, Etheridge was elected to the NC House of Representatives, serving as Chairman of the House Appropriations Committee from 1984-1988. In 1988, Etheridge was elected as State Superintendent of Public Education. In 1996, Etheridge was elected to Congress from NC’s second district. He served fourteen years in Congress. Etheridge served on the House Agriculture Committee 12 years, and Ways and Means Committee 2 years. In the spring of 2011, Etheridge was appointed by Governor Beverly Purdue to monitor federal stimulus recovery funding, and identify and secure funding for victims of natural disasters. He also owns and operates a farm in Harnett County.

KEY STAKEHOLDERS

- Appalachian Sustainable Agriculture Project, Partner
- Carolina Farm Credit, Partner
- Coalition for Healthier Eating, Partner
- Eastern Band of Cherokee Indians, Partner
- Food Bank of Central & Eastern NC, Partner
- Latino Community Credit Union, Partner
- NC Department of Agriculture, Partner
- NC Agriculture and Technical University, Partner
- NC Cooperative Extension, Partner
- NC Economic Development Initiative, Partner
- NC Farm Bureau, Partner
- NC Farm Stewardship Association, Partner
- NC State University, Partner
- Rural Advancement Foundation International, Partner
- Small Farms Program NCDA, Partner
- The Conservation Fund, Partner
- The Land Loss Prevention Project, Partner
- The NC Institute for Minority Economic Dev., Partner
- The NC Rural Center, Partner
- The Support Center, Partner
- The Tennie Group, Partner
- Trancas, Inc., Partner

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Nancy Fish, Member
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Thomas O. Gilmore, Sr., Member
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**STATE PROFILE**

Agriculture is North Dakota’s leading industry. One in four North Dakotan’s are employed in agriculture. ND’s top commodities include: forage, spring wheat, durum, soybeans, corn, canola, barley, flax, sunflowers, pinto beans, dry peas and lentils. In 2015, North Dakota FSA served 32,670 farm operators in in Service Centers located around the state and took acreage reports on more than 28.8 million acres.

**STATE PROGRAM DELIVERY STRUCTURE**

- **State Office Address:** North Dakota State FSA Office, 1025 28th Street South, Fargo, ND 58103.
- **Service Center Structure:** There are 51 FSA offices serving 53 counties in North Dakota.
- **Employee Profile:**
  - Total County Non-Federal and Federal Permanent employees as of August 6, 2016: 312
    - County Non-Federal Permanent: 218
    - Federal Permanent: 94
- **Program Participation:** These programs had the highest activity levels for FY 2015 in North Dakota:
  - Marketing Assistance Loans 1,746 loans $183 million
  - ARC/PLC 57,663 farms enrolled $195.1 million (FY14)
  - NAP 3,473 NAP Policies $163,984
  - CRP 23,680 contracts $68.8 million
  - 1.5 million CRP acres
- **Farm Loans Programs Loan Profile:** As of 9/15/16, North Dakota State FSA made the following:
  - Direct Operating 486 Loans $42.9 Million
  - Guaranteed Operating 338 Loans $118.6 Million
  - Direct Ownership 88 Loans $16.5 Million
  - Guaranteed Ownership 116 Loans $75.1 Million
  - Microloans 37 Loans $1 Million
  - Emergency 8 Loans $.5 Million

**HOT TOPICS**

- Backlog of wetland technical determinations from NRCS. This jeopardizes conservation compliance for producers to be eligible for FSA and RMA benefits.
- Every fiscal year North Dakota FSA exhausts all farm loan allocations. With lower commodity and livestock prices and our emphasis on beginning farmers, North Dakota FSA has seen historic levels of funding requests.
- North Dakota continues to produce over one million barrels of oil from the Bakken region of the state. Very high competitive wages, cost of living and demand for employees with skill sets similar to FSA have been a challenge for western North Dakota. Recruitment, relocation, and retention incentives have been authorized, and have been successful.
Aaron Krauter, STATE EXECUTIVE DIRECTOR

Aaron Krauter serves as the North Dakota Farm Service Agency (FSA) State Executive Director (SED) since 2009. Previously Aaron and his wife operated a 3,000-acre no-till farm operation at Regent. He also served in the North Dakota State Senate for twenty years. Aaron has been active in many organizations such as the North Dakota Farmers Union, NDSU Extension Advisory Council, NDSU Agronomy Seed Farm, Dakota Pride Cooperative and Hettinger County Crop Improvement and Livestock Improvement Association.

KEY STAKEHOLDERS

Partners
- ND Ag Coalition
- ND Ag Association
- ND Barley Council
- ND Dairy Coalition
- ND Ethanol Council
- ND Farm Bureau
- ND Farmers Union
- ND Lamb and Wool Producers Assoc.
- ND Pork Council
- ND Soil and Water Conservation Society
- ND Stockmen’s Association
- ND Weed Control Association

Partners
- ND Adult Farm Management
- Ag Mediation
- ND Corn Growers
- Ducks Unlimited
- ND Game and Fish
- ND State Department of Agriculture
- ND Grain Growers
- ND Barley Council
- ND Soybean Council
- NDSU Extension Service
- U.S. Durum Growers

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STATE PROFILE
The State of Nebraska has 49 million acres of land, about 45 million of which is used for agriculture. Of that, about 21.6 million is used for crops, with corn at 9 million acres and soybeans at 5 million acres leading the way, followed by wheat with 1.4 million acres and alfalfa with 700,000. Corn and soybeans are predominantly found in the eastern and central parts of the state, while crops that are conducive to a more arid climate can be found in the west, including millet, dry edible beans and sugar beets. Nebraska is second in the nation for cattle and calves, generally leads the nation in beef exports and cash receipts from meat animals and is usually about third in the nation for cash receipts from farm marketings.

STATE PROGRAM DELIVERY STRUCTURE
- **State Office Address:** Nebraska USDA FSA State Office, 7131 A St., Lincoln, NE 68510
- **Service Center Structure:** There are 71 service centers across the state, 23 of which are Type 1 offices, serving 93 counties.
- **Employee Profile:**
  - Total County Non-Federal and Federal Permanent employees as of July 31, 2016: 422
    - County Non-Federal Permanent: 308
    - Federal Permanent: 114
- **Program Participation:** These programs had the highest activity levels for FY 2015 in Nebraska:
  - Conservation Reserve Program: 22,756 contracts $61.9 million
  - Livestock Assistance Programs (LFP, LIP and ELAP): 124 applications $14 million
- **Farm Loan Programs Loan Profile:** For FY 2016 through Sept. 30, Nebraska FSA had made $337.8 million in farm loans to Nebraska producers through 2,214 direct and guaranteed loans. Sixty-six percent of these loans were beginning farmer loans.
  - Direct Operating: 1,527 loans - $105.8 million
  - Direct Ownership: 302 loans - $64.2 million
  - Microloans: 286 loans - $5.7 million
  - Guaranteed Ownership: 201 loans - $115.6 million
  - Guaranteed Operating: 174 loans - $52 million

HOT TOPICS
- Of the 422 county non-federal and federal permanent employees at Nebraska FSA, a quarter have reached retirement eligibility. Many of these are county executive directors or others in key leadership roles. Identifying, and then properly training, other existing FSA personnel to assume these positions as they are vacated is critical; and as we move folks up, we need to be prepared to recruit quality candidates from outside FSA into the entry-level agency positions.
- With the current state of the agricultural economy expected to remain in a downturn, our offices will continue to be taxed with high workload volume related to farm loan needs as traditional banks shy away from the farm loan process. In addition, with low corn prices and an expected large crop, offices will see increased traffic related to marketing assistance loans and/or LDPs and commodity certificates.
Dan Steinkruger, STATE EXECUTIVE DIRECTOR

Dan Steinkruger is the State Executive Director, a position he has held since 2009. He moved into that role after serving in the Nebraska State FSA Office as the Production and Compliance Programs chief for 15 years. He has been with agency in Nebraska for his entire career, serving in other roles that include programs specialist and Cass County executive director. Dan has announced his retirement effective Jan. 3, 2017.

KEY STAKEHOLDERS

- Nebraska Extension
- Nebraska Department of Agriculture
- Nebraska Corn Growers
- Nebraska Cattlemen
- Nebraska Soybean Association
- Nebraska Pork Producers
- Nebraska Wheat Growers
- Nebraska Farm Bureau
- Nebraska Farmers Union
- Nebraska Bankers Association
- Nebraska Game and Parks
- Nebraska Pheasants Forever
- Center for Rural Affairs
- Legal Aid of Nebraska

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New Hampshire agriculture has changed over the years. Today’s industry is quite diverse, encompassing many crop, livestock, and specialty products. The value of New Hampshire’s agriculture industry is approximately $1.5 billion. This includes $336 million in direct sales of agricultural and other horticultural products and services, and $1.2 billion in sales related to agritourism. New Hampshire’s agricultural exports total over $94 million annually, including dairy, animal, and horticultural products. Top crops in New Hampshire include ornamental horticulture, vegetables, apples, maple syrup, berries, and Christmas trees.

**STATE PROGRAM DELIVERY STRUCTURE**

- **Address of State Office**: NH State FSA Office, 53 Pleasant St., Rm. 1601, Concord, NH 03301
- **Service Center Structure** – There are 5 FSA offices, serving 10 counties in the State of NH.
- **Employee Profile**
  - Total County Non-Federal and Federal Permanent employees as of August 6, 2016: **20**
    - County Non-Federal Permanent: **11**
    - Federal Permanent: **9**
- **Program Participation**: These programs had the highest activity for FY2015 in New Hampshire:
  - Disaster Assistance Programs: $163,004
  - Farm Storage Facility Loans: $11,795
- **Farm Loans Programs Loan Profile**:
  - Direct Loans: 35 loans $1,967,230
  - Guaranteed Loans: 3 loans $1,485,034

**HOT TOPICS**

- The state has suffered from drought conditions in both 2015 and 2016. In 2016, the southern and eastern portion of the state has reached the D3 level on the National Drought Monitor. It does not appear from the forecast that this will be changing anytime soon. Lack of feed from the drought and low milk prices have created a perfect storm for dairy producers. Reports are that the drought has also affected New Hampshire’s vegetable and fruit industry. Wells are going dry, and irrigation ponds are drying up. Weather forecasts add to the fear that NH could go into the winter, and ground freeze, without a recharge of ground water, leading to additional empty wells.
Bruce R. Cilley, Sr., STATE EXECUTIVE DIRECTOR

Bruce Cilley, Sr., serves as State Executive Director for the New Hampshire Farm Service Agency. For the past 25 years, Cilley has been involved in the farrier industry as President and Owner of a farrier supply company. Cilley also served from 2002-2004 on the Farrier Industry Assoc. Board of Directors at the national level. Bruce Cilley served in the US Army during the Vietnam conflict.

KEY STAKEHOLDERS

New Hampshire Department of Agriculture
UNH Cooperative Extension
UNH/COLSA-College of Life Sciences & Agriculture
Farm Credit East
Granite State FFA Association
New Hampshire Farm Bureau
NOFA- NH
New England Farmers Union

NH Department of Resources and Economic Development
Yankee Farm Credit

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603-767-2610
STATE PROFILE

New Jersey’s diverse Agricultural Industry earns its moniker “Garden State”. New Jersey ranks in the top ten nationally in crops ranging from Blueberries, cranberries, peaches, cucumbers, sweet corn, peppers, greens and spinach, tomatoes, eggplant, squash, snap beans, cabbage, nursery and floriculture (our State’s leading dollar volume commodity), wine production and others. There are 9,100 farms in New Jersey encompassing three quarter of a million acres of production. Our farm gate values exceed $1 billion. The total food industry in New Jersey surpasses $100 billion. Aquaculture, Equine, dairy, poultry, and other livestock round out our diverse agrarian sector.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address:** New Jersey State FSA Office, 300 Clocktower Drive, Suite 202, Hamilton Square, NJ 08690
- **Service Center Structure:** NJ has 6 FSA field offices servicing 21 counties
- **Employee Profile:**
  - Total County Non-Federal and Federal Permanent employees as of August 6, 2016: **35**
    - County Non-Federal Permanent: 19
    - Federal Permanent: 16
- **Program Participation:** Programs in NJ with the highest levels of activity in 2016
  - **Non-Insured Crop Disaster Assistance Program** 3175 policies (1069 buy-up) $984,000 indemnities paid
  - **Emergency Forest Restoration Program** 300 applications approved  $1.56 million earned
  - **ARC/PLC 2015 enrollment** 2521 contracts $1.2 million paid
- **Farm Loans Programs Loan Profile:** New Jersey’s portfolio as of September 21, 2016
  - **Direct Operating** 376 Loans $18.7 Million
  - **Guaranteed Operating** 43 Loans $8.5 Million
  - **Direct Ownership** 91 Loans $9.5 Million

HOT TOPICS

- All FSA senior staff including the Farm Loan Chief, the Executive Officer, and our only District Director are retirement eligible and could retire at any time. At the same time, half of our field offices and our Program team are impacted by retirements.
Paul Hlubik, STATE EXECUTIVE DIRECTOR

Paul Hlubik serves as State Executive Director for New Jersey Farm Service Agency. Hlubik has served the Farm Service Agency in various career, elected, and appointed positions since 1987. He has served as State Executive Director through two consecutive administrations. Hlubik is a graduate of the University of Delaware, with a degree in Agriculture Business Management, focusing on Agriculture Policy. He is the founder, owner, and operator of Backacres Farms, growing hay and grain across three NJ counties.

KEY STAKEHOLDERS

New Jersey Board of Agriculture, Partner
New Jersey Farm Bureau, Partner
New Jersey Department of Agriculture, Partner
Rutgers University Extension Service, Partner
Farm Credit East, Partner
Rutgers University, Partner
New Jersey FFA, Partner
New Jersey Vegetable Growers Association, Partner
New Jersey Agricultural Society, Partner

New Jersey Nursery Landscape Association, Partner
Northeast Organic Farmers Association of New Jersey, Partner
New Jersey Blueberry Council, Partner
New Jersey Equine Advisory Board, Partner
New Jersey Peach Council, Partner
Eastern Produce Council, Partner
New Jersey Aquaculture Association, Partner
New Jersey Bee Keeper’s Association, Partner

KEY CAREER STAFF

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Kevin Murphy, Farm Loan Program Chief
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Craig Christo, Agricultural Program Specialist
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Maryjoberbert@gmail.com 609.737.9131

Vacancy
Vacancy
STATE PROFILE

New Mexico Farm Service Agency consists of 24 county offices servicing 32 agricultural producing counties. Through customer service and outreach initiatives stands to assist all producers with emphasis on those deemed as historically underprivileged and underserved or socially disadvantaged. With dedication and enthusiasm New Mexico FSA employees are pleased to provide excellent customer service and support, ensuring New Mexico remains one of the top producers in dairy, beef, hay, pecans and chile among so many other valuable commodities.

STATE PROGRAM DELIVERY STRUCTURE

- State Office - New Mexico FSA Office, 6200 Jefferson, NE Suite 211, Albuquerque, NM 87109
- Service Center Structure – 24 FSA Offices servicing 33 counties in the State of New Mexico.
- Employee Profile
  - Total County Non-Federal and Federal Permanent employees as of September 22, 2016:
    - County Non-Federal Permanent: 46
    - Federal Permanent: 30
- Program Participation: The following programs had the highest activity levels for FY 2016 in New Mexico:
  - Disaster Assistance Program 8,042 Applications $50,949,461
  - Conservation Reserve Program 3,003 Applications $17,498,859
  - Cotton Transition Assistance Program 1,524 Applications $2,567,950
- Farm Loans Programs Loan Profile: As of September 7, 2016, New Mexico State FSA made the following loans:
  - Loan Type | Number of Loans | Amount
  - Direct Operating | 230 | $10.7 Million
  - Guaranteed Operating | 18 | $4.6 Million
  - Direct Ownership | 64 | $9.9 Million
  - Guaranteed Ownership | 32 | $14.7 Million
  - Microloans Operating | 95 | $2.7 Million
  - Microloans Ownership | 2 | $42 Thousand

HOT TOPICS

- Clarity and commitment to enhancing the process of establishing grazing loss percentages in western states for drought conditions, to better meet the needs of all producers affected.
- Increased awareness and accessibility of FSA loans and programs through outreach initiatives to all producers statewide.
MOLLY MANZANARES, STATE EXECUTIVE DIRECTOR

Molly Manzanares has served the New Mexico Farm Service Agency for nearly 17 years with 14 served on State Committee. She grew up in a cattle ranching family and attended both New Mexico State University and University of New Mexico. After marrying Antonio J. Manzanares they began their own sheep ranching operation and operate one of the last remaining herded bands in the state. With 4 successful children, the Manzanares family has remained active in agriculture since the early 1980’s in Los Ojos, NM.

### KEY STAKEHOLDERS

| Ag 50 Committee | NMSU Tribal Extension Task Force |
| Dairy Producers of New Mexico | NM Wheat Growers Association |
| NM Farmers Market Association | NM Association of Conservation Districts |
| Santa Fe Farmers Market Institute | NM Hay Association |
| NM Farm to Table | NM Cattle Growers Association |
| Future Farmers of America | NM Rural Water Association |
| Hispanic Farmers and Ranchers of NM | Northern NM Stockman’s Association |
| Jicarilla Cattle Growers Association | Pueblos of Acoma, Laguna, Isleta and Sandia |
| NM Grain & Sorghum Producers | Pueblo of Santa Clara |
| Navajo Technical College | Pueblos of Zia and Jemez |
| NM Farm & Livestock Bureau | Pueblos of Taos and Picuris |
| NM Hay Association | Indian Nations Conservation Alliance |
| NM Navajo Council of Governments Inc. | New Mexico Acequia Association |
| NMSU Extension |

### KEY CAREER STAFF

**Brenda Archuleta, Executive Officer**  
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**LeAnn (Lisa) Gibbs, Farm Loan Chief**  
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**Joilynn Garcia, Program Specialist**  
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### STATE COMMITTEE MEMBERS

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**Larry Burnett**  
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**Carlos Casados**  
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**Eddie Diaz**  
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(575) 546-1841
STATE PROFILE

There are approximately 4,100 Nevada farms and ranches with almost 6 million acres of land dedicated to farming and ranching. The state’s farms and ranches are relatively large in terms of land. The average size of a Nevada farm is 1,429 acres – more than twice the national acreage (421 acres). Nevada’s land use consists of pastureland; crop land; and the remaining is designated for other uses. Annual cash receipts from all agricultural in Nevada in 2012 were $716 million. Alfalfa hay is the leading cash crop of the state. Much of the hay is sold to dairy operations in surrounding states. Cow/calf operations fill our pasture lands. Dairy farming is also a substantial industry. Additional crops produced in Nevada include potatoes, barley, winter and spring wheat, corn, oats, onions, garlic and honey. Smaller acreages of mint, and a variety of fruits and vegetables are grown throughout the state.

STATE PROGRAM DELIVERY STRUCTURE

- FSA STO 1365 Corporate Blvd, Reno, NV 89502
- Service Center Structure – Six County Offices serving sixteen Counties in Nevada and three Counties in California.
- Employee Profile
  - Total County Non-Federal and Federal Permanent employees as of August 6, 2016:
    - County Non-Federal Permanent: 11
    - CO FTE: 12
    - Federal Permanent: 11
    - GS FTE: 13
- Program Participation: Highlight the top three to five 2015 programs in your State. Amount paid in programs are as follows; 508 LFP applications totaling $27,270,226.00, 306 NAP applications totaling $1,167,867.00 and GRP totaling $8,073,978
- Farm Loans Programs Loan Profile: Direct Farm Loans portfolio is $18 million consisting of 203 borrowers with a mix of real estate, term and operating type loans and emergency loans. The Guaranteed Loan portfolio is $42 million consisting of 127 loans mainly for real estate with some term and operating loans. The Farm Loans is staffed out of three offices: Fallon, Winnemucca and Elko with the Farm Loan Chief being located in the Reno State Office.

HOT TOPICS

1. How to service the 5th largest geographical land mass, to include 10 Native American Tribal Reservations with 25 FTE’s, which are mostly new and inexperienced employees.
2. Nevada has been experiencing moderate to extreme droughts conditions for the past 15 years. Both underground and surface water shortages continue to grow and impact ranchers and producers now and for the foreseeable future. This impacts delivery of FSA programs, specifically NAP and FLP. The new normal for Nevada is drought.
3. Approximately 86% of the land in NV is managed by various federal agencies and departments including BLM, FS, and the DoD. With each agency or department having their own land practices, it makes it difficult for the FSA to implement its programs. For instance, if the FSA wants to implement ECP under an emergency situation, we often have to wait for lengthy authorizing practices such as environmental assessments that make it very challenging for our producers.
Clint Koble, STATE EXECUTIVE DIRECTOR

Clint Koble was born and raised on a farm/ranch in North Dakota and he received his Bachelor of Arts Degrees in Political Science and History from the University of North Dakota in 1974. Before coming to the FSA in 2009, Clint was the Executive Director of the Nevada Rural Development Council and worked with rural communities. Since coming to the USDA Clint has worked diligently on Cultural Transformation, Strategic Planning, StrikeForce and restructuring COFs. He has put forth great efforts in addressing underserved sectors in NV’s agriculture, particularly Organics and Conservation Districts.

KEY STAKEHOLDERS

- Ranchers/producers-We service our customers
- Employees-We support our employees through engagement
- STC/COC-the regulatory body of FSA NV
- State and Local colleges-FSA NV can draw from the labor pool
- Bureau of land management-Most of NV is BLM land, so relationship is critical
- NRCS-FSA needs and works with agency
- RD-maintain relationship to help the same customers we serve
- Cooperative extension-build relationship with FSA, they can help train customers
- NDOW-Partner
- Nevada State and Federal representatives-drought declaration
- DAFO-Support our mission in NV
- DAFB-Support Loans initiatives
- Other SED’s-Draw from experience
- Other EO/AO-Draw from Experiences
- Other State FSA offices-Draw from Experiences
- OGC-Ensure we conduct business by policy
- Office of Ethics-Ensure all parties are held accountable
- Office of Civil Rights and EEO-equality

KEY CAREER STAFF

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Gustin Wegren, District Director
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Jim Christison
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Vince Garcia
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STATE PROFILE

New York State is home to more than 35,000 farms and agriculture contributes more than $37.6 billion to the state's economy. Agriculture in New York is diverse, however the top commodity by far is dairy, which accounts for nearly half the state's total agricultural sales. New York ranks third nationally for milk production, and is a leading state for dairy processing. Other leading commodities include apples, grapes, other fruits and vegetables, corn, soybeans, alfalfa, and maple syrup. In recent years New York has had much growth in farm beverages, urban agriculture and direct marketing through farmers markets, CSAs and on-farm sales. Beyond acreage reporting, NY FSA serves farmers throughout the state with loans, price supports, disaster assistance, and conservation incentives.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address**: New York State FSA Office, 441 S. Salina St., Suite 536, Syracuse, NY 13202
- **Service Center Structure**: There are 39 FSA offices servicing 62 counties in the state of New York.
- **Employee Profile**:
  - Total County Non-Federal and Federal Permanent employees as of September 21, 2016: 182
    - County Non-Federal Permanent: 112
    - Federal Permanent: 70
- **Program Participation**: These programs had the highest activity levels for FY 2015 in New York:
  - Marketing Assistance Loans: 407 Loans, $29.9 Million
  - Conservation Reserve Program: 2350 Applications, $4.1 Million
  - Disaster Assistance Programs: 4633 Applications, $2.4 Million
  - Farm Storage Facility Loans: 213 Loans, $2.1 Million
- **Farm Loans Programs Loan Profile**: For the FY 2015, New York State had the following totals:
  - Direct Operating: 223 Loans, $10.9 Million
  - Guaranteed Operating: 75 Loans, $17.4 Million
  - Direct Ownership: 40 Loans, $7.3 Million
  - Guaranteed Ownership: 56 Loans, $23.3 Million
  - Microloans: 70 Loans, $1.6 Million

HOT TOPICS

- New York City – a new full time FSA employee should be on board to begin to work with urban farmers and educate producers at the hundreds of farmers markets about FSA and our programs. This employee is the first in the nation to be dedicated entirely to urban agriculture.
- Overall Staffing – In the past three months New York has experienced tremendous staff turnover due to retirements and resignations. This will continue for the next three months. Positions of notable concern is the Farm Loan Chief, Farm Loan Specialist, and a number of County Executive Directors.
- Program Outreach and Delivery - The state sees huge growth potential in NAP, FSFL and the Microloan programs given the diversification of the state and the revised standards making these programs more farmer friendly for Northeast agriculture.
JAMES BARBER, STATE EXECUTIVE DIRECTOR

James Barber has been the New York State Executive Director since July 2009. Jim is a 5th generation farmer from the Schoharie Valley. His wife, Cindy, and family members continue to operate a diversified vegetable and crop operation that works 200 acres planting over 80 different crops for direct sales at their farm stand and farmer markets. Prior to working at FSA, Jim worked as a Special Assistant at New York State Ag and Markets.

KEY STAKEHOLDERS

NYS Department of Agriculture & Markets, partner
NYS Dept. of Environmental Conservation, partner
Cornell Cooperative Extension, partner
Cornell Small Farms Program, partner
Cornell University, partner
Morrisville State College, partner
Cobleskill State College, partner
Alfred State College, partner
NOFA-NY - Northeast Organic Farming Association of NY, partner

Farm Credit East, partner
NYS Farm Bureau, partner
NYS Soil & Water Conservation, partner
NY FarmNet, partner
NY FFA Association, partner
NYS Farm Viability Institute, partner
Clear Path for Veterans, partner
Empire State Development, partner
Farmers Market Federation of NY, partner
Watershed Ag Council, partner

KEY CAREER STAFF

Mark Dennis, Executive Officer
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315.477.6304

Virginia Green, Farm Program Chief
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Doug Donner, District Director
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Judy Whitaker
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STATE PROFILE

Agriculture in Ohio is a major industry. One in seven Ohioans are employed in the food and agriculture industry which contributes over $98 billion to the state’s economic growth. Ohio’s top commodities include: soybeans, corn, wheat, tomatoes, cucumbers, grapes, Swiss cheese and egg production. More than 32% of farms in Ohio produce soybeans, its top commodity. The Farm Service Agency in Ohio sees over 50,000 farmers each year in Service Centers located around the State and takes acreage reports for approximately 9.6 million acres for participation in FSA programs in the State. Ohio FSA supports the USDA mission and helps ensure a healthful, stable, accessible and affordable food supply.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address:** Ohio State FSA Office, 200 N High Street, Rm 540 Columbus, OH 43215
- **Service Center Structure:** There are 66 FSA offices servicing 88 counties in the state of Ohio.
- **Employee Profile:**
  - Total County Non-Federal and Federal Permanent employees as of September 22, 2016: 319
    - County Non-Federal Permanent: 259
    - Federal Permanent: 60
- **Program Participation:** *The below programs had the highest activity levels for FY 2015 in Ohio.*
  - Conservation Reserve Program: 44,641 Applications, $46.4 Million
  - Disaster Assistance Programs: 686 Applications, $2.4 Million
  - Marketing Assistance Loans: 1,160 Loans, $101.1 Million
- **Farm Loans Programs Loan Profile:** The Farm Service Agency saw monumental funding milestones in FY 2015, obligating $5.6 Billion in Direct and Guaranteed Operating and Farm Ownership Loans, the highest ever in Agency history. The Ohio State FSA made the following number of loans below:
  - Direct Operating: 316 Loans
  - Guaranteed Farm Ownership: 497 Loans
  - Guaranteed Operating: 77 Loans
  - Microloans: 117 Loans
  - Direct Farm Ownership: 200 Loans

HOT TOPICS

- An analysis of FSA’s current workforce indicates that 56% of the workforce is over 50 years of age. Additionally, 14% of the current workforce is already eligible to retire. Analyzing data from the last 5 years, the average length of time between an employee becoming eligible and actual retirement is 3.9 years. Of the employees currently eligible to retire, 47% of them exceed that threshold, thereby posing a higher risk of attrition.
- While overall financial conditions remain strong, farm financial risk indicators such as the debt-to-asset ratio are expected to rise, reflecting increased financial pressure. Declining farm sector assets primarily result from a modest decline in farmland value as well as higher debt. Equity is expected to erode by 4.8 percent, the first drop since 2009. This situation has increased loan renewals and extensions and the demand for short-term operating loans, and led to some loan repayment problems. While overall credit conditions appear manageable, a continuation of lower farm incomes and further deterioration of working capital will likely have adverse effects.
**STEVEN MAURER, STATE EXECUTIVE DIRECTOR**

Steven Maurer serves as State Executive Director for the Ohio Farm Service Agency. Maurer previously was the chief of the Division of Natural Areas and Preserves, and also served as the State Executive Director for USDA Farm Service Agency in Ohio from 1993-2001. Prior to that, Maurer was the director of the Ohio Department of Agriculture from 1986-1991. Steven Maurer is a veteran of foreign war, former mayor of Botkins, OH and former member of the Ohio Senate, serving from 1981 to 1984. He represented the 12th District which encompassed much of West-Central Ohio.

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**KEY STAKEHOLDERS**

<table>
<thead>
<tr>
<th>Ohio Farm Bureau Federation, Partner</th>
<th>Ohio FFA Association, Partner</th>
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<tbody>
<tr>
<td>Pheasants Forever, Partner</td>
<td>Ohio Corn Growers, Partner</td>
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<td>Ohio Department of Natural Resources, Partner</td>
<td>Ohio Pork Producers, Partner</td>
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<td>Ohio Division of Forestry, Partner</td>
<td>Ohio Agricultural Council, Partner</td>
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<td>Ohio State University Extension, Partner</td>
<td>Ohio State University, Partner</td>
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<td>Ohio Department of Agriculture, Partner</td>
<td>Central State University, Partner</td>
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<td>Farm Credit Association, Partner</td>
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<td>Ohio Farmer’s Union, Partner</td>
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<td>Ohio Ecological Food and Farm Association, Partner</td>
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</tbody>
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**KEY CAREER STAFF**

| Mimi Garringer, Administrative Officer | 614-255-2518 |
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| Brandi Koehler, Conservation Chief     | 614-255-2452 |
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**STATE COMMITTEE MEMBERS**

| Bob Boggs, Chairperson | 440-563-3728 |
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| Jim Rex                | 740-962-6137 |
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| Jim Zumbrink           | 419-336-7932 |
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| Bob Cole               | 614-855-8273 |
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STATE PROFILE

Agriculture in Oklahoma is diverse and significant to the economy with a $40 billion annual impact. The agricultural industry is the #4 employer of Oklahomans. Oklahoma's top commodities include: wheat, cattle, soybeans, corn, rye, cotton, canola, sorghum, and broilers. More than 63% of all harvested farm acres in Oklahoma are in wheat, its top commodity. The Farm Service Agency in Oklahoma sees over 250,000 owners, operators and borrowers each year and has over 13 million acres of cropland reported in our 66 county offices across the State. Oklahoma FSA supports the USDA mission and helps ensure a healthful, stable, accessible and affordable food supply.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address:** Oklahoma State FSA Office, 100 USDA, Suite 102, Stillwater, OK 74074
- **Service Center Structure:** There are 66 FSA offices serving 77 counties in the state of Oklahoma
- **Employee Profile:**
  - Total County Non-Federal and Federal Permanent employees as of September 19, 2016:
    - County Non-Federal Permanent: 205
    - Federal Permanent: 124
- **Program Participation:** These programs had the highest activity levels for FY 2015 in Oklahoma:
  - Livestock Forage Program: 17,326 Applications, $163.9 Million
  - Conservation Reserve Program: 508 Applications, $5.1 Million
  - ARC/PLC Program: 47,847 Applications, $73.2 Million
- **Farm Loans Programs Loan Profile:** The Farm Service Agency saw monumental funding milestones in FY 2015. As of 9/19/16, Oklahoma State FSA made the following loans:
  - Direct Operating: 1,216 Loans, $70.6 Million
  - Guaranteed Operating: 133 Loans, $46.7 Million
  - Direct Ownership: 723 Loans, $124 Million
  - Guaranteed Ownership: 105 Loans, $43.4 Million
  - Microloans: 396 Loans, $11.5 Million
  - Emergency: 3 Loans, $0.2 Million

HOT TOPICS

- Loan servicing will continue to be a top priority as the year progresses with low commodity and cattle prices paired with high input costs for producers. Within the first 30-60 days of the new administration, current status as well as how to move forward will need to be assessed.
TERRY PEACH, STATE EXECUTIVE DIRECTOR

Terry Peach served in 2016 as Oklahoma SED. He is the third generation to operate his family’s homestead in Mutual, OK. He earned a B.S. in Agricultural Education from Oklahoma State University. Peach started his own businesses: W.W.H. Farm & Ranch Supply and Woodward Hull. He served as Oklahoma SED for USDA Farm Service Agency from 1993-2000 and as Oklahoma Secretary and Commissioner of Agriculture from 2003-2011. Peach received numerous professional and service awards including the Distinguished Service Award for Outstanding Leadership and Management, Honorary State and National FFA degrees, and OK Wheat Commission Staff of Life Award. Terry retired from Oklahoma FSA in October 2016.

### KEY STAKEHOLDERS

<table>
<thead>
<tr>
<th>Bureau of Indian Affairs (BIA), MOU</th>
<th>Oklahoma Women in Agriculture and Small Business, Partner</th>
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<tbody>
<tr>
<td>Oklahoma State University Extension, Grant Recipient &amp; Partner</td>
<td>Oklahoma Conservation Commission, Partner</td>
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<tr>
<td>Oklahoma Black Historical Research Project, Inc., Grant Recipient &amp; Partner</td>
<td>Oklahoma Department of Agriculture, Food and Forestry, Partner</td>
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<tr>
<td>Langston University, Partner</td>
<td>Risk Management Agency (RMA), Partner</td>
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<tr>
<td>Oklahoma Tribal Conservation Advisory Council (OTCAC), Partner</td>
<td>American Farmers and Ranchers (AFR)</td>
</tr>
<tr>
<td>Sequoyah-Adair-Cherokee County Empowerment Zone, Inc., Grant Recipient</td>
<td>Oklahoma Pork Council, Partner</td>
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<tr>
<td>College of the Muscogee Nation, Partner</td>
<td>Oklahoma Cattlemen’s Association, Partner</td>
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<td>The Samuel Roberts Noble Foundation, Partner</td>
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### KEY CAREER STAFF

<table>
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### STATE COMMITTEE MEMBERS

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<td>(580) 450-1301</td>
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<thead>
<tr>
<th>Jo Jennings</th>
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<th>Brenda Neufeld</th>
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<td>(580) 227-5103</td>
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<table>
<thead>
<tr>
<th>Steve Butler</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="mailto:tagagent7312@aol.com">tagagent7312@aol.com</a></td>
</tr>
<tr>
<td>(918) 625-3553</td>
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</tbody>
</table>
STATE PROFILE
Agriculture in Oregon is extremely diverse due to the unique climate and rich soils. 40,000 predominantly family owned farms produce more than 220 commercially grown crops. Oregon is the leading producer in the nation of some of the world’s highest quality hay, potatoes, onions, pears, berries, cherries, hazelnuts, wheat, grass seed, Christmas trees, hops, snap beans and mint, to name only a few. Oregon is a national leader in the nursery industry, marketing products nationwide. In addition, Oregon is well known for producing high quality meat and dairy products. Oregon is internationally known for its wines and microbrews, as well as a variety seafood, harvesting the largest amount of Dungeness crab in the nation.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address:** 7620 SW Mohawk St., Tualatin, Oregon, 97062
- **Service Center Structure:** There are 23 FSA offices serving 36 counties in the state of Oregon.
- **Employee Profile:**
  - Total County Non-Federal and Federal Permanent employees as of September 13: 104
    - County Non-Federal Permanent: 60
    - Federal Permanent: 44

- **Program Participation:** The following programs have highest activity levels in Oregon.
  - 2015 Disaster Assistance Programs
    - 3277 Applications
    - $62.2 Million
  - 2015 Conservation Programs
    - 6843 Contracts
    - $38.1 Million
  - 2016 Commodity Program and Loans
    - 6236 Applications
    - $23.6 Million

- **Farm Loan Programs Loan Profile:**
  - Direct Operating: 201 loans $12 Million
  - Direct Ownership: 66 loans $14.8 Million
  - Emergency Loans: 0 loans $0
  - Microloans: 55 loans $1.5 Million
  - Guaranteed Operating: 65 loans $18.8 Million
  - Guaranteed Ownership: 55 loans $21.3 Million

HOT TOPICS

- **Availability of funds:** Ensuring that producers who need financing, receive financing. New and established producers have increased need due to downturn in commodity prices.
- **Higher demand for CRP than the statutory acreage cap allowed:** resulted in a reduced enrollment for Oregon producers in which only 30% of those who applied were accepted in Signup 49.
- **Dairy producers continue to face tight margins and are struggling to remain viable.** Producers do not see the Dairy Margin Protection Program (MPP) as an effective protection of their margins and profitability.
PHIL WARD, STATE EXECUTIVE DIRECTOR

Phil Ward was appointed Oregon FSA State Executive Director in June of 2014. Prior to that he served as Director of two state agencies: the Oregon Department of Water Resources (WRD) from 2004-2014 and the Oregon Department of Agriculture (ODA) from 1999-2003. Ward also spent two years (1997-1999) as Executive Vice President of the Oregon Farm Bureau, the state’s largest farm organization. He began his professional career as a High School Agriculture instructor, and was named Oregon’s Outstanding Young Agriculture Teacher in 1983. Ward is a fifth generation Oregonian and lives on a piece of the home farm south of Independence, with his wife Pam and a Chocolate Labrador named Huck.

KEY STAKEHOLDERS

- Oregon State University
- Oregon State University Extension Service
- Oregon Department of Agriculture
- Oregon Department of Fish and Wildlife
- Oregon Farm Bureau Federation
- Oregon Tilth
- Oregon Watershed Enhancement Board
- Oregon Dairy Farmers Association
- Oregon Association of Nurseries
- Oregon Cattleman’s Association
- Oregon Department of Forestry
- Oregon Farmer’s Market Association
- Northwest Farm Credit Services
- Oregon Soil and Water Conservation Commission
- Oregon Wheat Commission / Wheat League

KEY CAREER STAFF

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Bob Perry, Farm Loan Chief
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Anna Sullivan
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Jason Smith
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STATE PROFILE

Pennsylvania’s 59,000 farm families continue to be the stewards of more than 7.7 million acres of farmland. With $7.5 billion in cash receipts annually from production agriculture, Pennsylvania farmers and agribusiness are the leading economic driver in our state. In addition to production agriculture, the industry also raises revenue and supplies jobs through support services such as food processing, marketing, transportation, and farm equipment. In total, production agriculture and agribusiness contributes nearly $75 billion to Pennsylvania’s economy.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address:** Pennsylvania State FSA Office, 359 East Park Dr., Suite 1, Harrisburg, PA 17111
- **Service Center Structure:** There are 37 FSA offices servicing 67 counties in the state of Pennsylvania.
- **Employee Profile:**
  - Total County Non-Federal and Federal Permanent employees as of September 13, 2016: **189**
    - County Non-Federal Permanent: 132
    - Federal Permanent: 57
- **Program Participation:** These programs had the highest activity levels for FY 2015 in Pennsylvania:
  - Conservation Reserve Program: 25,265 Applications, $20.2 Million
  - Marketing Assistance Loans: 279 Applications, $16.1 Million
  - Agricultural Risk Coverage/Price Loss Coverage: 23,083 Applications, $15.2 Million
- **Farm Loans Programs Loan Profile:** The Farm Service Agency saw monumental funding milestones in FY 2015, obligating $5.6 Billion in Direct and Guaranteed Operating (OL) and Farm Ownership Loans (FO), the highest ever in Agency history. As of 9/19/16, Pennsylvania State FSA made the following loans:
  - Direct Operating: 486 Loans, $33.1 Million
  - Guaranteed Operating: 62 Loans, $8.2 Million
  - Direct Ownership: 78 Loans, $17.3 Million
  - Guaranteed Ownership: 33 Loans, $11.6 Million
  - Microloans: 103 Loans, $2.3 Million
  - Emergency: 0 Loans, $0 Million

HOT TOPICS

- The dairy industry represents over 40% of the agricultural economy and contributes nearly $7 billion to Pennsylvania’s economy annually. Approximately 7,000 dairy farms producing over 10.8 billion pounds of milk bring local revenue to neighboring businesses and support over 60,000 jobs across the state. Dairy producers continue to face tight margins and are struggling to remain viable. Producers do not see the Dairy Margin Protection Program (MPP) as an effective protection of their margins and profitability.
Bill L. Wehry, STATE EXECUTIVE DIRECTOR

Bill L. Wehry was named as the Farm Service Agency’s Pennsylvania State Executive Director on June 30, 2009. Bill’s background includes a blend of production agriculture and public service. From 2003 to 2009, Bill served as the Deputy Secretary for Agriculture and Consumer Protection for the Pennsylvania Department of Agriculture (PDA). Bill is no stranger to FSA. For six years he served as a member of Pennsylvania's State Committee, with four of the six including appointments as Committee Chairman.

KEY STAKEHOLDERS

Pennsylvania Department of Agriculture, Partner
Pennsylvania Department of Environmental Resources, Partner
Pennsylvania Game Commission, Partner
Pennsylvania Association of Conservation Districts, Partner
Pennsylvania Farm Link, Partner
Center for Dairy Excellence, Partner
Pennsylvania Fish and Boat Commission, Partner
Chesapeake Bay Foundation, Partner
Pheasants Forever, Partner

Pennsylvania Farm Bureau, Partner
Pennsylvania Farmers Union, Partner
Pennsylvania State Grange, Partner
Pennsylvania Association of Sustainable Agriculture, Partner
AG Choice Farm Credit, Partner
Pennsylvania Future Farmers of America Association, Partner
Pennsylvania State University Extension Service, Partner

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Dr. Robert Mikesell, Member
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Mr. Larry Kehl, Member
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Mr. Robert Junk, Member
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STATE PROFILE

Agriculture in Puerto Rico constitute about 808 million, or about 0.8%, of the island gross domestic product (GDP). Puerto Rico imports 85% of it food even though most of the island is fertile. Puerto Rico’s top commodities include: plantains, bananas, coffee, citric, vegetables, poultry, nursery, greenhouse crops and milk and other dairy product from cows. The FSA in Puerto Rico sees over 13,160 farmers each year in Service Centers located around the state across 584,988 cuerdas (cda). Note: 1 cda = 0.97 acre. Puerto Rico FSA supports the USDA mission and helps ensure a helpful, stable, accessible and affordable food supply.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address**: 654 Munoz Rivera Ave., 654 Plaza, Suite 829, San Juan, PR 00918
- **Service Center Structure**: There are 9 FSA Offices serving 78 counties in Puerto Rico.
- **Employee Profile**:
  - Total County Non-Federal and Federal Permanent employees as of August 6, 2016:
    - County Non-Federal Permanent: 0
    - Federal Permanent: 43
- **Program Participation**: These programs had the highest activity levels for FY 2015 in Puerto Rico:
  - Noninsured Crop Disaster Assistance Program (NAP) 377 Applications $541,820
  - Milk Income Loss Contract 1,372 Applications $955,088
  - Geographically Disadvantaged Farmer & Ranchers 389 Applications $846,837
- **Farm Loan Programs Loan Profile**:
  - Direct Operating 42 Loans $3.3 Million
  - Guaranteed Operating 11 Loans $1.8 Million
  - Direct Ownership 22 Loans $2.6 Million
  - Guaranteed Ownership 14 Loans $13.9 Million
  - Microloans 99 Loans $2.1 Million

HOT TOPICS

Puerto Rico has been in a declining economic environment for many years. The stagnant economy forced a succession of governments to take out loans to cover budget deficits. Due to Puerto Rico’s bankruptcy, commercial lenders have increased the down payment requirements (now at 25 to 30 percent) on agricultural loans to help mitigate their default risk. The higher down payment requirements by commercial lenders, will increase demand by producers for FSA’s loan programs since they will no longer be able to obtain commercial credit for their farming operations.
JEAN PIERRE GIULIANI, STATE EXECUTIVE DIRECTOR

Jean Pierre Giuliani was appointed to serve as the Puerto Rico Farm Service Agency (FSA) State Executive Director (SED) in June 2016. Before his FSA, including Farm Loan Officer, Farm Loan Manager, Acting Farm Program Director and District Director.

Mr. Giuliani holds a bachelor's degree in Agricultural Science and a master's degree in Agricultural Education from the University of Puerto Rico in Mayaguez.

KEY STAKEHOLDERS

- Puerto Rico Department of Agriculture (Partner)
- University of Puerto Rico, Mayaguez Campus (Partner)
- Puerto Rico Farm Credit (Partner)
- Puerto Rico Agricultural Extension Service (Partner)
- Puerto Rico Farm Bureau (Partner)
- Puerto Rico Department of Natural Resources (Partner)
- PRSBTDC Region de Ponce (Partner)
- Desarrollo Integral del Sur (Partner)
- Asociacion Maunabena de Pequeños Agricultores (Partner)

- Asociacion de Productores To-Ricos (Partner)
- PATHSTONE (Partner)
- US Small Business Administration (Partner)

KEY CAREER STAFF

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Winston Martinez, Key Program Specialist
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Luz Berrios
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STATE PROFILE

Welcome to the Ocean State! Rhode Island is the smallest state in size in the U.S. Its distances North to South are 48 miles and East to West 37 miles. RI has more than 400 miles of scenic coastline, and more than 100 public and private beaches. All Rhode Islanders live within a 30-minute drive to the Atlantic Ocean or Narragansett Bay. Farmland covers 10% of the state’s total area. The top agricultural commodities are greenhouse and nursery, dairy, sweet corn, aquaculture (seafood), and apples. Farmers grow potatoes mostly in the southeastern region of the state. Milk is the second most important source of agricultural income for the state of RI. The annual fish catch for the state is about $85 million.

STATE PROGRAM DELIVERY STRUCTURE

- **Address of State Office:** Rhode Island State Office, 60 Quaker Lane, Suite 62 Warwick, RI 02886
- **Service Center Structure:** There is one County Office servicing 5 Counties in the State of RI
- **Employee Profile:** Total County Non-Federal and Federal Permanent Employees as of 8/6/16:
  - County Non-Federal Permanent: 3 On Board; 1 CED position vacant
  - Federal Permanent: 6 On Board
- **Program Participation:**
  - NAP 5 Applications $19,432
  - CRP 1 Application $ 2,065
  - ARC/PLC 16 Applications $17,559
  - MPP 11 Applications $ 931
  - TAAF 135 Applications $ 5,851
- **Farm Loans Programs Loan Profile:** In FY16, 30 Loan Applications were received. 3 loans are currently in process.
  - **Direct Operating** 9 Loans $610,150
  - **Direct Ownership** 2 Loans $390,000
  - **Guaranteed Operating** N/A
  - **Guaranteed Ownership** 1 Loan $120,000
  - **Microloans** 9 Loans $160,000
  - **Emergency** N/A

HOT TOPICS

- Dairy producers continue to face tight margins and are struggling to remain viable. Producers do not see the Dairy Margin Protection Program (MPP) as an effective protection of their margins and profitability.
GEORGE E GOULART, JR, STATE EXECUTIVE DIRECTOR

George Goulart, Jr. is a native of Little Compton, RI. He grew up on a dairy farm, and after graduating high school, opened his own tree and landscape business. He eventually transitioned the farm, and operated a successful nursery and tree service for 39 years. Mr. Goulart also served as the Town Tree Warden for 34 years. He has dedicated many years to FSA, as a Rhode Island County Committee Member and Chairing the Rhode Island State Committee where he served until his appointment as State Executive Director in 2016.

KEY STAKEHOLDERS

- University of Rhode Island Cooperative Extension, Partner.
- Rhode Island Division of Agriculture, Partner.
- Rhode Island Farm Bureau, Partner.
- Southside Community Land Trust, Grant Recipient.

- National Organic Farming Association (NOFA), Partner
- Rhode Island Nursery and Landscape Association (RNLA), Partner
- Agrimark, Partner
- Risk Management Agency, (RMA), Partner

KEY CAREER STAFF

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Roxanne Boisse, Farm Loan Manager
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Anthony U. Donatelli, Jr, STC Member
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Gilbert W. Rathbun, Jr, STC Member
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STATE PROFILE

Agribusiness is South Carolina’s number one industry. Agriculture and Forestry in SC have a $41.7 Billion impact and account for more than 212,000 jobs. South Carolina’s top commodities include: cotton, corn, peanuts, soybeans, wheat, chickens, and turkeys. Also, although Georgia is known as the peach state, SC produces more peaches on an annual basis. The Farm Service Agency in South Carolina sees over 25,000 producers each year in Service Centers located around the State and takes acreage reports for over 1.7 million acres for participation in 19 FSA programs in the State. SC FSA supports the USDA mission and helps ensure a healthful, stable, accessible and affordable food supply.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address**: SC FSA State Office, 1927 Thurmond Mall, Suite 100 Columbia, SC 29201
- **Service Center Structure**: There are 34 FSA offices serving 46 counties in the state of SC
- **Employee Profile**:  
  - Total County Non-Federal and Federal Permanent employees as of August 6, 2016: 142  
    - County Non-Federal Permanent: 99  
    - Federal Permanent: 43
- **Program Participation**: These programs had the highest activity levels for FY2015 in SC:
  - Marketing Assistance Loans: 245 loans, $11.8 Million  
  - Cotton Transition Assistance Program: 8278 Applications, $11.4 Million  
  - Loan Deficiency Payments: 4683 Applications, $8.5 Million
- **Farm Loans Programs Loan Profile**: The Farm Service Agency saw monumental funding milestones in FY 2015, obligating $115.6 Million in Direct and Guaranteed Operating (OL) and Farm Ownership Loans (FO). As of 9/21/16, our highest year ever, SC FSA made the following loans:
  - Direct Operating: 247 Loans, $28.1 Million  
  - Guaranteed Operating: 89 Loans, $29.2 Million  
  - Direct Ownership: 32 Loans, $5.8 Million  
  - Guaranteed Ownership: 70 Loans, $37.0 Million  
  - Microloans: 72 Loans, $1.6 Million  
  - Emergency: 135 Loans, $14.2 Million

HOT TOPICS

- Successional workforce planning is a tremendous objective needed for maintaining effective and responsive FSA business operations in SC. Organizational and Successional Planning for future staffing needs have been given serious consideration this year. Over 50% of existing FLP staff in SC will become eligible for full retirement by the end of December 2017. Actions are needed now to provide for the orderly departure of these staff members from the People’s Agency so that customer service is not adversely impacted during the transition period and what is a lengthy re-staffing process.
WILFRED L. PACE, STATE EXECUTIVE DIRECTOR

Wilfred L. Pace serves as State Executive Director for the SC Farm Service Agency. Pace is a conservation and agricultural professional who previously served as a dedicated Natural Resources Conservationist and Environmental Manager for over 37 years with USDA’s Natural Resource Conservation Service. He is a resident of Orangeburg, South Carolina where he has served land users and agrarian communities across South Carolina and many other states in the Southeast. Pace is a native of Lumber City, Georgia and a 1981 graduate of Fort Valley State University in Fort Valley, Georgia where he received a Bachelor of Science Degree in Agriculture Education.

KEY STAKEHOLDERS

SC Farm Bureau Federation, Partner
Clemson University Extension Service, Partner
SC Department of Agriculture, Partner
AgSouth Farm Credit
Arbor One Farm Credit
SC Department of Natural Resources
SC State University 1890 Extension
SC FFA Association
SC Young Farmer and Agribusiness Association

SC Rural Rehabilitation Corporation
United Farmers USA, Inc
The Black Cultural Enlightenment Society
The Center for Heirs Property Preservation
SC Advocates for Agriculture
Plant It Forward SC
SC Agricultural Council
SC Quail Council
SC Cattlemen’s Association

KEY CAREER STAFF

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Tom Trantham
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STATE PROFILE

Agriculture is South Dakota’s number one industry. In South Dakota agriculture represents not only a career, but more importantly a way of life. Ninety-eight percent of South Dakota farms are family owned and operated. Today the agricultural industry in South Dakota has a $25.6 billion annual economic impact. More than 20 million acres of cropland and 25 million acres of grassland foster 20% of South Dakota’s economic activity. South Dakota's top commodities include: corn, soybeans, wheat, forage, and sunflowers. Value added agriculture and production capacity enable South Dakota to engage in the global agricultural industry. The average South Dakota producer produces enough food to feed 155 people. The Farm Service Agency in South Dakota provides service each year to 90,000 customers throughout the state.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address**: South Dakota State FSA Office, 200 4th Street SW, Room 308, Huron, SD 57350
- **Service Center Structure**: There are 55 FSA offices servicing 66 counties in the state of South Dakota.
- **Employee Profile**:
  - Total County Non-Federal and Federal Permanent employees as of September 21, 2016: 334
    - County Non-Federal Permanent: 229
    - Federal Permanent: 105
- **South Dakota FSA Farm Program Statistics for FY2015**
  - Commodity Loans & Program Payments: $147.6 Million
  - Disaster Assistance Programs: $43.9 Million
  - Conservation Programs: $78.1 Million
- **Farm Loans Programs Loan Profile**: The South Dakota farm loan portfolio is comprised of approximately 75% of new and beginning farmers and ranchers. In FY 2016, South Dakota FSA obligated over $224 Million in Direct and Guaranteed Operating (OL) and Farm Ownership Loans (FO).
  - Direct Operating: 877 Loans, $57.5 Million
  - Guaranteed Operating: 157 Loans, $37.4 Million
  - Direct Ownership: 187 Loans, $38.6 Million
  - Guaranteed Ownership: 162 Loans, $84.5 Million
  - Microloans: 192 Loans, $5.7 Million

HOT TOPICS

- Organizations and producers are dissatisfied with FSA’s Conservation Reserve Program (CRP) mid-term management practices, specifically, the perceived wastefulness associated with the burning of residue as a basic mid-term management requirement of CRP acres.
- Producers and agricultural organizations are generally dissatisfied with the use of administrative county yields for the Agricultural Risk Coverage County Level (ARC-CO) option rather than physical location county yields to determine revenue loss.
CRAIG SCHAUNAMAN, STATE EXECUTIVE DIRECTOR

Craig Schaunaman serves as State Executive Director for the South Dakota Farm Service Agency. Schaunaman has been actively involved in agriculture for over 30 years. Beginning in 1977, Schaunaman farmed with both his father and brother. For the last 24 years Schaunaman and his brother have operated a farming partnership near the Aberdeen area. From 1988-1998 he was elected to five consecutive terms in the South Dakota House of Representatives where he served as the House Minority Leader and House Whip. Schaunaman has served on numerous state and local boards including Heartland Grain Fuels, Dakota Fuels, Aberdeen Development Corporation, South Dakota State FSA Committee, South Dakota Wheat Incorporated Board, and the Brown County Drainage Board. Schaunaman attended Aberdeen Central High School and Northern State University.

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<tr>
<th>KEY STAKEHOLDERS</th>
<th>KEY CAREER STAFF</th>
<th>STATE COMMITTEE MEMBERS</th>
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<tbody>
<tr>
<td>South Dakota Department of Agriculture</td>
<td>Jamie White, Executive Officer</td>
<td>Jim Burg, Chairperson</td>
</tr>
<tr>
<td>South Dakota Farmer’s Union</td>
<td><a href="mailto:jamie.white@sd.usda.gov">jamie.white@sd.usda.gov</a></td>
<td>605.350.6861</td>
</tr>
<tr>
<td>South Dakota Farm Bureau Federation</td>
<td>Paul Hanson (ARC/PLC, Common Programs, Eligibility)</td>
<td>Larry Birgen</td>
</tr>
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</tr>
<tr>
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<td>605.993.6201</td>
</tr>
<tr>
<td>South Dakota Department of Natural Resources</td>
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<td>South Dakota Corn Growers Association</td>
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<td>South Dakota Soybean Association</td>
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| South Dakota Wheat Commission | | |
| South Dakota Cattlemen’s Association | | |
| South Dakota Stockgrowers Association | | |
| South Dakota Dairy Association | | |
| South Dakota Sheep Growers Association | | |
| South Dakota Pork Producers | | |
| South Dakota Association of Cooperatives | | |
| South Dakota FFA Association | | |
| Agriculture United for South Dakota | | |
STATE PROFILE

In Tennessee the Farm Service Agency delivers farm loans, farm programs, conservation incentives, price supports, and disaster assistance in 59 county offices and 8 farm loan teams across the state. Tennessee’s top commodities include soybeans, cattle and calves, broilers, and corn. Our employees are dedicated to delivering vital programs and quality services to all of Tennessee’s 77,300 working farms. FSA-administered programs benefit all Americans by providing stability for our agricultural producers thus ensuring a safe and abundant supply of food.

STATE PROGRAM DELIVERY STRUCTURE

- **Tennessee State FSA Office**, 801 Broadway, 579 US Courthouse, Nashville, TN 37203
- **Service Center Structure** – There are 59 FSA offices servicing 95 counties in the state of Tennessee
- **Employee Profile**
  - Total County Non-Federal and Federal Permanent employees as of August 6, 2016: 258
    - County Non-Federal Permanent: 189
    - Federal Permanent: 69
- **Program Participation**: ACR/PLC 31,684 Contracts >$7 million
  - CRP >$14 million
  - ECP >$1,000,000
  - GRP ~ $600,000
- **Farm Loans Programs Loan Profile**:
  - Direct OL 586 Loans $29.9 Million
  - Guaranteed FO 59 Loans $36.6 Million
  - Guaranteed OL 70 Loans $24.8 Million
  - Microloans 258 Loans $6.2 Million
  - Direct FO 133 Loans $21.3 Million

HOT TOPICS

- Numerous producers signed up for CRP and Grassland, but only a few acres were accepted.
GENE DAVIDSON, STATE EXECUTIVE DIRECTOR

Eugene Davidson has served as Tennessee State Executive Director for the Farm Service Agency since 2009. Davidson, from Adams, Tennessee, is a founding member of Davidson Grain and Equipment, a pioneer in modern conservation practices that protect the environment and preserve local soil. Davidson was elected to the Tennessee House of Representatives in 1975 and served there until 2006. During his service in the House, Davidson was named chairman of the Agriculture Committee for four years and chairman of the Education Committee for eighteen years. He also served as Majority Leader for one term. After joining FSA, Davidson retired from actively farming; however, he still continues to work with his son Johnathan in the cattle business.

KEY STAKEHOLDERS

The Farmers and Ranchers of Tennessee
Tennessee State University Cooperative Extension Program – Partner, 2501 and Cooperative Agreement Grant Recipient
University of Tennessee Extension - Partner
Tennessee Department of Agriculture - Partner
Tennessee Farm Bureau Federation – Partner
Tennessee Young Farmers and Ranchers – Partner
Tennessee AgrAbility Project - Partner
Tennessee Center for Profitable Agriculture – Partner
Tennessee Farmers Co-Op - Partner
Tennessee FFA Association – Partner
Tennessee Cattlemen’s Association – Partner
Tennessee Pork Producers Association – Partner
National Women in Agriculture – Partner
Tennessee Wildlife Resources Agency – Partner
The Land Trust for Tennessee - Partner
Tennessee Agricultural Health and Safety Partnership – Partner
Tennessee RC&D Councils - Partner

KEY CAREER STAFF

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STATE PROFILE

From 2009 to 2015, USDA Texas Farm Service Agency delivered $11.7 billion in federal farm program payments and loans to Texas farmers and ranchers. During Fiscal Year 2015, Texas FSA delivered nearly $2.2 billion statewide, including $1.1 billion in commodity loans and program payments, $611 million in disaster assistance, $313 million in farm loans, and nearly $126 million in Conservation incentives and emergency funding. Texas has more than 240,000 farm operations and leads the nation in the value of cotton, cattle, sheep, goats, wool, and mohair. According to the 2014 Organic Survey, Texas ranked among the top 10 states for organic sales.

STATE PROGRAM DELIVERY STRUCTURE

- **Texas FSA State Office Address**: 2405 Texas Avenue South, College Station, Texas 77840
- **Service Center Structure**: There are 173 FSA service centers serving 254 counties in Texas
- **Total County Non-Federal and Federal Permanent employees ceiling**:
  - County Non-Federal Permanent: 488
  - Federal Permanent: 190
- **2015 Program Participation**: Delivered $2.2 billion in federal farm program payments and loans
  - Commodity Loans - $750 million in Commodity Loans made to eligible Texas producers
  - Livestock Forage Program (LFP) - Texas had 174 counties trigger for 2015 LFP benefits, paying nearly $573 million to eligible livestock producers; From 2011-2014, Texas FSA paid a total of $1.1 billion in LFP benefits, nearly 160,000 requests
  - Guaranteed loan program: $167.3 million representing 421 guarantees
  - Conservation Reserve Program - 19,745 contracts on more than 3 million acres in Texas; paid nearly $118 million in CRP incentives, cost-share, and rental payments
- **Farm Loans Programs Loan Profile**:
  - Direct and Guaranteed Loan portfolio as of August 31, 2016
    - $835 million, 5,415 borrowers
  - Total direct and guaranteed lending 2009 – 2016: $1.8 billion
    - Guaranteed: $962.9 million; Microloans: $33.5 million; Emergency: $30.1 million

HOT TOPICS

- Vacancies, ceilings, and significant retirement-eligible workforce creates critical need to address staffing and training of new employees.
- Year-round crop reporting is problematic for Texas producers because it affects their eligibility to participate in most of FSA’s major programs. Additionally if producers miss the reporting date, late filing fees are charged. For example Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) - Producers report crops as planted on generic acres for program benefits under ARC/PLC program, but many of these crop acres will not have been planted at all or not planted in a manner to expect to carry a crop to harvest.
JUDITH A. CANALES, STATE EXECUTIVE DIRECTOR

Judith A. Canales serves as State Executive Director for the Texas Farm Service Agency. Canales previously served as Acting Deputy Under Secretary for USDA Rural Development. In 2009, President Barack Obama appointed Canales as Administrator for the Rural Business-Cooperative Service at USDA Rural Development. Former President Bill Clinton appointed Canales as Deputy State Director for Texas Rural Development. She was Acting Associate Administrator for Rural Business and Cooperative Service in Washington, D.C. Canales is a native of Uvalde, Texas, and maintains a residence in Eagle Pass, Texas.

<table>
<thead>
<tr>
<th>KEY STAKEHOLDERS</th>
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<tbody>
<tr>
<td>Prairie View A&amp;M University, Partner</td>
</tr>
<tr>
<td>Texas A&amp;M University, Partner</td>
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<tr>
<td>Texas A&amp;M AgriLife Extension Service, Partner</td>
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<tr>
<td>University of Texas Rio Grande Valley, Partner</td>
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<tr>
<td>Independent Cattlemen’s Association of Texas, Partner</td>
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<td>Plains Cotton Cooperative Association, Partner</td>
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<td>Texas Corn Producers, Partner</td>
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<td>Texas Cotton Association, Partner</td>
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<td>Texas Farm Bureau, Partner</td>
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<td>Texas Grain Sorghum Association, Partner</td>
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<td>Texas Independent Ginners Association, Partner</td>
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<tr>
<td>Texas Peanut Producers, Partner</td>
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<tr>
<td>Texas Rice Producers Board, Partner</td>
</tr>
<tr>
<td>Texas &amp; Southwestern Cattle Raisers Association, Partner</td>
</tr>
<tr>
<td>Texas Wheat Producers Board, Partner</td>
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<tr>
<td>100 Ranchers - CBO, Partner</td>
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<tr>
<td>AgrAbility - Agriculture Workshops for Military Veterans, Partner</td>
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<td>Farm and Ranch Freedom Alliance, Partner</td>
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<tr>
<td>Landowners Association of Texas - CBO, Partner</td>
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<tr>
<td>National Center for Appropriate Technology, Partner</td>
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<td>Texas Bankers Association - Partner</td>
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<td>Texas Landowners Association - Partner</td>
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<tr>
<td>Texas/Mexico Border Coalition - CBO, Partner</td>
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<tr>
<td>Sustainable Food Center, Partner</td>
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<tr>
<td>Texas Organic Farmers and Gardeners Association, Partner</td>
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<td>Texas Small Farmers and Ranchers - CBO, Partner</td>
</tr>
<tr>
<td>Alabama-Coushatta Tribe of Texas, Partner</td>
</tr>
<tr>
<td>Kickapoo Traditional Tribe of Texas, Partner</td>
</tr>
<tr>
<td>Ysleta Del Sur Pueblo, Partner</td>
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</tbody>
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<thead>
<tr>
<th>KEY CAREER STAFF</th>
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<tbody>
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<tr>
<th>STATE COMMITTEE MEMBERS</th>
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<tbody>
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</tr>
</tbody>
</table>
STATE PROFILE

Utah’s agriculture can be described in one word: diverse. Whether producing top agricultural commodities such as cattle and dairy products or adopting management programs to improve the health of rangelands and watersheds, the Beehive State covers all aspects of the industry. Utah boasts 18,200 farms, covering 11 million acres of land, with the average farm size totaling 677 acres. Over three-quarters of Utah's agricultural income is generated by livestock and livestock products. Beef cattle and milk lead the way in this sector. However, hogs, sheep, honey, and turkeys also contribute to the economy. While hay is Utah's largest crop, wheat, barley, corn, apples, cherries, and peaches are also commercially grown and sold.

STATE PROGRAM DELIVERY STRUCTURE

• **State Office Address**: Utah State FSA Office, 125 S State Street, Rm 3202, Salt Lake City, UT 84138
• **Service Center Structure**: There are 19 FSA offices servicing 29 counties in the state of Utah.
• **Employee Profile**:
  o Total County Non-Federal and Federal Permanent employees as of August 6, 2016: **77**
    ▪ County Non-Federal Permanent: 42
    ▪ Federal Permanent: 35
• **Program Participation**: These programs had the highest activity levels for FY 2016 in Utah:
  o Disaster Assistance Programs $27.9 million
  o Conservation Reserve Program $5.7 million
  o Marketing Assistance Loans $1.1 million
• **Farm Loans Programs Loan Profile**: Utah Farm Service Agency continued to see near all-time high levels of new loan activity in FY 2016 with total Direct and Guaranteed loan obligations through Mid-September at $62.5 million.
  o Direct Operating Loans 498 loans totaling $19.8 million
  o Microloans 149 loans total $3.5 million
  o Guaranteed Operating Loans 39 loans totaling $10.2 million
  o Direct Ownership Loans 64 loans totaling $29.9 million
  o Guaranteed Ownership Loans 49 loans totaling $22.3 million

HOT TOPICS

• Utah is anticipating a high retirement rate over the next couple of years and it is imperative to begin training replacements.
MARK GIBBONS, STATE EXECUTIVE DIRECTOR

Mark Gibbons currently owns and operates Gibbons Brothers Dairy located in Lewiston, Utah, with his family. Mark has also been President of the Dairy Producers of Utah, President of the Governors Agriculture Advisory Board, and has been involved with Western States Dairy Producers Trade Association, Utah State FFA Foundation Board and various other farm-related committees. He spends a lot of his time working for farmers and trying to improve the future for producers and the agricultural industry.

KEY STAKEHOLDERS

| Utah Farm Bureau Federation, Partner | Utah FFA Association, Partner |
| Utah Department of Natural Resources, Partner | Utah Wool Growers, Partner |
| Utah State University Extension, Partner | Utah Pork Producers, Partner |
| Utah Department of Agriculture, Partner | Utah Agricultural Advisory Council, Partner |
| Utah Farmer’s Union, Partner | Utah Dairymens Association, Partner |
| Utah Beef Council Association, Partner | Utah Fruit and Vegetable Association, Partner |
| Utah Cattlemens Association, Partner | |
| Utah Association of Conservation Districts, Partner | |
| Utah Turkey Industry, Partner | |

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STATE PROFILE

Virginia’s agricultural production is one of the most diverse in the nation. The top Virginia commodities are broilers, cattle, milk, turkeys, greenhouse/nursery, soybeans, corn, all other animals, hay, tobacco, eggs, winter wheat, cotton lint, hogs, apples, fresh tomatoes, summer potatoes, grapes, cotton seed and peanuts totaling $4,142,000,000. Virginia has 46,000 farms with the average size of 179 acres. FSA is the Virginia agricultural safety net which provided $5.6 Billion in Direct and Guaranteed Operating (OL) and Farm Ownership Loans (FO), the highest ever in Agency history. Virginia FSA also paid $96 million in commodity loans, conservation, and loan deficiencies.

STATE PROGRAM DELIVERY STRUCTURE

State Office Address: Virginia FSA State Office, 1606 Santa Rosa Road, Richmond, VA 23229
Service Center Structure: There are 41 service centers serving 97 counties
Employee Profile: Total County Non-Federal and Federal Permanent employees as of August 6, 2016:
  • County Non-Federal Permanent: 136 and Federal Permanent: 51
Program Participation:
  • Over 12-thousand individuals / entities reported having a share of a crop on nearly 38-thousand farms with 2.62 million acres of cropland.
  • FSA Virginia payed $96-million to those producers, supplying $77-million for commodity loans, $5 million in Conservation Reserve Program (CRP) payments, and $4 million in Loan Deficiency Payments (LDPs).
Farm Loans Programs Loan Profile: The Farm Service Agency saw monumental funding milestones in FY 2015, obligating $5.6 Billion in Direct and Guaranteed Operating (OL) and Farm Ownership Loans (FO), the highest ever in Agency history. As of 9/21/16, Virginia State FSA made the following loans:

<table>
<thead>
<tr>
<th>Loan Type</th>
<th>Loans</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Operating</td>
<td>241</td>
<td>$18.7 Million</td>
</tr>
<tr>
<td>Guaranteed Operating</td>
<td>49</td>
<td>$14.7 Million</td>
</tr>
<tr>
<td>Direct Ownership</td>
<td>55</td>
<td>$11.2 Million</td>
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<tr>
<td>Guaranteed Ownership</td>
<td>33</td>
<td>$15.3 Million</td>
</tr>
<tr>
<td>Microloans</td>
<td>68</td>
<td>$1.6 Million</td>
</tr>
<tr>
<td>Emergency</td>
<td>22</td>
<td>$1.9 Million</td>
</tr>
</tbody>
</table>

HOT TOPICS

• The Chesapeake Bay Restoration continues to be a critical environmental issue in Virginia. Through a $1 million funding initiative, Virginia will work with our state partners (DCR, VASWCD and the DoF) to help farmers establish riparian forest buffers along the watershed.

• Due to changes in NRCS status spot checks wetlands and WC HEL violations have become a focus. To address these issues FSA will spend quite a bit of staff time researching and processing violations through MIDAS and the appeals process.

• Small and mid-sized dairies in Virginia are challenged. With approximately 25 dairies across the state that have struggled to stay afloat throughout the past year, the Virginia FSA loan program provided $1.9 million in emergency loans that the dairy industry used to remain in business. Supporting this industry in the coming years will continue to be a challenge.
Jewel H. Bronaugh, Ph.D., STATE EXECUTIVE DIRECTOR

Jewel H. Bronaugh, Ph.D., most recently served as the Dean of the College of Agriculture at Virginia State University. Dr. Bronaugh led the development of the strategic vision and plan for the Extension and Research divisions and the academic departments of Agriculture, Family and Consumer Sciences, and Hospitality Management. She developed robust partnerships with other universities; local, state and federal agencies; and organizations across Virginia to offer competitive educational programs to students and diverse stakeholders. At VSU, Dr. Bronaugh provided leadership for more than 120 employees and 24 grant projects. She was responsible for $8.3 million in federal and state funds and $4.2 million in grant funds. Previously, she served as the Associate Administrator for Extension programs in the School of Agriculture. In her prior role as a 4-H Youth Development Specialist, her research focused on developing and delivering programs to address issues of bullying among today’s youth.

KEY STAKESHELDERS

- Virginia Department of Agriculture and Consumer Service
- Virginia Farm Bureau
- Virginia Cooperative Extension
- Virginia Tech
- Virginia State University
- Farm Credit
- The Black Family Land Trust
- Department of Forestry
- Department of Conservation and Recreation
- Virginia Soil and Water Conservation District
- Virginia Agri Business Council

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STATE PROFILE

FSA Vermont is a major source of agricultural credit in the state, managing a loan portfolio of over $185 million, two thirds of which supports the state’s $2 billion dairy industry. Loans for maple operations are second at 15% and growing underscoring the fact that Vermont produces nearly half of the nation’s maple syrup. FSA Vermont has also aided the dairy and maple sectors through the Emergency Conservation Program (ECP) to help repair damage after major storm events, including Tropical Storm Irene in 2011.

HOT TOPICS

• Dairy producers continue to face tight margins and are struggling to remain viable. Producers do not see the Dairy Margin Protection Program (MPP) as an effective protection of their margins and profitability.
• New strict state agricultural water quality regulations will be finalized by the end of 2016 and many dairy farms will be required to implement costly repairs to meet them causing further stress at a time of low milk prices.
• With fully one third of FSA Vermont employees eligible to retire, navigating the loss of experienced staff while providing necessary loan and program assistance to our farmer customers will be a challenge.

STATE PROGRAM DELIVERY STRUCTURE

- **Vermont State Office**, 356 Mountain View Drive, Ste. 104, Colchester, VT 05446
- **Service Center Structure** – There are 9 service centers serving 14 counties
- **Employee Profile**
  - Total County Non-Federal and Federal Permanent employees as of August 6, 2016:
    - County Non-Federal Permanent: 20
    - Federal Permanent: 25
- **Program Participation**: FSA Vermont made $3.8 million in program payments in 2016, with nearly $2.8 million of the total from over 1900 contracts in the ARC/PLC program. While MPP-Dairy enrollment totaled nearly 600 of the state’s 800 dairy farmers, the program has not made significant payments. FSA Vermont also made nearly $500,000 in CREP payments on over 400 contracts on over 2800 acres.
- **Farm Loans Programs Loan Profile**: FSA Vermont’s current loan portfolio is $185.9 million, with approximately 740 borrowers. As of September 19, 2016 225 loans totaling $31.9 million had been made, 146 direct for $11.9 million and 79 guaranteed for $20 million.
ROBERT PAQUIN. STATE EXECUTIVE DIRECTOR

Bob Paquin of Shelburne was appointed State Executive Director of the USDA Farm Services Agency in Vermont on August 10, 2009 after a long career working with Senator Patrick Leahy since 1977 as a Legislative Assistant in Washington and then Vermont as director of the Montpelier office. Bob has worked on several Farm Bills, on many Vermont conservation issues and co-drafted legislation on Lake Champlain, the Connecticut River, the Northern Forest and the Green Mountain National Forest. Bob is a native of St. Albans, Vermont, holds Bachelor and Master’s Degrees from the University of Vermont and has studied at the London School of Economics.

KEY STAKEHOLDERS

Dairy farmers, maple producers, fruit and vegetable growers and their representative organizations are key stakeholders.

- Vermont Agency of Agriculture—Main disaster or crisis response partner
- University of Vermont Extension—(USDA cooperative agreement) (RMA grant recipient) (USDA grant)
- Women’s Ag Network (WAgN)—(USDA grant recipient)
- Vermont Chapter/Farmer Veteran Coalition—Outreach partner to veterans
- NOFA of Vermont—Outreach partner to organic growers
- Vermont Feed Dealers Association—Outreach partner on feed issues
- Farmers Watershed Alliance—water quality/conservation compliance
- Champlain Valley Farmers Coalition—water quality/conservation compliance
- Vermont Association of Conservation Districts—Outreach CREP/water quality
- Vermont Land Trust—Outreach partner on CREP/water quality
- Vermont Housing and Conservation Board—Farm viability partner
- Vermont Vegetable & Fruit Growers Association—Outreach to growers

KEY CAREER STAFF

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Kevin Michael Howrigan
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Lisa Holderness
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Brendan Whittaker
gferbwick@gmail.com
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STATE PROFILE

Agriculture is big business in Washington. The state’s $49 billion food and agriculture industry employs approximately 160,000 people and contributes 13% percent to the state’s economy. Rich soils, diverse climates and large-scale irrigation make Washington one of the most productive growing regions in the world. Washington’s 37,249 farms produce over 300 crops on approximately 18,000,000 acres of crop and grazing lands. Washington’s top commodities include: apples, milk, wheat, potatoes, cattle and calves. The Farm Service Agency in Washington serves over 27,500 farmers and ranchers who participate in FSA programs across the state.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office**: Washington State FSA Office, 316 W. Boone Ave., Suite 568, Spokane, WA 99201
- **Service Center Structure**: There are 25 FSA offices servicing 39 counties in the state. 8 of the offices are shared-management serving two or more counties and 8 are single county offices.
- **Employee Profile**: 
  - Total County Non-Federal and Federal permanent employees as of August 6, 2016: **110**
  - County Non-Federal permanent: **68** Federal permanent: **42**
- **Program Participation**: These programs had the highest payment activity in FY2015 in WA.
  - 2014 ARC/PLC: 9,500 Contracts $92.3 Million
  - Conservation Reserve Program: 11,200 Contracts $71.5 Million
  - 2015 Livestock Disaster Programs: 1,500 Producers $12.8 Million
- **Farm Loans Programs Loan Profile**: As of 9/15/16, Washington State FSA made the following loans:
  - Direct Operating: 934 Loans $45.5 Million
  - Direct Ownership: 376 Loans $59.2 Million
  - Guaranteed Operating: 58 Loans $15.5 Million
  - Guaranteed Ownership: 221 Loans $67 Million
  - Microloans: 129 Loans $2.6 Million
  - Emergency: 22 Loans $2.57 Million

HOT TOPICS

- Agriculture in Washington suffers from a shortage of labor and is reliant upon the migrant labor workforce from picking to processing agricultural products. Agriculture has actively engaged in promotion of immigration reform as a means to add stability to the agricultural workforce.
- Declining commodity and livestock prices will be a driving force in 2017; anticipate increased farm loan demand and financial challenges to newer and beginning farmers as credit continues to tighten, particularly in the grain, hay, and livestock sectors.
- Washington agriculture is highly dependent upon export markets for both bulk commodities and processed food products. Trade agreements, labor disagreements at W. Coast ports, and Endangered Species Act (ESA) challenges to the Columbia and Snake river dams continue to affect all agricultural sectors that depend upon reliable transportation, strong trading relationships, and a reputation as a reliable supplier of quality food and agriculture products.
JUDITH “JUDY” OLSON, STATE EXECUTIVE DIRECTOR

Judy Olson serves as the State Executive Director for the Washington Farm Service Agency. Olson previously served as the Eastern Washington Director for U. S. Senator Patty Murray from 1997-2009. Olson is a fourth generation wheat farmer in Eastern Washington and has been an active farming partner for over 40 years. She was the first woman to be elected as President of both the Washington Association of Wheat Growers (1991) and the National Association of Wheat Growers (1994).

KEY STAKEHOLDERS

Washington Association of Wheat Growers, Partner
Washington Cattlemen’s Association, Partner
Washington Conservation Commission, Partner
Washington Dairy Federation, Partner
Washington Department of Agriculture, Partner
Washington Department of Fish and Wildlife, Partner
Washington Farm Bureau Federation, Partner
Washington Tree Fruit Association, Partner
Northwest Farm Credit Association, Partner
Washington State University Extension, Partner
Washington State University, Partner
Rural Community Development Resources, Partner
Viva Farms, Grant Partner
Seattle Tilth, Grant Partner
Vets on the Farm, Partner

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STATE PROFILE

Wisconsin is a very diverse and strong agriculture state. Agriculture contributes $88.3 billion annually to our state’s economy and provides 413,500 jobs or 11.9% of the state’s employment. The dairy industry alone contributes $43.4 billion to Wisconsin’s economy annually. Wisconsin ranks nationally #1 in cheese, #2 in major vegetable, and #3 in potato production. The Wisconsin Farm Service Agency works with over 111,000 producers on 9.4 million reported acres. Providing loans, disaster assistance, and working with conservation programs to ensure agriculture remains the number one industry in WI. Wisconsin FSA is dedicated to providing excellent service and delivering quality and accessible farm bill programs.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Address**: WI State FSA Office, 8030 Excelsior Drive, Suite 100, Madison, WI 53717
- **Service Center Structure**: There are 55 FSA offices serving 72 counties in the state of Wisconsin
- **Employee Profile**:
  - Total County Non-Federal and Federal Permanent employees as of August 6, 2016:
    - County Non-Federal Permanent: 241
    - Federal Permanent: 100
- **Program Participation**: These Programs had the highest activity levels for FY 2015 in Wisconsin and returned the most in payments.
  - Agriculture Risk Coverage-County: 75,102 farms enrolled $226 million
  - Conservation Reserve Program: 231,413 acres enrolled $25 million
  - Marketing Assistance Loans: 849 applications $74.1 million
  - Milk Margin Protection Program: 5797 farms enrolled $101,917 for 2016
  - Emergency Livestock Assistance Program: 25 applications $314,307
- **Farm Loans Programs Loan Profile**: The WI Farm Service Agency obligated $391 Million in Direct and Guaranteed Loans in FY2015. As of 09/13/16, Wisconsin State FSA obligated $372.4 Million, as follows:
  - Direct OL: 634 Loans $41.3 Million
  - Guaranteed OL: 226 Loans $63.0 Million
  - Direct FO: 197 Loans $34.8 Million
  - Guaranteed FO: 400 Loans $228.2 Million

HOT TOPICS

- Retirement and management turnover. 37% of WI FSA employees will be eligible to retire in the next 5 years. Over 60% of Wisconsin’s managers, including District Directors, State Specialists and County Directors are eligible for retirement.
- Dairy producers continue to face tight margins and are struggling to remain viable. Producers do not see the Dairy Margin Protection Program (MPP) as an effective protection of their margins and profitability.
- Wisconsin has a very large and healthy farm loan portfolio. With the current commodity and dairy prices the Farm Loan Program will need to remain a top priority for the agency to ensure the viability of the program and Wisconsin’s farmers. While at the same time dealing with a fairly new farm loan staff.
PATRICIA EDELBURG, STATE EXECUTIVE DIRECTOR

Patricia Edelburg serves as the State Executive Director for the Wisconsin Farm Service Agency. Edelburg was appointed to the position in April of 2016. Prior to becoming the SED, she also served on the Wisconsin FSA State Committee from 2010-2016. Patty and her husband own and operate a 130 cow registered Holstein farm in Central WI. She has served on the state board of directors for the Wisconsin Farmers Union from 2004-2016 as well as numerous committees to help influence dairy and agriculture policy.

KEY STAKEHOLDERS

Wisconsin Department of Agriculture, Trade, and Consumer Protection
Wisconsin Department of Natural Resources
University of Wisconsin
University of Wisconsin Extension
Wisconsin Tribal Conservation Advisory Council
Wisconsin Farmers Union
Wisconsin Farm Bureau
Wisconsin Ag Bankers Association
US Fish and Wildlife Service
Wisconsin Agri-Business Association
Small Business Administration
US Army Corp of Engineers
Wisconsin Land and Water Conservation Association
Wisconsin Local Food Network
Wisconsin Fresh Market Vegetables Growers Association
Midwest Organic and Sustainable Education Service
The Nature Conservancy
Badgerland Financial Services

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Mike Gallagher
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West Virginia FSA State Office Fact Sheet

STATE PROFILE

West Virginia has a thriving Agricultural industry. In 2015, the National Agricultural Statistic Service lists the number of farms in West Virginia as 20,900 with a total of 3,600,000 acres of land with an average of 172 acres per farm. Over 90% of these farms are considered small farms and are family owned and operated. West Virginia’s top commodities by percent include: Meat animals 29%, Broilers 26%, Poultry 18%, Corn and Hay 8%, Dairy products 3%, Soybeans and wheat 2%, other crops 14%. West Virginia FSA supports the USDA mission and helps ensure a healthful, stable, accessible and affordable food supply.

STATE PROGRAM DELIVERY STRUCTURE

State Office Address: 1550 Earl L Core Road, Morgantown, WV 26505
Service Center Structure: There are 23 FSA offices servicing 55 counties in the state of West Virginia.
Employee Profile: Total County Non-Federal and Federal Permanent employees as of September 21, 2016: 89
  County Non-Federal Permanent: 49
  Federal Permanent: 40

Program Participation: These programs had the highest activity levels for FY 2015 in West Virginia:
  Marketing Assistance Loans $1.9 Million
  Livestock Indemnity Program $1 Million
  Conservation Reserve Program $992,000
  Noninsured Assistance Program $88,000
  Agriculture Risk Coverage/Price Loss Coverage Program $1.2 Million

Farm Loans Programs Loan Profile: The Farm Service Agency saw monumental funding milestones in FY 2015, obligating $29.4 Million in Direct and Guaranteed Operating (OL) and Farm Ownership Loans (FO), the highest ever in Agency history. As of 9/21/16, West Virginia State FSA made the following loans:
  Direct Operating 464 Loans $13.6 Million Direct Ownership 72 Loans $10.9 Million
  Guaranteed Operating 5 Loans $560,000 Guaranteed Ownership 7 Loans $2.8 Million
  Loans to Veterans 44 Loans $2.3 Million Microloans 215 Loans $4.4 Million

HOT TOPICS

- Continued Emergency Conservation Program work in flood affected counties from the West Virginia June 2016 Disaster Declaration.
  - ECP active in 11 counties
  - Over $2 million estimated for disaster cleanup with practices including: debris removal, reseeding, fence, conservation structures.
  - County Office staff are performing the onsite inspections
  - Over 5,000 farms have been affected
- Chesapeake Bay Riparian Forest Buffer initiative requires continued work and diligence.
  - WV Conservation Reserve Enhancement Program agreement originally signed April 2002
  - $1 million of special interest funds provided by FSA in 2011
  - The state of West Virginia contribute 20% ($200,000) to finalize the agreement for the program.
  - Modified agreement must be signed by the WV Governor and USDA prior to final implementation, this is targeted to be signed fall 2016.
Richard “Rick” Snuffer II, STATE EXECUTIVE DIRECTOR

Richard "Rick" V. Snuffer II has 37 years of service with USDA. Rick's career in West Virginia began with ASCS as a County Operations Trainee in 1980. Since that time he has served as County Executive Director in two counties, Automation Coordinator for 20 years, State Outreach and Communications Coordinator. He graduated Magna Cum Laude from West Virginia University in 1977 with a B.S. in Animal Science and Agriculture. He is also well known for his farming enterprise Snuffer and Sons Angus Farms. He has served as a member of the Raleigh County Board of Education since 2003. He is married to Peggy Livengood.

KEY STAKEHOLDERS

West Virginia Department of Natural Resources, Partner
West Virginia Division of Forestry, Partner
West Virginia University Extension Service, Partner
West Virginia Department of Agriculture, Partner
Farm Credit of the Virginias, Partner
West Virginia Food and Farm Coalition, Partner.
West Virginia AgrAbility, Partner

West Virginia FFA Association, Partner
WVU Davis College of Agriculture, Natural Resources and Design, Partner
West Virginia Association of Conservation Districts, Partner
West Virginia State University, Partner
West Virginia Conservation Agency, Partner
West Virginia Department of Environmental Protection, Partner
West Virginia Cattlemen’s Association, Partner

KEY CAREER STAFF

John Pettit, Executive Officer
John.Pettit@wv.usda.gov
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Kevin Hinkle, Supervisory Program Specialist
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304-284-4805 Office, 304-376-0763 Cell

Kimble Hayes, Farm Loan Chief
Kimble.Hayes@wv.usda.gov
304-284-4811 Office

STATE COMMITTEE MEMBERS

Marjorie Burke, State Chairperson
Marge.Burke@titanfarm.com 304-462-8810

George W. Mickey
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304-676-5578 Cell

Remington Perkins
PerkJerseys@hotmail.com 304-497-3529
304-667-3529 Cell
STATE PROFILE

Most people associate Wyoming with the famous bucking bronco that adorns its license plate. In fact, cowboys help make cattle production by far its largest agricultural commodity in the state. The state’s economy revolves around minerals, agriculture and tourism. The agricultural sector yield annually exceeds one billion dollars. The production of cattle and calves provides over three-fourth of the state’s total agricultural production. Sheep and lambs are also important, followed by dairy products and honey. Wyoming has over 810,000 sheep and ranks second in the nation for wool production. Irrigation is vital to Wyoming Agriculture; hay is considered the most important crop to the economy followed by sugar beets, barley, and wheat. FSA served this wide variety of agricultural operations across a sparsely populated state by providing nearly $117 million in federal program payments and loans.

STATE PROGRAM DELIVERY STRUCTURE

- **Address of State Office:** Wyoming State Office, 951 Werner Ct Ste 130 Casper, WY 82601
- **Service Center Structure:** There are 17 FSA offices servicing 22 counties.
- **Employee Profile**
  - Total County Non-Federal and Federal Permanent employees as of August 6, 2016: 70
    - County Non-Federal Permanent: 43
    - Federal Permanent: 27
- **Program Participation:** These programs had the highest activity levels for FY 2015 in WY.
  - *Conservation Reserve Program* 1,161 Applications $5.5 Million
  - *Disaster Assistance Programs* 2,757 Applications $70 Million
  - *Marketing Assistance Loans* 18 Loans $10.3 Million
- **Farm Loans Programs Loan Profile:** The Farm Service Agency saw monumental funding milestones in FY 2015, obligating $5.6 Billion in Direct and Guaranteed Operating (OL) and Farm Ownership Loans (FO), the highest ever in Agency history. As of 9/1/16, Wyoming State FSA made the following loans:
  - **Direct Operating** 81 Loans $4.3 Million
  - **Guaranteed Operating** 17 Loans $4.6 Million
  - **Direct Ownership** 24 Loans $6.3 Million
  - **Guaranteed Ownership** 16 Loans $12 Million
  - **Microloans** 9 Loans $316,490
  - **Emergency** 4 Loans $417,470

HOT TOPICS

- **County Office Staffing** – Eight of the 17 County Offices have two or less employees, making it difficult to administer all the programs especially during disaster situations.
- **Farm Loan staffing** – Four of the six Farm Loan Officers and the Farm loan Chief are or will be eligible to retire by April of 2017. Wyoming has three Farm Loan Trainees on board now with one to two years left on their training period. With the agriculture economy declining loan activity is already increasing and by spring 2017 a surge in work load is expected.
Gregor Goertz, STATE EXECUTIVE DIRECTOR

Gregor Goertz was appointed to serve as the State Executive Director for Wyoming FSA in August of 2009. He previously served on the FSA State Committee 1995 — 2005, serving four years as Chairman. Goertz was instrumental in starting the Slater Wind Energy Association (an association of landowners) in 2007 to promote renewable energy in the area and has continued to serve as Chairman. He served on the Platte County ASCS Committee in the early 80’s and served one term as Platte County Commissioner from 1986-1991 along with founding the Wheatland Area Development Corporation. The Goertz family maintains 6,000 acres of cropland and 19,000 acres of grassland in Southeastern Wyoming running 330 bred cows, retaining all of the calves over as yearlings selling the majority of them as grass fat. In 2000 they certified the farmland as organic and by 2005 the farm and livestock were 100% certified organic. In 2004, Gregor and his wife Cindy started Wyoming Pure Natural Beef, a direct marketing beef company, with their children.

KEY STAKEHOLDERS

- Wyoming Stock Growers Association - Partner
- Wyoming Wheat Growers Association - Partner
- Wyoming Department of Agriculture – Partner
- Wyoming Women in Ag – Partner
- Wyoming Farm Bureau – Partner
- Pheasants Forever – Partner
- University of Wyoming Extension - Partner
- University of Wyoming College of Agriculture – Partner
- Wyoming Wool Growers Association – Partner
- Wyoming Association on Conservation Districts – Partner
- Rocky Mountain Farmers Union - Partner
- Wyoming Ag Bankers Association – Partner
- Rocky Mountain Farmers Union - Partner

KEY CAREER STAFF

Steve Swieter, Administrative Officer
steve.swieter@wy.usda.gov
307-261-5232

Jodene Johnson, Admin
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307-261-5009

David Gunderson, Farm Loan Chief
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307-261-5306

Todd Even, Farm Program Chief
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STATE COMMITTEE MEMBERS

Tim Anderson, Chairperson
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Matt Weber
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307-383-7857(h)

Lisa Kimsey
kimseyranch@icloud.com
307-469-2323(h)
WHAT WE DO: OUR MISSION

Since 1953, the Foreign Agricultural Service (FAS) has been linking U.S. Agriculture to the World to Enhance Export Opportunities and Global Food Security. FAS serves as the USDA’s coordinator for international activities working to improve foreign market access for U.S. products and operates programs designed to build new markets and improve the competitive position of U.S. agriculture in the world, e.g., McGovern-Dole Food for Education, Food for Progress, Borlaug and Cochran Fellowship Programs, Market Access Program, and the Technical Assistance for Specialty Crops (TASC) program.

WHO WE ARE: OUR WORKFORCE

FAS’s core functions are carried out by about ~1250 highly professional staff stationed in Washington, DC and in 93 overseas offices covering 171 foreign countries with a cadre of about ~750 Civil Service Employees, 150 Foreign Service Officers and 350 Locally Employed Staff.

WHO WE SERVE: OUR CONSTITUENTS

FAS collaborates across the U.S. government and partners with the private sector NGOs and others to link U.S. agriculture to the world, to further the economic prosperity of rural America and U.S. farmers, ranchers, fishermen, foresters and agribusinesses, and to provide global food security.

KEY UPCOMING DECISIONS

The top three policy decisions in the first 30-60 days of the new administration:

- Development of an agricultural trade policy agenda, e.g., trade enforcement system, engaging with China, participating in the WTO Ministerial, assessment of TPP (with USTR).
- Implementation of the new Global Food Security Act (with State and USAID).
- Sugar policy, evaluation of potential for forfeitures, expanding access to market, or engaging in negotiations with Mexico as well as preparation for market adjustment decisions mandated for April (potentially with USDA/FSA, USTR and Commerce).

BUDGET HIGHLIGHTS FY 2016

FAS’ FY 2016 total budget authority consists of $2.744 billion to facilitate access to international markets.

- Discretionary funding provides about 15 percent for the S&E and McGovern-Dole.
- Mandatory programs consist of about 79 percent for the P.L. 480 and CCC-funded programs.
- Reimbursements account for about 6 percent.

FY 2016 Budget Authority

- Salaries & Expense (incl. CCC GSM S&I)
- McGovern-Dole*
- P.L. 480**
- CCC-Funded Programs
- Reimbursements

* The Act provides $5 million for local and regional procurement.
** Administered primarily by USAID.
I. Organizational Overview

Agency’s Mission/Strategic Plan

The Mission and Vision Statement of FAS is: Linking U.S. Agriculture to the World to Enhance Export Opportunities and Global Food Security. The FAS Strategic Plan includes the following Goals and Objectives:

Strategic Goal: Increase U.S. food and agricultural exports by $10 billion by end-year 2018.

- Trade Promotion (Supports USDA Goal 1: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving” under USDA Strategic Objective 1.2: “Increase agricultural opportunities by ensuring a robust safety net, creating new markets, and supporting a competitive agricultural system.”)
  - Objective 1.1: Increase effectiveness of FAS market development programs and outreach activities
  - Objective 1.2: Manage FAS credit programs to yield the greatest benefit to U.S. agriculture
  - Objective 1.3: Maintain a global market intelligence information system that supports policy and program objectives

- Trade Policy (Supports USDA Goal 1: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving” under USDA Strategic Objective 1.2: “Increase agricultural opportunities by ensuring a robust safety net, creating new markets, and supporting a competitive agricultural system.”)
  - Objective 2.1: Negotiate and enforce market-expanding trade agreements for U.S. exporters of agricultural, fish, and forest products
  - Objective 2.2: Prevent or resolve foreign Technical Barriers to Trade (TBT) or Sanitary/Phyto-Sanitary (SPS) measures that hinder U.S. agricultural exports
  - Objective 2.3: Pursue the development of rules-based international systems that facilitate global trade

- Trade Capacity Building and Food Security (Supports USDA Goal 3: Help America promote agricultural production and biotechnology exports as America works to increase food security” under USDA Strategic Objective 3.1: “Ensure U.S. agricultural resources contribute to enhanced global food security”).
  - Objective 3.1: Address food security challenges by building food and market systems that expand trade and economic growth through food assistance programs
  - Objective 3.2: Enhance partner countries’ capacity for agricultural development and participation in international trade through USDA-led technical assistance and training
Management Initiatives (Supports USDA Goal 5)
- Initiative I: Engage employees to transform FAS into a model agency
- Initiative II: Provide civil rights services to Agriculture employees and customers
- Initiative III: Improve outreach and collaboration efforts to increase access to FAS programs and services
- Initiative IV: Re-engineer FAS business processes to increase performance, efficiency, and alignment
- Initiative V: Recruit and hire skilled, diverse individuals to meet the program needs of FAS
- Initiative VI: Enhance collaboration and coordination on critical issues through enterprise governance

Key mission delivery performance measures

Below are the various performance indicators or measures that FAS uses to track performance toward the achievement of its goals and objective:

<table>
<thead>
<tr>
<th>Increase effectiveness of FAS market development programs and outreach activities</th>
<th>2011 Actual</th>
<th>2012 Actual</th>
<th>2013 Actual</th>
<th>2014 Actual</th>
<th>2015 Actual</th>
<th>2016 **Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Key Performance Indicator</em>* Waiting for Final FY 16 Numbers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value of agricultural exports (Billions) resulting from participation in foreign food and agricultural trade shows</td>
<td>$1.26</td>
<td>$1.46</td>
<td>$1.48</td>
<td>$1.50</td>
<td>$1.52</td>
<td>$1.55</td>
</tr>
<tr>
<td>Number of companies participating in State and Regional Trade Group (SRTG) activities</td>
<td>2150</td>
<td>2500</td>
<td>2150</td>
<td>3000</td>
<td>3050</td>
<td>3100</td>
</tr>
<tr>
<td>Participants that are rated moderately effective or higher (%)</td>
<td>69%</td>
<td>67%</td>
<td>69%</td>
<td>76%</td>
<td>82%</td>
<td>85%</td>
</tr>
<tr>
<td>Economic Return Ratio (Total Return/Total Costs) for GSM-102</td>
<td>$36</td>
<td>$37</td>
<td>$36</td>
<td>$38</td>
<td>$38</td>
<td>$39</td>
</tr>
</tbody>
</table>
United States Department of Agriculture  
2016 Presidential Transition  
Foreign Agricultural Service (FAS)

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>2011 Actual</th>
<th>2012 Actual</th>
<th>2013 Actual</th>
<th>2014 Actual</th>
<th>2015 Actual</th>
<th>2016 **Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>GSM-102 Loan Guarantees Underwritten (Billion in Port Value)</td>
<td>$4.1</td>
<td>$4.2</td>
<td>$4.1</td>
<td>$4.2</td>
<td>$1.52</td>
<td>$1.55</td>
</tr>
<tr>
<td>Agricultural Trade Multiplier (1.31 based on ERS Study)</td>
<td>$5.4</td>
<td>$5.5</td>
<td>$5.4</td>
<td>$5.5</td>
<td>$2.4</td>
<td>$2.5</td>
</tr>
<tr>
<td>Total Accrued Returns for GSM-102</td>
<td>$9.5</td>
<td>$9.7</td>
<td>$9.5</td>
<td>$9.7</td>
<td>$4.3</td>
<td>$4.5</td>
</tr>
<tr>
<td>Economic Return Ratio ($: Total Returns/Total Costs) - relates to GSM-102 as in explanatory notes.</td>
<td>$108/$1</td>
<td>$107/$1</td>
<td>$117/$1</td>
<td>$100/$1</td>
<td>$109/$1</td>
<td>$109/$1</td>
</tr>
<tr>
<td>Accuracy of quarterly export forecasts, widely used as the “benchmark” by commodity trader (%)</td>
<td>91%</td>
<td>92%</td>
<td>91%</td>
<td>91%</td>
<td>92%</td>
<td>93%</td>
</tr>
<tr>
<td>Value of trade preserved through resolution of foreign market access issues such as U.S. export detainment, and restrictive SPS &amp; TBT issues, and trade regulations ($ billions)</td>
<td>$4.1</td>
<td>$3.7</td>
<td>$3.8</td>
<td>$6.4</td>
<td>$3.6</td>
<td>$4.1</td>
</tr>
<tr>
<td>Value of U.S. agricultural exports to S. Korea, Colombia, and Panama, Japan and Vietnam ($ billion)</td>
<td>$23.9</td>
<td>$22.8</td>
<td>$21.7</td>
<td>$25.4</td>
<td>$23.8</td>
<td>$23.2</td>
</tr>
<tr>
<td>Number of tariff lines for which annual U.S. exports to S. Korea, Colombia, and Panama, Japan and Vietnam exceed $1 million (Shillion)</td>
<td>852</td>
<td>886</td>
<td>923</td>
<td>984</td>
<td>1000</td>
<td>1050</td>
</tr>
<tr>
<td>The number of WTO members</td>
<td>153</td>
<td>157</td>
<td>153</td>
<td>160</td>
<td>162</td>
<td>162</td>
</tr>
<tr>
<td>The number of foreign SPS, TBT, and WTO Committee on Agriculture (COA) measures reviewed</td>
<td>1,568</td>
<td>1,412</td>
<td>1,568</td>
<td>1,961</td>
<td>2,186</td>
<td>2,151</td>
</tr>
<tr>
<td>The number of foreign SPS, TBT, and WTO Committee on Agriculture (COA) measures raised with foreign countries</td>
<td>335</td>
<td>319</td>
<td>335</td>
<td>261</td>
<td>269</td>
<td>267</td>
</tr>
<tr>
<td>Number of individuals in food insecure countries assisted by USDA technical assistance (Total)</td>
<td>N/A</td>
<td>5,909,421</td>
<td>7,417,454</td>
<td>6,606,763</td>
<td>5,034,591</td>
<td>4,700,605</td>
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<tr>
<td>McGovern-Dole Food for Education</td>
<td>N/A</td>
<td>4,985,082</td>
<td>6,066,754</td>
<td>5,498,857</td>
<td>4,568,541</td>
<td>4,300,000</td>
</tr>
<tr>
<td>Food For Progress</td>
<td>N/A</td>
<td>923,807</td>
<td>1,350,072</td>
<td>1,107,347</td>
<td>465,477</td>
<td>400,000</td>
</tr>
<tr>
<td>Cochran and Borlaug Fellowship Programs</td>
<td>N/A</td>
<td>532</td>
<td>628</td>
<td>559</td>
<td>573</td>
<td>605</td>
</tr>
<tr>
<td>Number of individuals in food insecure countries assisted by USDA technical assistance through the Local and Regional Procurement Program (Thousands)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Key Performance Indicator **Waiting for Final FY 16 Numbers
Organization’s History

FAS was created in 1953 to focus on foreign market development for U.S. agricultural commodities. The FAS is the USDA’s lead agency in international activities to develop foreign markets for U.S. agriculture. FAS is also responsible for improving foreign market access for U.S. products by collecting and analyzing data on world agricultural production, policy, and trade competition. It also publishes information to U.S. farming and business interests on agricultural commodities in the global market. The FAS also administers USDA export credit guarantees and food aid programs.
Biographies of career staff in key leadership positions

Bryce Quick  
**Associate Administrator, Chief Operating Officer**  
202-720-2706, Bryce.Quick@fas.usda.gov

Bryce Quick joined FAS in March 2011 as the Associate Administrator and Chief Operating Officer. He led the budget division in cleaning up the financial system which has increased data integrity and compliance with several regulations not adhered to in the past. Under his leadership, the IT division has moved to a “single technology platform” which has reduced operating costs and made it possible for the entire Agency to share data more efficiently. Mr. Quick introduced the concept of Enterprise Governance and FAS has adopted it as a way to facilitate communication and decision making across the Agency. In July 2014, Secretary Vilsack named Bryce as Acting Deputy Under Secretary for Farm and Foreign Agricultural Services. Prior to joining FAS, Bryce served in several roles at FSIS, beginning in 2001 as Director of Congressional and Public Affairs, then as Assistant Administrator for Public Affairs, Education, and Outreach, before becoming the Agency’s Deputy Administrator. Prior to his service at USDA, Mr. Quick worked as a legislative aide in the office of the Honorable Pat Roberts from 1995 to 2001, and in the office of the Honorable Thomas S. Foley from 1990 to 1995, where he served as a professional staff member for the House Committee on Agriculture. Mr. Quick earned his Bachelor of Arts degree in Political Science from Brigham Young University.

Jason Hafemeister  
**Acting Associate Administrator**  
202-720-9084, Jason.Hafemeister@fas.usda.gov

Jason is from California’s beautiful central coast. He grew up in town (San Luis Obispo) but starting in junior high and through college did seasonal labor in the Salinas valley produce fields. Jason moved back east in 1991 and started work at FAS as part of the team negotiating the WTO’s Uruguay Round agreement. In eight years at FAS and then seven years at USTR he was responsible for a number of trade policy initiatives, including serving as the lead agriculture negotiator for China’s accession to the WTO, the CAFTA-DR, and the Doha Round negotiations. Jason left government in 2007 and worked for six years in private sector consulting on agricultural market and policy analysis. He returned to government in 2013, landing in USDA’s Office of the Chief Economist as the senior trade economist, then came to FAS in 2014 serving as the agency’s Trade Policy Coordinator and trade counsel to the Under-Secretary. He moved to his current position in 2016. Jason went to college at the University of California in Berkeley, graduate school at the University of California in San Diego, and law school at Georgetown. Jason is married and has two young children.
Allison A. Thomas  
**Acting Associate Administrator**  
202-690-8108, Allison.Thomas@fas.usda.gov

Allison A. Thomas is the Acting Associate Administrator of FAS responsible for overseeing FAS food security efforts and trade promotion programs. She most recently served as the FAS Chief of Staff. Allison began her career with FAS in 1999 as a summer intern. In addition to serving as Chief of Staff, other FAS positions held include Policy Advisor, Director, and International Economist. As a Policy Advisor, Allison worked at the U.S. Embassy in Nairobi, Kenya to strengthen agriculture and trade development relations with East African countries. She also served as the Director of Mission Support Operations and worked at the U.S. Embassy in Kabul, Afghanistan as the USDA Deputy Coordinator in charge of management and oversight of USDA reconstruction and stabilization efforts and worked closely with USG partners on coordination of efforts. As an International Economist, she worked on bilateral and multi-lateral trade issues with Western and Eastern European countries.  
Allison obtained a B.S. in Agricultural Economics from Southern University and A&M College in Baton Rouge, Louisiana and a M.S. in Agricultural Economics from the University of Arkansas in Fayetteville, Arkansas.

Jocelyn G. Brown  
**Deputy Administrator, Office of Capacity Building and Development**  
202-690-1779, Jocelyn.Brown@fas.usda.gov

Jocelyn G. Brown is the Deputy Administrator in FAS’s Office of Capacity Building and Development. In this position she oversees USDA’s international food and technical assistance programs, and numerous technical assistance projects that promote U.S. government food security and trade capacity building goals. Ms. Brown assumed this position in December 2014. Before serving as Deputy Administrator, Ms. Brown covered trade policy issues for Asia, Africa and the Middle East. She was also heavily involved in the development of USDA’s food security policy for the G8 and G20 negotiations. From 1998-2006, she worked with the Food and Agriculture Organization of the United Nations and the Inter-American Institute for Cooperation in Agriculture. Prior to coming to USDA in 1998, she worked the District of Columbia Control Board. She was a Peace Corps volunteer in Peshawar, Pakistan from 1988-1990.  
Ms. Brown holds an MBA with a concentration in international development from George Washington University and graduated magna cum laude from Harvard University in American Literature. Ms. Brown is married with three children. In her free time she enjoys reading, knitting, cycling, and swimming.
Jeanne F. Bailey  
Deputy Administrator, Office of Country and Regional Affairs  
202-720-4129, Jeanne.Bailey@fas.usda.gov

In January 2016, Jeanne assumed the position of Deputy Administrator for the Office of Country and Regional Affairs (OCRA). Jeanne leads the program area that provides strategic leadership and analysis on key countries and regions of the world to advance consistent and mutually-reinforcing strategies for U.S. agricultural, trade policy, foreign policy, and national security interests. OCRA serves as an agricultural policy liaison and coordinator both within FAS and USDA, as well as with foreign government officials and other U.S. government agencies.

Before moving to OCRA, Jeanne was the Director for the Office of Trade Programs’ Cooperator Programs Division. Other Washington-based assignments include supporting FAS’s overseas offices throughout the Western Hemisphere as Area Director in the Office of Foreign Service Operations, and working on multilateral trade policy issues in the International Trade Policy program area. A career Foreign Service Officer, Jeanne has served in Hanoi, Vietnam (2009-2013); Monterrey, Mexico (2001-2003); Mexico City, Mexico (1997-2001); and Paris, France (1992-1996). An Illinois native, Jeanne is a graduate of the University of Illinois at Champaign-Urbana, where she completed her MS and BS degrees in Agricultural Economics and Agriculture, respectively.

Robert Macke  
Deputy Administrator, Office of Agreements and Scientific Affairs  
202-720-4434, Robert.Macke@fas.usda.gov

Bob Macke is the Deputy Administrator leading the Office of Agreements and Scientific Affairs (OASA), the principal trade policy unit of FAS. The work of OASA and its partners enables several billion dollars of additional U.S. agricultural exports each year by preventing, reducing or eliminating trade barriers imposed by foreign governments. Bob has been with FAS since 1987, serving as Agricultural Attaché in Seoul, Korea from 1990 to 1993. Since that time he has worked in the trade policy arena at FAS, and has been in his current position since January 2015. He is the Designated Federal Official for the Secretary’s private sector Agricultural Policy Advisory Committee, and oversees the operation of six Agricultural Trade Advisory Committees.

Bob was raised in central Ohio. He earned his Bachelor's Degree in Foreign Affairs from the University of Cincinnati, spent three years building schools in rural Africa with the Peace Corps, and returned to earn his Master's Degree in Agricultural and Resource Economics from The Ohio State University. He is married and has two sons, who are both currently in college.
Daniel B. Whitley  
Deputy Administrator, Office of Global Analysis  
202-720-6301, Daniel.Whitley@fas.usda.gov

Daniel Whitley is the Deputy Administrator of the Office of Global Analysis (OGA). In this capacity he is responsible for leading FAS analysis on the global agricultural supply and demand situation. In addition, OGA routinely conducts impact analysis on trade policy issues. Daniel oversees the publishing of over 100 annual reports on commodity markets, international agricultural production, and trade policy. Daniel began his professional career with USDA in 1997 with the Economic Research Service. He started with FAS in 2001 and has worked in several capacities including senior economist, Deputy-Director of Trade Analysis, and Director of Civil Rights. In 2006, Daniel was selected as a Brookings Fellow and worked in the United States Senate on Farm Bill issues. Daniel is a Louisiana native and holds a bachelor’s degree in Agricultural Economics from Southern University in Baton Rouge and a Master’s Degree in Agricultural Economics from Louisiana State University. He lives in Washington, DC with his wife and two sons.

Mark Slupek  
Acting Deputy Administrator, Office of Trade Programs  
202-720-1169, Mark.Slupek@fas.usda.gov

Mark Slupek, as the Acting Deputy Administrator for the Office of Trade Programs (OTP), is responsible for leading the administration of programs that support private sector development of foreign markets for agricultural products, including the Market Access Program, the Foreign Market Development Cooperator Program, the Emerging Markets Program, the Technical Assistance for Specialty Crops Program, and the Quality Samples Program. Further, OTP manages the Export Credit Guarantee Program, the Facility Guarantee Program, the Dairy Export Incentive Program, two trade assistance programs for the textile industry, and import programs for sugar and dairy. OTP also conducts agribusiness trade missions, provides exporter assistance, and supports selected international food shows. OTP consists of four divisions and employs about 100 staff. Mark has worked with FAS’s market development programs since 1997. Prior to being named Acting Deputy Administrator in January 2016, he served as Director of the Program Operations Division, Deputy Director of the Processed Products Division, and Deputy Director of the Marketing Operations Staff. Long ago, Mark spent four years in the Fruit and Vegetable Program Area of USDA’s Agricultural Marketing Service. He attended Virginia Tech and Old Dominion University and holds a Masters Degree in Economics. He currently lives in Stafford, Virginia, with his wife and three children.
Bobby Richey, Jr.
Deputy Administrator, Office of Foreign Service Operations
202-720-9207, Bobby.Richey@fas.usda.gov

Bobby Richey assumed the duties of Deputy Administrator in the Office of Foreign Service Operations in May, 2016. The Office of Foreign Service Operations is responsible for managing the FAS’s Foreign Service Corps of 130 officers, mentoring 30 Foreign Service trainees, and overseeing about 350 foreign nationals working in FAS’s 93 offices around the world. He joined FAS in 1986. Bobby has served at the U.S. Mission to the European Union, and in the U.S. Embassies in Mexico City and Berlin. Immediately prior to his current assignment, Bobby served as Counselor for Agricultural Affairs at the U.S. Embassy in Bangkok. In this role, he covered USDA’s interests not only in Thailand, but also Burma and Laos. Bobby earned a Bachelor of Science degree in agricultural economics from Texas Tech University in 1984 and a Master of Science degree in agricultural economics from Iowa State University in 1986. He grew up on a family cotton farm near Lubbock, Texas and married Larry Allen in 2013.

Ellen Dougherty
Director, Public Affairs and Executive Correspondence
202-720-0328, Ellen.Dougherty@fas.usda.gov

Ellen Dougherty is Director of Public Affairs and Executive Correspondence. In his capacity, she leads the team that manages FAS’s communications and outreach activities, including media and stakeholder relations, speechwriting, and digital communications. In addition, she oversees the staff that manages the agency’s Freedom of Information Act and executive correspondence functions. Ellen joined FAS as Deputy Director of Public Affairs in 2010 and assumed the Director’s position in April 2016. She served 5 years as Public Affairs Director for the National Agricultural Statistics Service, spearheading the award-winning national outreach campaign for the 2007 Census of Agriculture, among other efforts. Prior to entering federal service, Ellen spent most of her career in the private sector, directing public affairs and communications programs for the U.S. Grains Council, the National Corn Growers Association and the National Association of Conservation Districts. She also served as partner in the public affairs firm Mission Strategies, Inc., providing strategic and creative consulting services to a range of corporate, non-profit and government clients. Ellen is a graduate of Saint Josephs’ University in Philadelphia with B.A. in English, a minor in Political Science and a concentration in Latin America Studies. She completed her Master’s degree coursework at the Indiana University-Bloomington School of Journalism.
Chris Church
Director, Legislative Affairs Office
202-720-6830, Chris.Church@fas.usda.gov

Chris joined FAS’s Legislative Affairs Office in 2002 and has served as Director since 2008. While at FAS, Chris also served a detail on the House Agriculture Committee Staff. Previous USDA service includes several years in the Legislative Affairs Office at the Food Safety Inspection System.

Chris earned his Bachelor’s degree at Catholic University of America and his Master’s degree at the University of Maryland.

Adriano Vasquez
Director, Office of Civil Rights
202-720-8907, Adriano.Vasquez@fas.usda.gov

Adriano Vasquez is the Director for the FAS Office of Civil Rights. A multi-faceted, team oriented leader who consistently provides sound and timely advice on matters relating to the application of anti-discrimination statutes in federal employment.

Mr. Vasquez served in the military from 1984-2005, and served in various EEO positions in USAG Redstone, IMCOM Korea, and USAG Daegu. In 2014 he became the EEO Branch Manager for USDA’s Rural Development mission area.

In addition to active certifications from the Justice Center of Atlanta and the Department of Defense Equal Opportunity Management institute. Mr. Vasquez earned his Bachelor of Arts degree in 2004 and received his Master of Science degree in Human Resource Management from the University of Maryland, University College in 2013. Adriano currently resides in Gainesville Virginia, with his wife Donghee and three children, Joshua, Adrian and Marie.

Healy was raised on a hog and grain farm in southeastern South Dakota. He earned a degree in Political Science from the University of South Dakota.
United States Department of Agriculture
2016 Presidential Transition
Foreign Agricultural Service (FAS)

Biographies of political staff in key leadership positions

Phil Karsting
Administrator
202-720-3935, Phil.Karsting@fas.usda.gov

Phil Karsting was appointed Administrator of the Foreign Agricultural Service in May 2013. He previously served more than 22 years on Capitol Hill, most recently as chief of staff to Senator Herb Kohl (D-Wis.), then-chairman of the Senate Appropriations Subcommittee on Agriculture, Rural Development and Related Agencies. Phil’s prior Capitol Hill assignments included serving as senior analyst on the Democratic staff of the Senate Budget Committee where he handled issues relating to agriculture, rural development, housing, telecommunications, energy and the environment. He also served as legislative assistant to the late Senator Jim Exon (D-Neb.). He served on the Senate Bipartisan Chiefs of Staff steering committee and in 2013 he led training seminars in Liberia for Liberian congressional staff on behalf of the National Democratic Institute. Phil began his association with American agriculture working in his family's farm supply business in rural Nebraska. He received a bachelor’s degree in Agricultural Economics from the University of Nebraska-Lincoln. He is also a graduate of the French Culinary Institute in New York City.

Adam Healy
Chief of Staff
202-690-8064, Adam.Healy@fas.usda.gov

Adam Healy serves as the Chief of Staff of FAS. Prior to joining the department in 2015, he served on the staff of the Senate Banking, Housing, and Urban Affairs Committee where he advised former Chairman Tim Johnson (D-South Dakota) on international trade and finance issues, including the reauthorizations of the Export-Import Bank and Defense Production Act, trade promotion, and export controls. Healy served as liaison and advisor on issues impacting rural and Native American communities, including economic inclusion, financial services, access to capital, mortgage finance, and affordable housing.

Before joining the Banking Committee staff, Healy led the National Telecommunications Cooperative Association’s outreach and advocacy efforts before the U.S. Senate. At NTCA, he focused on rural access to broadband and funding for USDA’s Rural Utilities Service programs.
### Organizational Budget and Financial Management

#### Foreign Agricultural Service Budget Authority FY 2009-2016 (Dollars in Thousands)

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<td>3,227,879</td>
<td>2,919,021</td>
<td>2,563,395</td>
<td>2,477,407</td>
<td>2,341,097</td>
<td>2,378,575</td>
<td>2,515,465</td>
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* a/ The Act provided $5 million from within McGovern-dole for local and regional procurement
* b/ FY 2016 includes funding for General Provision 748 and CCC reimbursement for BEHT
* c/ CCC-funded programs, except BEHT and other programs

### Other key items pertaining to funding:

1. FAS has requested an increase of $3,600,000 for International Cooperative Administrative Support Services (ICASS). ICASS was established by Public Law 104-208 (U.S. Department of State Appropriations Act) in 1996. The ICASS system is the principal means by which The U.S. Department of State (DoS) provides and shares the cost of common administrative
United States Department of Agriculture
2016 Presidential Transition
Foreign Agricultural Service (FAS)

support at its more than 200 diplomatic and consular posts overseas with FAS and all other foreign affairs agencies. Under the Chief of Mission’s authority, FAS relies on its base funding to maintain continuous administrative support services for overseas offices provided by DoS and the U.S. Agency for International Development (USAID). Under ICASS regulations, participating agencies are required to pay their portion of these “platform” costs. The anticipated expansion of the ICASS platform will increase the direct and indirect ICASS costs for FAS. Specifically, transitioning most of HR/OE into ICASS, conversion of Information Management Systems positions into ICASS, revision of the Global Information Technology Management count methodology and the backlog of ICASS positions to be filled. Based the DoS’s final statement for FY 2016 actual of $15.5 million, FAS has estimated FY 2017 at $17.3 (11.6 percent) a $1.8 million increase over 2016.

2. Costs for the Capital Security Cost Sharing (CSCS) Program have decreased over the past 2 years. DoS implemented the CSCS under the authority of Section 604 of the Secure Embassy Construction and Counterterrorism Act of 1999, as amended. The law authorizes the Secretary of State to determine the cost share amount allocable to each agency to support safe, secure, and in some cases new, U.S. diplomatic facilities. It applies to all agencies with overseas personnel under chief of mission authority. Agencies are required to pay their cost share in advance each year following guidance developed by DoS and reviewed by the Office of Management and Budget. The required contributions provided by FAS fund the construction of new U.S. Government facilities (i.e. Embassies and Consulates) and maintenance of existing facilities through-out the world. Following the September 11, 2012, attack on U.S. government facilities in Benghazi, Libya, DoS convened an independent Benghazi Accountability Review Board (ARB). Based on current discrepancies, FAS costs for CSCS are anticipated to decrease by $1.027 million.

3. In terms of reimbursements, FAS collaborates in joint activities with agencies such as DoS, USAID, ARS, APHIS. FAS reimbursables are administered for the following spend categories: ICAS, CSCS, APHIS, DAM administrative services, Greenbook Working Capital Fund and translation services. These services are provided by Department of State for overseas protection and support. This also includes administrative assistance for FSA, DAM and OCFO for departmental costs. Satellite imagery services are rendered for the following agencies: NRCS, APHIS, ARS, RMA, NAS and FS. FAS uses programs such as the McGovern-Dole, Cochran and Borlaug Fellowship Programs in cooperation with FAS, ARS and U.S. Universities to help support education, child development and food security in low-income, food-deficit countries around the globe. The programs offer scientific training and research in the U.S. to potential leaders from eligible countries related to short and long-term, market development as well as trade capacity building. These reimbursements may also cover technical workshops, meetings, conferences, training, travel, administrative costs and other fees.
Enterprise Workforce Data

**Workforce FY 2009-FY 2016**

- Headquarters*
- Overseas Posts**
- Total Staff

* Includes Schedule B/Term Employees
** Includes Locally Employed Staff

**Grade Level Distribution**

- GS 5-7, 3%
- GS 8-12/FO/FP, 27%
- GS 13-15/FO/FP, 66%
- ES/SES/FE, 3%

Distribution includes Schedule B/Term employees: GS 8-12 = 6.3% and GS 13-15 = 11.5%

ES/SES = Executive Service/Sr Exec Service
FE = Senior Foreign Service Officer
FO/FP = Foreign Service Officer
Highlights of the current FAS workforce are as follows:

- FAS employs a total workforce of approximately 1257 employees (1251 Full-time and 6 Part-time)
- FAS employs about 480 career civil service personnel
- FAS employs about 165 Foreign Service Officers (including 31 FSO Trainees)
- FAS employs about 252 Schedule B or Limited Term employees
- FAS employs about 337 Locally Employed Staff (LES) overseas
- FAS employs no seasonal and no temporary employees
- Of the permanent career workforce, 23 percent of Civil Service and 35 percent of Foreign Service are eligible to retire through calendar year 2017
- FAS headquarters is located in Washington, D.C. which houses 65 percent of the workforce
- FAS has 93 overseas offices covering 171 countries to work directly on behalf of our constituents and with foreign entities
- 35 percent of the FAS workforce are stationed overseas (8 percent Foreign Service Officers and 27 percent Locally Employed Staff)
- 62 percent of the Civil Service employees are unionized (AFSCME)
- 100 percent of Foreign Service employees are unionized (AFSA)
- FAS has 7 Mission Critical Occupations covering 81 percent of the workforce
II. Policies and Regulations

Statutory Authorities

The Foreign Agricultural Service was established on March 10, 1953, by Secretary's Memorandum No. 1320, “Revised Administrative Grouping of Department Agencies,” Supplement 1. Section 602 of Public Law 83-690, approved August 28, 1954, authorized the Secretary of Agriculture to appoint overseas agricultural attachés. FAS’s duties were consolidated in Title V of the Agricultural Trade Act of 1978, as amended. Secretary's Memorandum No. 1020-39, “Organization of the Department; Assignments and Reassignments of Functions,” dated September 30, 1993, transferred the functions of the former Office of International Cooperation and Development to FAS.

Title V of the Agricultural Trade Act of 1978, most recently amended in 2008, states that the Administrator of FAS is given the power to “exercise such functions and perform such duties related to foreign agriculture,” and may also be assigned other duties by law or by the Secretary of Agriculture (Title V, section 502 (b)). Additionally, the Administrator is responsible for oversight of FAS, the General Sales Manager, and the Agricultural Attaché Service (Title V, section 502 (c)).

Specifically, 7 USC §5693, mandates: “The Service shall assist the Secretary in carrying out the agricultural trade policy and international cooperation policy of the United States by

1. Acquiring information pertaining to agricultural trade;
2. Carrying out market promotion and development activities;
3. Providing agricultural technical assistance and training; and
4. Carrying out the programs authorized under this chapter, the Food for Peace Act (7 U.S.C. 1691 et. seq.), and other Acts.” (Title V, section 503)

USDA Departmental Regulation 1051-002 (December 2004) states that FAS’s responsibilities “include, but are not limited to, the responsibility to coordinate the carrying out by Department agencies of their functions involving foreign agriculture policies and programs and their operations and activities in foreign areas; acting as a liaison on these matters and functions relating to foreign agriculture with the Department of State, the United States Trade Representative, the U.S. Agency for International Development and foreign governments; conducting functions of the Department relating to the World Trade Organization, and legislation affecting international agricultural trade; and administering and directing the Department’s programs in international development, technical assistance and training carried out under the Foreign Assistance Act of 1961, as amended.”

Since 2010, the U.S. Agency for International Development (USAID) has also used its authority under the Foreign Assistance Act of 1961 (FAA) to initiate cash-based food assistance in response to international crises under the Emergency Food Security Program (EFSP) as a complement to Food for Peace Act (FFPA, also known as P.L. 480) Title II emergency in-kind food aid donations. In July 2016, EFSP was permanently authorized by the Global Food Security Act (P.L. 114-153, Title II, section 201).
There are six food assistance programs that are administered either by the Foreign Agricultural Service of the U.S. Department of Agriculture (USDA) or USAID. They are the P.L. 480, Section 416(b) program, the Food for Progress Act of 1985, the McGovern-Dole International Food for Education and Child Nutrition Program, the USDA Local and Regional Food Aid Procurement program, and the Emergency Food Security Program.

Statutory Authorities:

1. USDA Local and Regional Food Aid Procurement Program
   a. Section 3206 of the Food, Conservation, and Energy Act of 2008, as amended by the Agricultural Act of 2014
   b. 7 CFR Part 1590

2. McGovern-Dole International Food for Education and Child Nutrition Program
   a. Section 3107 of the Farm Security and Rural Investment Act of 2002
   b. 7 CFR Part 1599

3. Food for Progress Program
   a. Food for Progress Act of 1985
   b. 7 CFR Part 1499

4. GSM-102 Export Credit Guarantee Program
   b. 7 CFR Part 1493

5. Market Access Program
   a. Section 203 of the Agricultural Trade Act of 1978
   b. 7 CFR Part 1485

6. Foreign Market Development Cooperator Program
   b. 7 CFR Part 1484

7. Facility Guarantee Program
   b. 7 CFR Part 1493

8. Technical Assistance for Specialty Crops Program
   a. Section 3205 of the Farm Security and Rural Investment Act of 2002
   b. 7 CFR Part 1487

Important Policies and Regulations

The list below includes regulations that have either been deemed significant by the Office of Information and Regulatory Affairs (OIRA) or are significant to the programs of FAS.

1. USDA Local and Regional Food Aid Procurement (LRP) Program, 7 CFR Part 1590, RIN 0551-AA87 (Significant), published July 1, 2016.
FAS releases 3-4 regulations per year. FAS has only received one significant designation by OIRA in the last year and that was for the USDA Local and Regional Food Aid Procurement Program.

2014 Farm Bill Flexibilities on Food Assistance

USDA - The 2014 Farm Bill authorizes a $80 million annual USDA local and regional procurement (LRP) program for each of fiscal years 2014 through 2018. Based on a successful pilot LRP program funded in the 2008 Farm Bill, the LRP program authorized in 2014 will operate on annual appropriations. In FY 2016, $5 million was provided to be used in conjunction with McGovern-Dole programs. Grants have been awarded to the World Food Program for LRP programs in Laos and Rwanda, and to World Vision for an LRP program in Mozambique.

USAID - The 2014 Farm Bill extends the current authority for USAID’s Food For Peace (PL 480 Title II) through 2018 and increases flexibility by increasing the maximum allowable cash assistance available to 20 percent. By increasing the amount of cash available to support Food for Peace, USAID is able to reduce monetization of donated food to fund capacity building projects, purchase more food locally and regionally, and help disaster victims access food in their local markets. USAID reports that in 2014, the flexibility allowed food assistance to reach an additional 600,000 people.

Overview of the policy/regulation review process

FAS works closely with Departmental officials to ensure we are following the Department’s regulatory procedures. FAS generally implements programs through regulations. FAS provides thoughtful consideration when preparing documents associated with the regulatory process. When additional detail is required FAS provides detailed NOFAs, cost benefit analysis, civil rights impact analyses and frameworks. FAS utilizes several documents to assist in implementing the programs such as, the Food Assistance Programs Guidebook (McGovern Dole, FFPr and LRP), sample templates, applications and eligibility and application requirements for U.S. and Foreign financial institutions (GSM-102 and FGP), as well as compliance review guides, and program evaluations requirements (MAP, FMD, and TASC). Program area experts within FAS identify when a regulation or a change in a regulation is required. The program area experts in collaboration with the Regulatory Officer in the Office of the Chief Operating Officer work with the Office of the Administrator, Public Affairs Office, and the Office of Civil Rights. The program area experts and the Regulatory Office also works with the Office of the General Counsel, Office of the Under Secretary for Farm and Foreign Agricultural Services, Office of Communications, Office of Congressional Relations, Office of the Chief Information Officer, Office of Budget and Program Analysis, and the Office of Management and Budget. FAS utilizes various means and methods to implement the programs throughout FAS. FAS communicates with the Department on the programs through Communication plans. The programs are implemented within the agency once the regulations have become effective by publication in the
Federal Register. FAS then communicates with the public through news releases and announcements on the FAS website.

GAO and OIG Audits

In its February 6, 2014, audit report on the “Section 632(a) Transfer of Funds from USAID to USDA for Afghanistan” (50601-0002-16), OIG recommended that FAS fully implement a formal monitoring and evaluation process and a grants management structure, and implement the recommendations outlined in a 2010 Acuity consulting firm review. This report can be found on the USDA OIG’s website at http://www.usda.gov/oig/webdocs/50601-0002-16.pdf.

In its March 28, 2013, audit report on the “Effectiveness of the Foreign Agricultural Service’s Recent Efforts to Implement Measurable Strategies Aligned to the Department’s Trade Promotion and Policy Goals” (50601-0001-22), OIG found that the measurable goals and objectives included in FAS’s Strategic Plan do not present the whole picture of how FAS’s actions are affecting the global market for American agricultural goods, and that FAS has not updated its Country Strategy Statements, USDA’s Global Market Strategy, or the corresponding performance measures in the Department’s Performance and Accountability Report to align with the goals and objectives contained in the FAS Strategic Plan. This report can be found on the USDA OIG’s website at http://www.usda.gov/oig/webdocs/50601-0001-22.pdf.

III. Congressional Relations and Issues

Overview

The House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition and Forestry have jurisdiction and provide oversight relating to foreign agriculture, foreign food or commodity assistance, foreign trade and marketing issues, and the operation of FAS. Most FAS programs are authorized by these two committees though multi-year farm bill legislation.

In addition, the House Foreign Affairs Committee shares some jurisdictional authority with the House Agriculture committee over FAS foreign food assistance and capacity building programs. The House and Senate Appropriations Committees and their Agriculture Subcommittees have the responsibility for funding the programs and activities of FAS and oversight of the expenditure of FAS funds. The agricultural appropriators also fund USAID’s Food for Peace Programs via a pass through of funds, approximately $1.5 billion annually, appropriated to USDA.

Although they have no direct jurisdictional responsibility for FAS programs, the Senate Committee on Finance and the House Committee on Ways and Means have jurisdiction generally over international trade, a key focus of the FAS mission. FAS often participates in briefings and hearings before the trade committees with colleagues from the Office of the U.S. Trade Representative before the trade committees.

The 2014 Farm Bill authorizes most FAS programs through 2018. The new Administration will likely face farm bill hearings as early as spring 2017 as Congress gears-up to consider
reauthorization. The new Administration will have the opportunity to weigh in on any changes regarding the efficiency and effectiveness of existing programs or ideas for new programs.

FAS operates complementary farm bill-authorized trade promotion programs, including the Market Access Program (MAP), Foreign Market Development (FMD), and the Emerging Market Program (EMP). These programs have broad support among the agriculture committees and among agricultural trade associations. In the past, these programs have received some criticism from a few fiscally-focused members, often outside the agricultural community. Annual funding through the Commodity Credit Corporation (CCC) for the programs is: MAP - $200 million; FMD - $35 million, and EMP - $10 million. A program for the horticulture sector, the Technical Assistance for Specialty Crops, funded annually at $9 million, enjoys broad support.

FAS’ farm bill-authorized food assistance and capacity building programs also garner broad support among members of the House and Senate agriculture committees and private voluntary organizations (PVOs) that are implementing partners. The McGovern-Dole International Food for Education and Child Nutrition Program administered by FAS enjoys universal support in Congress. Annual appropriations have been close to $200 million annually. The Food for Progress (FFPr) program administered by FAS supports agricultural development projects in developing countries with funds generated by monetization of donated U.S. commodities. The issue of the costs versus benefits of monetization will likely be raised during farm bill consideration in Congress. FFPr funding through CCC is projected at $175 million for fiscal year 2017.

U.S. cargo preference laws require that a percentage of U.S. government cargo, including international food aid, be transported on U.S.-flag vessels. The intention of cargo preference is to ensure a merchant marine capable of providing sealift capacity in times of war or national emergency. The U.S. Department of Transportation’s Maritime Administration (MARAD) is responsible for implementing the U.S. cargo preference program. The Senate Committee on Science, Commerce, and Transportation and the House Committee on Transportation and Infrastructure have jurisdiction over MARAD and U.S. cargo preference laws. Legislative efforts to increase or decrease cargo preference requirements should be expected to continue in the 115th Congress. Maritime interests, strongly support existing cargo preference requirements. Humanitarian groups and the GAO have highlighted cargo preference’s increased cost to food assistance shipments, which cuts into the volume of potential food assistance.

U.S. policy towards Cuba is an issue that the next Congress will continue to address. There is strong support in the U.S. agriculture community for the establishment of USDA’s presence in the U.S. Embassy in Cuba and enactment of statutory changes to allow for credit financing of exports and ending a prohibition on the use of FAS marketing programs.
United States Department of Agriculture
2016 Presidential Transition
Foreign Agricultural Service (FAS)

IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

External Partnerships

- State Department: coordinate on policy concerns and operational issues impacting overseas offices and personnel, provide funding for technical assistance programs, collaborate on White House initiative on Historically Black Colleges and Universities
- National Security Council: collaborate on a breadth of topics that range from country specific and regional issues as well as broad topics (such as trade, climate change, and global food security initiatives). NSC serves as convening body of interagency coordination
- United States Trade Representative: coordinate to set priorities for engagement with foreign trading partners on a number of issues: trade agreements, enforcement of trade agreements, negotiation strategies, etc. Also work together to select advisors of the agricultural policy advisory committee and trade advisory committees.
- U.S. Agency for International Development: FAS provides technical assistance on various aspects of agriculture and food security, collaborates with Land-Grant Universities and Minority Serving Institutions (HSIs, Tribal Colleges), as well as on White House initiative on Historically Black Colleges and Universities.
- Other Independent Foreign Assistance Agencies (Millennium Challenge Corporation, U.S. Trade and Development Agency): coordinate on agricultural development and food security policy.
- Equal Employment Opportunity Commission: Employment related issues
- Department of Justice: Oversight of Title VI applications to trade and development programs
- Minority Serving Institutions (MSI): agency-led outreach on issues and programs not in collaboration with other USG Departments
- Department of Commerce: collaboration on trade, exports and sugar issues.
- International Organizations: World Trade Organization (WTO), United Nations (UN) and its underlying organizations such as World Food Programme, UNESCO, UNCTAD, UNICEF and the Food and Agriculture Organization (FAO), and International Fund for Agricultural Development (IFAD) on issues regarding trade and exports, and Sustainable Development Goals, institutional issues, and global threats to food security.
- Private Voluntary Organizations: attend conferences, coordinate food aid implementation and address global food security issues
- American Foreign Service Association and American Federation of State, County, and Municipal Employees: unions and bargaining units

Internal Partnerships

- FAS partners with RD’s Community Economic Development (CED) Division, which serves as USDA’s national technical resource on cooperative development to educate and provide technical assistance to select international delegations. Cooperatives play a key role in developing local and regional food systems that support farmers and help grow rural
economies - providing more opportunities for farmers and ranchers, more choices for consumers, and more jobs. Moreover, RD’s CED staff implements regional plans and financing strategies where local food has served as an economic driver in many of its target unserved and underserved communities in the U.S. Many of these regional plans aim to expand local food businesses and manufacturing to help exporters develop and maintain global markets, which opens further opportunities for collaboration with FAS.

- Animal and Plant Health Inspection Service (APHIS): collaborates on technical issues impacting trade and trade policy (i.e. animal health, plant health, biotechnology, international standard setting bodies, etc.), and trade capacity building programs
- Food Safety and Inspection Service (FSIS): works with experts on technical matters concerning meat and poultry trade
- U.S. Codex office: cooperates on capacity building programs in Latin America, Asia and Africa
- National Institute of Food and Agriculture (NIFA): is a conduit to the land-grant universities
- USDA Research, Education and Economics Mission Area (REE): Agricultural Research Service, the Economic Research Service and the National Agricultural Statistics Service, to provide market information technical assistance and policy guidance on food security issues
- USDA Natural Resources and Environment Mission Area (NRE): climate change issues and capacity building
- Rural Development: strengthening rural economies in emerging markets and developing countries
- Human Resources: customer of Marketing and Regulatory Programs/APHIS (MRP/APHIS)
- Management Services: customer of Farm Service Agency/Management Services Division (FSA/MSD)
- Financial Management: customer of APHIS/Financial Management Division (APHIS/FMD)
- Personnel Security: customer of Farm Service Agency/Emergency Preparedness Division (FSA/EPD)
- Procurement: customer of Farm Service Agency/Acquisition Management Division (FSA/AMD) and Department of the Interior/Interior Business Center (DOI/IBC)
- Information Technology: customer of USDA Office of the Chief Information Officer/Client Technology Services (USDA OCIO/CTS) and the Department of State for overseas IT services (DoS)
- OASCR: compliance oversight

**Stakeholder group overview**

FAS regularly consults with external stakeholders, including customers, partners, cooperators, trade associations, private voluntary organization (PVO) implementers, technical and policy experts on food and agricultural trade, agro-industry, research and academia, regarding our programs’ effectiveness. Below is a chart depicting the external stakeholders and their purpose, broken out by FAS Pillars. Examples include advisory committees, cooperators, commodity boards, and private voluntary organizations. Such groups play an active and prominent role in FAS organizational activities and programs. FAS regularly consults with stakeholders and seeks validation of all goals, objectives and performance measures from employees and the public.
### Foreign Agricultural Service (FAS)

#### Strategic Consultations

<table>
<thead>
<tr>
<th>Program Activity/Pillar</th>
<th>Timeline</th>
<th>Customer/Stakeholder</th>
<th>Purpose</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Promotion</td>
<td>Bi-annually, usually in Washington DC or Baltimore, MD</td>
<td>U.S. Agricultural Export Development Council</td>
<td>These regularly scheduled conferences are specifically tailored to be listening sessions to help FAS leadership and staff better address the issues and needs of diverse commodity and food export interests across the United States.</td>
</tr>
<tr>
<td>Trade Promotion</td>
<td>Ongoing</td>
<td>Cooperators and U.S. Industry</td>
<td>FAS partners with approximately 70 cooperator groups representing a cross-section of the U.S. food and agriculture industry. In turn, these groups also provide input on market access issues for hundreds of products.</td>
</tr>
<tr>
<td>Trade Policy</td>
<td>Periodic meetings scheduled in consultation with Office of Secretary of Agriculture on as-needed basis</td>
<td>U.S. Agricultural Technical Advisory Committees (ATAC)</td>
<td>Ensures that representative elements of the private sector have an opportunity to provide their views on trade and trade policy matters to the U.S. government. ATAC is operated jointly with USTR.</td>
</tr>
<tr>
<td>Trade Policy</td>
<td>Periodic meetings scheduled in consultation with Office of Secretary of Agriculture on as-needed basis</td>
<td>U.S. Agricultural Policy Advisory Committee (APAC)</td>
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</tr>
<tr>
<td>Trade Policy</td>
<td>Ongoing</td>
<td>U.S. Trade Associations and Companies, WTO</td>
<td>Interest groups meet with FAS to discuss issues of concern regarding trade and exports. FAS works with WTO on trade and export issues.</td>
</tr>
<tr>
<td>Capacity Building/Food Security</td>
<td>Annually or biannually</td>
<td>Private Voluntary Organizations (PVOs) attending the International Food Aid and Development Conference</td>
<td>Largest food aid and development conference in the United States where USDA and USAID meet with PVOs and U.S. farmer associations to coordinate food aid implementation and address global food security issues.</td>
</tr>
<tr>
<td>Capacity Building and Development</td>
<td>Ongoing</td>
<td>U.S. Agency for International Development and U.S. Department of State; USTDA, MCC, OPIC</td>
<td>Cooperating funding partners for many of FAS’s trade capacity building programs and activities, and principal U.S. Government foreign assistance and foreign policy leaders.</td>
</tr>
<tr>
<td>Capacity Building and Development</td>
<td>Ongoing</td>
<td>United Nations agencies, including World Food Programme, the Food and Agriculture Organization and others (IFAD, UNESCO, UNCTAD, UNICEF)</td>
<td>Annual governance meetings to discuss Sustainable Development Goals, institutional issues, global threats to food security.</td>
</tr>
</tbody>
</table>
Recent engagements with stakeholder group

**ICC-IA.** The Intradepartmental Coordination Committee on International Affairs (ICC-IA) was established by Departmental Regulation (DR) 1051-02 of December 22, 2004. The purpose of the committee is to share information across the Department about what individual agencies are doing internationally, coordinate the Department’s external messages to individual countries at formal meetings of international organizations, and address specific topics in which the Department plays a role. The FAS Administrator chairs the ICC-IA, which meets quarterly. The last meeting was held on July 20, 2016.

**APAC/ATAC.** The last Washington-based meeting was held on June 28, 2016, and no additional meetings are currently scheduled. Given that the membership term for 14 of the 157 current advisors will end on January 20, 2017, additional advisors will be chosen before the end of the year.

V. **Top Issues**

**Hot Topics**

**China issues summary.** China is forecast to be our top agricultural export market in 2017, bringing in over $20 billion a year in sales. We are engaged on a number of issues in China, any of which may require senior leadership intervention during the first half of 2017. The China Strategic and Economic Dialogue (S&ED), which will take place in the United States (location TBD) in June 2017, is an appropriate forum to discuss these issues. If earlier engagement is required (which could be the case for beef market access and the China Food Safety Law), the first scheduled opportunity for new USDA leadership would be a bilateral meeting on the sidelines of the January 22 G-20 Agriculture Ministers meeting in Berlin, Germany.

- **Beef Market Access:** Progress has been made on regaining access to the Chinese beef market, but several steps are still required. If discussions continue past the November 2016 Joint Commission on Commerce and Trade (JCCT) meeting, then FAS OA and FFAS engagement with the Ministry of Agriculture and Administration of Quality, Supervision, Inspection, and Quarantine will be critical in the first 6 months of 2017.

- **China Poultry:** If the proposed rule for China’s market access request for poultry is released before the end of 2016, a great deal of public discussion, Hill requests and engagement with industry/media is likely to ensue well into 2017.

- **Poultry/Avian Influenza:** China has refused to engage productively on its ban on all U.S. poultry exports, despite written and verbal requests from Secretary Vilsack, on top of repeated attempts by APHIS to engage China technically. Possible intervention by FFAS may be needed in early 2017 if there is no progress via the November JCCT.
Biotech/Approvals and Regulatory Reform: Continuous engagement by FFAS and lower levels will be needed to move China from verbal commitments to actions on biotech reforms, as well as on movement on products in the approval pipeline.

China Food Safety Law: On October 1, 2015, China’s new Food Safety Law went into effect. To enforce the Law, China has drafted and implemented an unprecedented number of new food regulations. The numerous drafts of the Law and additional, newly imposed measures create great uncertainty for U.S. exporters, and new USDA leadership may need to engage with Chinese counterparts if newly enacted regulations negatively impact U.S. exports.

Rice Protocol: United States and China have initialed a protocol that would allow U.S. milled rice to be shipped to China, but we are awaiting final signature. Only facilities that APHIS inspects and deems compliant with the protocol would be eligible to ship to China. USDA is pushing to sign the protocol in fall 2016, when there will be multiple opportunities to engage high level Chinese officials.

WTO litigation. We are involved in several WTO disputes currently. Key cases:

Offensive: China agricultural subsidies, India Avian Influenza, China poultry Anti-Dumping and Countervailing Duty Measures, Indonesia licensing

Defensive: Country of Origin Labeling, Argentine beef

Brazil: Operational terms for the program contained in the Brazil settlement need to be reviewed in light of recently established WTO disciplines on Export Credits. Some of the new disciplines are less restricting and will be reconciled with older more limiting disciplines related to the Brazil WTO negotiated settlement.

Argentina lemons rule. An APHIS proposed rule was published on May 10, 2016 with an extended comment period through August 10, 2016 that would allow the importation of fresh lemons from a region in northwest Argentina into the continental U.S. This proposed rule is very sensitive for the U.S. citrus industry. Argentina began a formal WTO dispute over citrus and first requested a formation of a WTO panel in December 2012, but so far has preferred to find a technical solution rather than begin litigating the case by making the second request for a panel.

Food and Agriculture Organization Ministerial in July 2017. This is a biennial meeting to set the budget and program of work for the next 2 years.
Biotech. A rapidly evolving U.S. domestic biotechnology regulatory environment has combined with trade barriers in key importers to create many challenges for U.S. exports of products of biotechnology. Initiatives are ongoing to address trade barriers in third-country import markets (e.g., China, EU), improve science-based decision making and policies globally, and ensure market access for emerging technologies.

Organic Equivalency. FAS assisted the Agricultural Marketing Service in implementing organic equivalency agreements with five other nations that help both farmers and consumers benefit from international organic markets worth more than $35 billion. These markets include Canada, the European Union, Switzerland, Japan and South Korea.

Trans-Pacific Partnership. This high-standard agreement opens markets and will support expansion of U.S. agricultural exports, increase farm income, generate more rural economic activity, and promote job growth. TPP Signatories include Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam – these countries represent nearly 40% of global GDP. A U.S. International Trade Commission report showed that the Trans-Pacific Partnership will increase U.S. exports by $57.2 billion annually by 2032 if TPP is passed. A report by the Farm Bureau found $8.5 billion in total additional farm receipts from the implementation of TPP ($5.8 billion for livestock, $2.7 billion for crops), and $4.4 billion in additional net farm income. In April 2016, more than 200 agricultural groups wrote House and Senate leadership citing the economic requesting approval of TPP by Congress this year. Kansas cattle, wheat, corn, sorghum, and soybean, as well as Michigan bean cattle, corn, pork, and soybean groups signed the letter. Recently, the Administration submitted the required draft Statement of Administrative Action. USTR continues work on an implementing bill for submission to Congress.

Transatlantic Trade and Investment Partnership. On July 12, 2013, the United States and the European Union began the first round of negotiations in pursuit of a comprehensive, trans-Atlantic free trade agreement. The EU is the world’s largest importer of agricultural products and food. TTIP negotiations are ongoing and in early October the 15th round of negotiations took place in New York.

Cuba. There is much interest in strengthening ties with Cuba, but significant legal constraints on what we can do as a government. Our primary focus for the first half of 2017 is to work with State Department on establishing a USDA presence in Havana, building on work begun in 2016. If USDA foreign service officer position is approved for placement in early 2017 and current legislation is changed to allow the use of USG market development funds in Cuba, new USDA leadership may also want to travel to Cuba in March or April to commemorate the one year anniversary of the 2016 USDA – Cuba Ministry of Agriculture Memorandum of Understanding and highlight bilateral “accomplishments.”
Regional, Bilateral and Multi-lateral Engagements in 2017.

- **G-20.** Germany is leading the G-20 this year and they plan on hosting a meeting of Agriculture Ministers on January 22. USDA has the lead for the United States in the planning, which can be handled at the staff level. We will need to identify a USDA head of delegation to represent at the meeting. Attendees will depend on the topic put forth by Germany in the Draft Declaration. (NOTE: The G-20 Agriculture Deputies Meeting will take place in December in Germany (location TBD).

- **U.S. – Canada Consultative Committee on Agriculture.** We have a number of technical issues with Canada that are usually discussed in this forum which is required to meet at least once, per year. The next CCA will take place in Washington, sometime between February and May.

- **G-7 Agriculture Ministerial.** This is tentatively scheduled for March – April 2017; the G-7 Ministerial is scheduled for May 26-27 in Italy.

**Canada dairy.** The U.S. dairy industry has pressed for action on Canada’s dairy policies that restrict U.S. access. We are working to do everything we can to stop new trade restrictive policies from being implemented. If that fails, we are developing a WTO litigation strategy, which might be ready in early 2017.

**Mexico.**

- **Sugar.** U.S. sugar policy is complicated in the best of times, with frequent calls from stakeholders for intervention to increase or reduce imports. The Department of Commerce is currently renegotiating terms of access for Mexico under the suspension agreement, which is adding to the complexity of overall management of the sugar program.

- **Potatoes.** Market access for U.S. potatoes has been blocked for 14 years, most recently by a series of national legal injunctions filed by Mexico’s potato industry. While gaining access is a priority, the plan for achieving this goal is evolving. USTR and APHIS have been leading on this issue. There is no indication when access might be granted, and the next steps are in the hands of Mexico’s Secretariat of Agriculture, Livestock, Rural Development, Fisheries, and Food (SAGARPA).
Haiti Peanuts. In December 2015 USDA signed an agreement with the World Food Programme (WFP) to provide commodities, including up to 1180 tons of packaged dry-roasted peanuts, to WFP to carry out a one-year project in Haiti under the McGovern-Dole Program in Haiti. In April 2016, numerous civil society members raised objections since peanuts are grown by Haitian farmers. The U.S. interagency concluded that the U.S. Ambassador needed official Haitian government confirmation to ship the donation, which FAS received on October 18, 2016.

Global Food Security Act (GFSA). Passed on July 20, with the Global Food Security Strategy submitted to Congress October 1, 2016. USDA has played a major role in the development of the whole-of-government strategy and the indicators for success. USDA needs a lead agency to coordinate and synthesize all of USDA’s programs. FAS plays that role, which at times requires a high-level, political entity.

WTO Ministerial. The WTO will have a Ministerial meeting in November or December of 2017, and the United States is already under pressure to reform its agricultural policies. Internal strategic decisions will be made in the first half of 2017 that will shape the U.S. approach to this meeting.

Israel. The United States and Israel have an Agreement Concerning Certain Aspects of Trade in Agricultural Products (ATAP) that has been extended several times. There are negotiations underway to develop an improved permanent agreement, including reducing tariffs on U.S. agricultural exports.

Pima Agriculture Cotton Trust Fund and Agriculture Wool Apparel Manufacturers Trust Fund. Authorized under the 2014 Farm Bill. Applications will be coming in from 2017 beneficiaries and USDA will be issuing payments.

Agribusiness Trade Missions. ATMs proposed to Asia (ethanol only-November) and Brazil (May) are pending and additional review/analysis is needed to identify any other feasible ATMs for FY 2017.

Facility Guarantee Program. A final rule was published September 22, 2016 with request for comments. The deadline for comments is March 21, 2017. Comments need to be evaluated, and if needed, policy and regulatory changes addressed.

USA Branding at USDA-endorsed trade shows. Recent trade shows have included new and consistent USA signage. This roll-out of USA Branding will continue through FY 2017.

Export Credit Guarantee Program (GSM) outreach. Office of Trade Programs’ Credit Operations staff will continue to conduct outreach to new foreign and domestic banks to expand GSM registrations.
Unified Export Strategy (UES) system upgrade. The FAS IT subcommittee has approved funding to conduct research and analysis to enhance financial integration between the UES and FSA system. The project requires Management Council concurrence and would begin to be implemented in FY 2017.

Market Development Program Allocations. FY 2017 program applications were submitted in May 2016, were reviewed and funding recommendations made in September. Program funding announcements for FY 2017 Market Access Program (MAP), Foreign Market Development Program (FMD), Emerging Markets Program (EMP), Technical Assistance for Specialty Crop Program (TASC) and Quality Samples Program (QSP) funds, will begin in October 2016, and programs with rolling applications will continue to be allocated through summer 2017.

Country Strategy Support Fund. FY 2017 Country Strategy Support Funds (CSSF) have been received, reviewed and will be allocated to FAS overseas posts, starting in October, and continuing until all available funding is utilized.

Sustainable Development Goals (SDGs): Since the passage of the SDGs in 2015, governments, international organizations, private voluntary organizations and agricultural think tanks are aligning their strategies to fulfill these high level, but loosely defined goals (e.g., “life on earth” and “climate action.”). Many of the goals relate to agriculture, food security or other areas where USDA has jurisdiction, and FAS, as the lead international agency, has to coordinate USDA’s input.

Trade Capacity Building: Alongside the agenda of passing trade laws, FAS is heavily involved in advancing the capacity of countries to meet their international commitments. Acts such as the African Growth and Opportunity Act specifically commit the U.S. government to helping the member countries strengthen their SPS systems.

Civil Rights.
- Agency Head Report – annual self-assessment on the civil rights programs per agency.
- Civil Rights Automation Project – the Office of Civil Rights is starting the process to automate its work process to streamline operations while increasing the data to improve analysis as well as service delivery throughout the Agency.

FAS Global Attaché Conference: FAS will propose to convene its overseas Embassy heads of office (about 100 Foreign Service Officers) in Washington DC in July, 2017 to meet with new USDA leadership and hear Administration priorities and concerns. This conference will be schedule to coincide with the annual meeting of the U.S. Agricultural Export Development Council, which is comprised of non-profit U.S. food and agriculture groups.
Hatched and Raised. When reopening their markets to U.S. poultry from highly pathogenic avian influenza (HPAI) closures, Korea and South Africa began requiring that U.S. poultry meat be produced from U.S. birds hatched and raised within the United States. Although less than 5-percent of U.S. turkey meat is produced from Canadian poult (chicks), all U.S. turkey exporters are required to certify that they are not using Canadian poult. To re-open these two markets USDA negotiators worked closely with representatives from the USA Poultry and Egg Export Council (USAPEEC) and the National Turkey Federation (NTF) to develop a market access strategy to immediately open the markets in the short-term by implementing an Export Verification (EV) program administered by USDA’s Agricultural Marketing Service (AMS). The AMS/EV program allows turkey producers and processors to meet the “origin” requirement. The NTF supported the EV program as a market opening measure but has subsequently raised concerns to FAS.

Planet Aid. Washington, DC’s NBC affiliate and the Center for Investigative Reporting published accounts of USDA’s relationship with Planet Aid, alleging that USDA gave “over $130 million” to an “international fugitive” affiliated with Planet Aid. The reports allege that funds were diverted to benefit a Danish organization called the Teachers Group, of which at least three members have been convicted of fraud or embezzlement. FAS granted $132 million to PAI over the past 12 years under the FFPr and McGovern-Dole programs. FAS requested the Office of the Inspector General to investigate further into this matter.

Timeline

September
- Facilities Credit Guarantee Program announced 9/22/16
- Americas Food and Beverage Trade Show, continued expansion of USA common branding at USDA endorsed trade shows

October
- MAP & FMD allocations announced
- McGovern-Dole International Food for Education and Child Nutrition, Local and Regional Procurement and the Food for Progress FY 2017 notice of funds availability announced
- Priorities for the Cochran and Borlaug Fellowship Programs announced
- CSSF allocations completed
- USDA Endorsed Trade Shows for 2017 and 2018 finalized and announced
- SIAL Paris Trade Show, continued expansion of USA common branding at USDA endorsed trade shows.
- World Food Prize ceremony – the week closest to October 17
United States Department of Agriculture
2016 Presidential Transition
Foreign Agricultural Service (FAS)

- 462 Report for FY 2016 – a report containing statistical data on the FAS federal workforce along with information concerning pre-complaint counseling and the status, processing and disposition of complaints under EEOC Regulation 29 C.F.R. § 1614.602 (and covered by 29 C.F.R. § 1614.603(b)).

November
- EMP, TASC & QSP allocations announced, estimated November/January/June
- Ethanol Trade Mission Support, Asia destination to be determined
- Agribusiness Trade Mission to Egypt (decision pending)
- Food and Hotel China (Shanghai), continued expansion of USA common branding at USDA endorsed trade shows
- U.S. Agriculture Export Development Council (USAEDC) Workshop, presentation of competitor studies, trade show working group meeting
- World Food Programme Major Executive Board in Rome
- Food Assistance Convention in London
- Food Aid Consultative Group consultations
- MD 715 Report for FY 2016 and FY 2017 – a report on the status for establishing an EEOC affirmative program of equal employment opportunity under Section 717 of the Title VII (Part A) and effective affirmative action programs under Section 501 of the Rehabilitation Act (Part B).

December
- SIAL Middle East, continued expansion of USA common branding at USDA endorsed trade shows

January
- Beginning of seasonal cycle of strategic stakeholder engagement, January-April
- Civil Rights Automation Project
- MGD, LRP, FFPr proposals due

February
- Continued expansion of USA common branding at USDA endorsed trade shows:
  - Gulfood Trade Show (Dubai), Supermarket Trade Show (Japan), Fruit Logistica (Germany), and BioFach Trade Show (Germany)
- Second World Food Programme Executive Board
March

- Continued expansion of USA common branding at USDA endorsed trade shows: FOODEX (Japan), VIV Asia (Thailand), and Food Ingredients China.

April

- Notification of FY 2018 MAP/FMD/EMP/TASC/QSP funding availability
- Continued expansion of USA common branding at USDA endorsed trade shows: Food and Hotel Vietnam, and Seafood Expo Global (Brussels)
- Payments due to Beneficiaries under Pima and Wool Trust Fund programs.
- Publish Federal Register Notice announcing U.S. WTO quantity safeguard trigger levels
- MGD, LRP and FFPr awards decided

May

- Continued expansion of USA common branding at USDA endorsed trade shows: HOFEXS (Hong Kong), SIAL Canada, Seoul Food & Hotel, SIAL China, and Food & Hospitality Africa.
- Agribusiness Trade Mission to Brazil (decision pending)

June

- UES Submission (MAP/FMD/EMP/TASC/QSP cooperator program application)
- China Strategic and Economic Dialogue (S&ED) (No date confirmed yet): The China S&ED is a high-level dialogue for the United States and China to discuss a wide range of regional and global strategic and economic issues between both countries.
Appendix A: Acronyms

Commonly used acronyms:

OA  Office of the Administrator
COO  Chief Operating Officer
OASA  Office of Agreements & Scientific Affairs
OCRA  Office of Country & Regional Affairs
OGA  Office of Global Analysis
OTP  Office of Trade Programs
OCBD  Office Capacity Building & Development
OFSO  Office of Director General of the Foreign Service
AFSA  American Foreign Service Association
AFSCME  American Federation of State, County, and Municipal Employees
FSO  Foreign Service Officer
LES  Locally Employed Staff
MGD  McGovern-Dole Program
FFPr  Food for Progress Program
MAP  Market Access Program
FMD  Foreign Market Development Program
EMP  Emerging Markets Program
TASC  Technical Assistance for Specialty Crops Program
QSP  Quality Samples Program
WHAT WE DO: OUR MISSION

The Risk Management Agency (RMA), through the Federal Crop Insurance Corporation (FCIC), provides crop insurance to American farmers and ranchers. There are 17 private-sector insurance companies that sell and service the policies. RMA develops and approves the premium rates, administers premium and expense subsidies, approves and develops products, and reinsures the private companies who deliver the program on behalf of the FCIC. RMA also sponsors educational and outreach programs and seminars on the general topic of risk management.

WHO WE ARE: OUR WORKFORCE

- RMA employs about 475 full time employees located at headquarters in Washington, DC, and throughout the country in 10 regional offices and 5 regional compliance offices.

WHO WE SERVE: OUR CONSTITUENTS

- RMA serves America’s farmers and ranchers by making available effective and market-based crop insurance.
- Crop insurance is delivered through a public-private partnership with approved insurance providers.

KEY UPCOMING DECISIONS

- President’s Budget – Recent budget plans have proposed cuts to the federal crop insurance program. Decisions will be made about whether these proposals will continue to be included in future budget plans.
- The Standard Reinsurance Agreement has not been renegotiated since 2010. Decisions will need to be made about future renegotiations.

BUDGET HIGHLIGHTS FY 2016

- Overall budget authority of $11.95 billion.
- 0.6 percent is discretionary spending for the Salaries and Expenses (S&E) of RMA.
- 99.4 percent is mandatory spending for the costs of the Federal crop insurance program (FCIC).
- Mandatory spending fluctuates due to changes in prices and weather.

FY 2016 Budget Authority

- 1% Salaries & Expenses
- 99% Federal Crop Insurance Corporation

FCIC includes Premium Subsidy, Delivery Expenses, Underwriting Gain, and Farmer Premium.
I. Organizational Overview

Mission Statement
Serving America’s agricultural producers through effective, market-based risk management tools to strengthen the economic stability of agricultural producers and rural communities.

RMA 2015-2018 Strategic Plan:

Strategic Goal 1 Increase the availability and effectiveness of Federal Crop Insurance as a Risk Management Tool while enhancing and protecting the soundness of the program

Outcome 1.1 American agricultural producers are better protected against the inherent risks of weather and price fluctuations.
Outcome 1.2 Rural communities’ income is enhanced through indemnity payments to local producers who suffer insured losses.
Outcome 1.3 American taxpayers are confident of an actuarially sound insurance program.

Strategic Goal 2 Ensure a fair and effective Risk Management Product Delivery System

Outcome 2.1 All producers have access to risk management products and information.
Outcome 2.2 Compliance with Federal Civil Rights statutes is ensured.
Outcome 2.3 Approved Insurance Providers, their agents and adjusters treat all producers fairly.

Strategic Goal 3 Educate stakeholders to ensure knowledge of and access to Risk Management Tools and Products

Outcome 3.1 Producers are knowledgeable of risk management tools and products.
Outcome 3.2 Educational resources are leveraged through partnerships with other governmental and nongovernmental entities.
Outcome 3.3 Producers have access to regionalized risk management education and information through RMA regional offices.

Strategic Goal 4 Safeguard the integrity of the Federal Crop Insurance Program

Outcome 4.1 Taxpayers are assured their tax dollars are used efficiently and effectively.
Outcome 4.2 Insurance fraud, waste, and abuse are deterred, detected, and addressed.
Outcome 4.3 Approved Insurance Providers, their agents, and adjusters fully comply with the Standard Reinsurance Agreement and all applicable statues and regulations.
United States Department of Agriculture
2016 Presidential Transition
Risk Management Agency (RMA)

**Strategic Goal 5** Create an RMA for the 21st Century that is high-performing, efficient, and adaptable

**Outcome 5.1** RMA is recognized as an Equal Employment Opportunity Commission (EEOC) “Model Employer.”

**Outcome 5.2** RMA resources are used efficiently.

**Outcome 5.3** RMA ranked in top ten of best places to work in USDA.


**Key mission delivery performance measures**

| **Goal 1: Increase the availability and effectiveness of Federal Crop Insurance as a risk management tool while enhancing and protecting the soundness of the program.** |
|---|---|---|---|---|---|---|
| 1.1 The annual normalized value of risk protection provided to agricultural producers through the Federal Crop Insurance program. USDA Strategic Plan Performance Measure | $56.3B | $62.1B | $66.0B | $67.9B | $68.7B | $63.3B |
| 1.2 The annual actual value of risk protection provided to agricultural producers through the Federal Crop Insurance program. | $110.9B | $116.20 | $122.8B | $109.5B | $100.3B | $100.3B |
| 1.3 The percentage of pasture, range-land, and forage (PRF) crop value insured in counties with Federal crop insurance PRF programs. | 4.80% | 6.60% | 7.40% | 7.20% | 7.40% | 8.9% |
| 1.4 Increase the number of beginning farmers who are receiving crop insurance incentives (cumulative)(New measure starting in 2015) | NA | NA | NA | NA | 15,098 | 14,075 |
### Goal 2: Ensure a fair and effective risk management product delivery system.

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<tr>
<td>2.1 The crop insurance participation rate for the ten staple crops</td>
<td>83.90%</td>
<td>83.10%</td>
<td>86.00%</td>
<td>85.80%</td>
<td>83.50%</td>
<td>84.3%</td>
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<tr>
<td>2.2 The actual value of risk protection provided to agricultural producers in underserved states though FCIC sponsored insurance</td>
<td>$1.9B</td>
<td>$2.3B</td>
<td>$1.6B</td>
<td>$2.2B</td>
<td>$2.2B</td>
<td>$1.9B</td>
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### Goal 3: Education and Outreach to stakeholders to ensure access to risk management tools and products.

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<tr>
<td>3.1 Number of producers reached with crop insurance education and risk education training through the Risk Management Education Partnerships.</td>
<td>79,531</td>
<td>81,000</td>
<td>48,403</td>
<td>112,734</td>
<td>89,799</td>
<td>49,360</td>
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### Goal 4: Assure the Integrity of the Federal Crop Insurance Program.

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<tr>
<td>4.1 Improper Payment Rate for the Federal crop insurance program.</td>
<td>4.72%</td>
<td>4.08%</td>
<td>5.23%</td>
<td>5.58%</td>
<td>2.20%</td>
<td>2.02%</td>
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<tr>
<td>4.3 The number of National Program Operational Reviews (NPOR) conducted on Approved Insurance Providers to determine their compliance with FCIC Regulations</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>4</td>
<td>0</td>
<td>2</td>
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<td>4.5 Estimated Total Cost Avoidance related to actions taken by the Regional Offices</td>
<td>$6.5M</td>
<td>$6.5M</td>
<td>$2.4M</td>
<td>$1.5M</td>
<td>$0.1M</td>
<td>$2.25M</td>
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### Goal 5: Create a RMA for the 21st century that is high performing, efficient, and adaptable.

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<tbody>
<tr>
<td>5.5 Percentage of producer identity</td>
<td>4.00%</td>
<td>3.60%</td>
<td>3.50%</td>
<td>3.30%</td>
<td>5.50%</td>
<td>2.0%</td>
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</table>
discrepancies between RMA and FSA Comprehensive Information Management System (CIMS) data

<table>
<thead>
<tr>
<th></th>
<th>16.10%</th>
<th>16.50%</th>
<th>18.40%</th>
<th>17.20%</th>
<th>14.00%</th>
<th>9.3%</th>
</tr>
</thead>
</table>

5.6 Percentage of producer acreage discrepancies between RMA and FSA for common crops

5.7 Earned Value of Emerging Information Technology Architecture (EITA) -- Maintain CPI and SPI indicators within 0.91 to 1.09

Congress first authorized Federal crop insurance in the 1930s along with other initiatives to help agriculture recover from the combined effects of the Great Depression and the Dust Bowl. The Federal Crop Insurance Corporation (FCIC) was created in 1938 to carry out the program. Throughout much of its history the FCIC was administered by the Farmers Home Administration (FmHA). The Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, [Public Law (P.L.) 103-354] merged portions of FmHA and the Agricultural Stabilization and Conservation Service (ASCS) to create the Consolidated Farm Service Agency (CFSA). At this time the FCIC was placed under the administration of the CFSA.

The Risk Management Agency (RMA) was established under provisions of the Federal Agriculture Improvement and Reform Act of 1996 (1996 Act), P.L. 104-127, enacted April 4, 1996. This Act required that the Secretary establish within the Department an independent office responsible for supervision of the FCIC. RMA provides administration and oversight of programs authorized under the Federal Crop Insurance Act (7 U.S.C. §§ 1501-1524) including a variety of actuarially sound crop and livestock insurance products and funding for risk management education programs.

Since the 1930s, Federal crop insurance has been the primary product provided by the FCIC/RMA and consists of various alternatives designed to improve the economic stability of agriculture. Legislation over the past two decades, including the 2014 Farm Bill, has prompted significant program growth and the development of many large and complex new programs. RMA continuously strives to provide adequate risk protection for our Nation’s agricultural producers and to identify and address concerns about Federal crop insurance.

RMA monitors, evaluates, reviews and updates risk management products; reviews and implements private sector products approved by the FCIC Board of Directors (Board) to be reinsured by FCIC; and ensures proper delivery of these products to agricultural producers. Risk management products
can help producers protect themselves from yield risks, market risks, or both. Private sector individuals (or groups) who have specific ideas in mind as to what type of risk management insurance products are needed for their crops or livestock can develop insurance products to be considered for approval by the Board. Section 508(h) of the Federal Crop Insurance Act (Act) allows private parties to develop insurance products that are: (1) in the best interests of producers, (2) follow sound insurance principles and (3) are actuarially appropriate. RMA also has authority to develop new products and enhancements to existing products. Examples of recent enhancements to the crop insurance program include the Supplemental Coverage Option, the Stacked Income Protection Program, expanded Whole Farm Revenue Protection, new and expanded beginning farmer and rancher provisions, Actual Production History Yield Exclusion Options, coverage level and enterprise units by irrigation practice provisions, improved and expanded coverage for organic producers, expanded forage options, conservation compliance requirements, and trend adjusted Actual Production History. Education and non-insurance risk management assistance initiatives and tools further contribute to the producers’ ability to protect their financial stability. Through the use of these tools, agricultural producers have available, a cost-effective means of managing their risk and are able to contribute to a rural economy that is self-sustaining, repopulating, and economically thriving.
Organizational Chart

The Risk Management Agency serves America’s agricultural producers through effective, market-based risk management tools to strengthen the economic stability of agricultural producers and rural communities.

Supersedes RMA chart dated August 25, 2006
Biographies of career staff in key leadership positions

Michael Alston
Associate Administrator
202-690-2533, Michael.Alston@rma.usda.gov

Michael Alston has served as the Associate Administrator of the USDA’s Risk Management Agency (RMA) and Deputy Manager for the FCIC Board since 2013. Mr. Alston brings extensive years of experience within RMA, as well as with other federal agencies.

Mr. Alston’s strong program knowledge and leadership experience has provided guidance for many years within the agency, and for all of its key programs. He has served as the Deputy Administrator of the Insurance Services Division, and as the RMA Associate Deputy Administrator for Compliance. Previous to these positions, Mr. Alston oversaw crop insurance operations in Illinois, Indiana, Michigan, and Ohio as the Director of the RMA Springfield Regional Office.

Prior to joining USDA Mr. Alston worked as a Supervisory Special Agent for the Drug Enforcement Administration (DEA) and State Department. Mr. Alston is a graduate of OPM’s Federal Executive Institute and has completed the program for Senior Managers in Government at Harvard University’s John F. Kennedy School of Government in 2015.

A native of Michigan, Mr. Alston holds a Bachelor’s Degree from Michigan State University.

Robert Ibarra
Deputy Administrator for Insurance Services
202-260-8286, Robert.Ibarra@rma.usda.gov

Robert began his Federal crop insurance career in 1993 as a Risk Management Specialist and has served as Deputy Director in the Valdosta, Georgia and Jackson, Mississippi Regional Offices. In 2011, Robert was selected to the position of Supervisory Program Manager in the Risk Management Services Division in Washington, DC and has served as Director of the Division from February 2012 through February 2015.

Robert’s background includes a Master of Science degree in Management from Florida State University with a major in Risk Management and Insurance, a Master of Public Administration degree from Valdosta State University in Public Sector Management, and a Bachelor’s degree from the Valdosta State University in Economics.

Richard Flournoy
Deputy Administrator for Product Management
202-690-2369, Richard.Flournoy@rma.usda.gov

Richard was raised on a cotton, peanut, corn, and timber farm in Camilla, Georgia. He attended Abraham Baldwin Agricultural College and the University of Georgia for his undergraduate studies
and received his law degree from Mercer University. Following law school, he earned a Master of Laws degree in Agricultural and Food Law from the University of Arkansas School of Law.

Prior to this position, Richard served as Chief of Staff of RMA where he oversaw and coordinated day to day operations of the agency including interaction with Congressional offices and House and Senate Agricultural Committee staff, briefing the Under Secretary and Deputy Under Secretary in FFAS, and coordinating with NRCS and FSA to implement Conservation Compliance provision of the Farm Bill. Prior to serving as Chief of Staff, Richard served as Special Assistant to the Administrator. In this capacity, he served as liaison for the Administrator to RMA staff and coordinated implementation of the 2014 Farm Bill.

Richard and his wife, Michelle, recently welcomed their first child, Alice Josephine, on Labor Day.

Heather Manzano  
Deputy Administrator for Compliance  
202-720-2832, Heather.Manzano@rma.usda.gov

Heather Manzano is the Deputy Administrator for Compliance with the Risk Management Agency, located in Washington, DC. Heather began her Federal crop insurance career in 1992 as a student intern and became a permanent employee upon graduation from college in 1994. Heather has served in several different capacities within the Risk Management Agency including Civil Rights Compliance Officer, Associate Deputy Administrator for Insurance Services, and Director for the Special Investigations Branch. In 2014, Heather was selected to the position of Deputy Administrator for Compliance.

Under Heather’s leadership, Compliance developed a new review and sampling methodology for improper payments which resulted in a sharp decline in the agency’s improper payment rate. Heather also worked with a consultant to redesign Compliance’s performance reviews of the AIPs to ensure the integrity and accountability of our industry partners.

Heather’s background includes a Bachelor’s degree from The George Washington University with a major in International Economics and a minor in Spanish. Heather can read and write fluently in Spanish.

Biographies of political staff in key leadership positions

Brandon Willis  
Administrator  
202-690-2803, Brandon.Willis@rma.usda.gov

Prior to Willis’ appointment as Administrator in 2013, Willis served as Senior Advisor to Agriculture Secretary Tom Vilsack on Title I Commodity programs, farm legislation matters and disaster assistance. In August 2009 he was appointed as Deputy Administrator of Farm Programs for USDA's Farm Service Agency (FSA).
Prior to his appointment as Deputy Administrator, he was a confidential assistant in USDA’s Office of the Undersecretary for Farm and Foreign Agricultural Services.

Before joining USDA Willis served as the Agriculture Legislative Assistant for U.S. Senator Max Baucus (2006-2009). During this time, he worked on the Food, Conservation, and Energy Act of 2008. In 2005, he worked as a graduate assistant at the National Agricultural Law Center. Willis earned his bachelor's degree in crop and soil science from Utah State University in Logan, Utah, and his law degree from the University of Wyoming in Laramie, Wyo. In 2009, he completed his master's degree in agricultural law from the University of Arkansas. He grew up on a third generation sheep ranch in northern Utah and managed his family's raspberry farm, Bursting Berries.

Tim Gannon
Associate Administrator
202-690-2533, Tim.Gannon@rma.usda.gov

Tim Gannon has served as Associate Administrator for RMA since January 2015. In this position, Tim has lead major efforts resulting in a stronger crop insurance program and a more streamlined government. He has focused on an agency effort to evaluate and implement continued improvements to program integrity and ramping up the Acreage Crop Streamlining Initiative from a limited pilot in 30 counties in Iowa and Illinois in 2015 to a 50 state process in Spring 2016.

Prior to this appointment, Tim served as Director of Advance for Secretary Vilsack. In this capacity, he oversaw planning and implementation of the Secretary’s domestic and international travel and worked with employees across the Department and around the country to build events highlighting the important role USDA plays in the lives of all Americans. He began his USDA career in Rural Development helping implement the American Recovery and Reinvestment Act Business and Industry Loan Program which helped extend over $1 billion in credit to businesses in Rural America. He grew up in Mingo, IA, where his parents raise corn and beans on the farm that has been in the family for over 100 years. He earned his Bachelor’s Degree in Global Studies at the University of Iowa. Tim and his wife Liz currently reside in Washington, DC.

Pat Engel
Director of Congressional and External Affairs
202-720-8812, Patricia.Engel@rma.usda.gov

Pat Engel, who joined USDA in 2008 as Director of Congressional and External Affairs for the Risk Management Agency, is a specialist in third party stakeholder relations, an executive consultant in government and public affairs. Formerly with Amplify Public Affairs, LLC, in Washington, DC. Pat leveraged her expertise in rural and agricultural issues to provide third party stakeholder management to rural and agricultural groups as well as supporting Amplify’s (formerly IDI) corporate clients.

Ms. Engel has prior service with the United States Department of Agriculture with the Risk Management Agency, which runs a nationwide crop insurance program. Prior to relocation to the D.C. area, Pat was the Assistant Director of Student Services at the Bronx campus of Monroe
College where she helped design an educationally viable, cost-effective student tutoring center. In addition, as a fully licensed teacher, provided special education services in child and adult reading remediation.

Ms. Engel attended schools in New York City, and holds an undergraduate degree in Political Science from the Herbert H. Lehman College of the City University of New York.
United States Department of Agriculture  
2016 Presidential Transition  
Risk Management Agency (RMA)

Organizational Budget and Financial Management

Risk Management Agency  
Budget Authority FY 2009-2016  
(Dollars in Millions)

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<td>FCIC Share of Net Loss</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Excess Capital (FY Premium - FY Losses)</td>
<td>-219</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Mandatory Sub-total</strong></td>
<td>10,978</td>
<td>7,549</td>
<td>10,326</td>
<td>13,173</td>
<td>21,580</td>
<td>13,367</td>
<td>11,826</td>
<td>11,876</td>
</tr>
<tr>
<td><strong>Premium Collected:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Offsetting Collections of Premiums</td>
<td>-4,211</td>
<td>-2,449</td>
<td>-3,148</td>
<td>-5,004</td>
<td>-8,809</td>
<td>-4,043</td>
<td>-3,487</td>
<td>-3,449</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 6,844</td>
<td>$ 5,180</td>
<td>$ 7,257</td>
<td>$ 8,244</td>
<td>$ 12,840</td>
<td>$ 9,394</td>
<td>$ 8,414</td>
<td>$ 8,502</td>
</tr>
</tbody>
</table>

In the 2008 farm bill congress accelerated collection of premium by shifting the due date from November to August. That caused a spike in collections in 2013 when we collected in November 2012 (beginning of FY 2013) and again in August of 2013 (end of FY 2013).
The RMA Agency Budget table represents the Salaries and Expenses (S&E) (discretionary funds), which pay for the administrative and operating costs to achieve the RMA mission, goals, and objectives.

The RMA Agency Budget table also includes the Federal Crop Insurance Corporation (FCIC) Program (mandatory funds), which include the Premium Subsidy (amount the Federal government is contributing towards the insurance premiums), Delivery Expense (amount to reimburse the Approved Insurance Provider (AIP; company) for Administrative and Operating Expenses [A&O]), Underwriting Gain (amount the FCIC and AIPs share on gains and losses), and Producer Premium (portion of the policies that the producers pay). RMA pays for indemnities or losses on crop insurance from the combination of Producer paid premium and premium subsidy.

The FCIC provides an actuarially sound risk management program that protects against agricultural production losses due to unavoidable causes such as drought, excessive moisture, hail, wind, hurricane, tornado, lightening, and insects. The FCIC mandatory funds support RMA’s mission to serve America’s agricultural producers through effective, market-based risk management tools and solutions to strengthen the economic stability of agricultural producers and rural communities.
Enterprise Workforce Data

Enterprise Workforce Data

GS Level Distribution

GS 8- GS 12, 36%
GS 5 - GS 7, 7%
GS 13- GS 15, 55%
ES/SES, 2%
RMA employs a workforce of approximately 475 employees of which the following are full-time and part-time:

- Full-time: 474 employees
- Part-time: 1 employee

Approximately 36 percent of the workforce is unionized.

Of our total workforce, approximately 23 percent are eligible to retire within the next year.

Our headquarters is located in Washington, D.C., which houses 19 percent of our workforce.

RMA has 10 regional offices and 5 regional compliance offices throughout the country.

81 percent of the employees are stationed outside of Washington, DC.
II. Policies and Regulations

Statutory Authorities


Important Policies and Regulations

- So far this year, RMA has published the following rules. All of these rules were published to meet the needs of policy holders and to finalize implementation of the 2014 Farm Bill, address issues of double cropping, and revise the procedures for the Federal Crop Insurance Corporation Board of Directors
  - General Administrative Regulations; Subpart V - Submission of Policies, Provisions of Policies and Rates of Premium, Final Rule (Published Aug 12, 2016) – This final rule amended existing procedures for submitting policies to the Federal Crop Insurance Corporation Board of Directors. This finale rule was designated not significant.
  - Common Crop Insurance Regulations, Basic Provisions (Double Cropping and Practical to Replant), Final Rule with Comments (Published June 22, 2016). This final rule provided greater flexibility in determining double crop eligibility. In addition, the regulation changed the definition of “practical to replant.” This finale rule was designated not significant.
  - General Administrative Regulations; Catastrophic Risk Protection Endorsement; Area Risk Protection Insurance Regulations, Basic Provisions, (2014 Farm Bill) Final rule (Published June 30, 2016). This final rule implemented multiple provisions of the 2014 Farm Bill. This finale rule was designated economically significant.
  - Common Crop Insurance Provisions, Texas Citrus Crop Insurance Provisions Final rule (Published June 13, 2016). This final rule amended the Texas Citrus Fruit policy to provide policy changes to better meet the needs of policyholders, to clarify existing policy provisions, and to reduce vulnerability to program fraud, waste, and abuse for the 2018 and succeeding crop years. This finale rule was designated not significant.

Overview of the policy/regulation review process

- RMA administers its programs by reinsuring Approved Insurance Providers (AIPs) who sell and service crop insurance for America’s farmers and ranchers under a Standard Reinsurance Agreement (SRA) that contains the contractual obligations that affect the conduct of AIPs, agents and loss adjusters. RMA also issues procedural directives in the
form of underwriting, loss adjustment and administrative procedural handbooks AIPs, agents and loss adjusters must follow in administering the programs reinsured by RMA.

- RMA also has general regulatory provisions related to various program matters, most notably related to actual production yields, debt management, appeals process, standards for approval of SRAs, sanctions, preemption, ineligibility, requests for interpretations, and submissions of policies or plans of insurance by private parties. These regulations affect all participants in the Federal crop insurance program and may only be changed through the regulatory process.

- Many of the crop insurance policies are codified in regulation. RMA determines a need for a change to an existing regulation or for a new regulation. RMA solicits feedback from stakeholders with respect to whether changes to policy provisions are necessary. Once a change is warranted or a pilot policy needs to be codified, RMA prepares a draft of the rule and a determination is made regarding the type of rule—Proposed Rule, Final Rule or Final Rule with Comment. Changes to policy provisions are generally published as Final Rule with Comment. All changes must be made by the deadlines contained in the published policies. Therefore, changes must be made by specified dates known as the “contract change date.” There are pilot programs and approved policies submitted by private entities under section 508(h) of the Federal Crop Insurance Act that are not codified but whose terms and conditions are binding on the AIPs and insureds.
## GAO and OIG Audits

**Office of the Inspector General (OIG) Audits, As of August 2016**

<table>
<thead>
<tr>
<th>Audit Number</th>
<th>Description</th>
<th>Report URL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Report ID</td>
<td>Title</td>
<td>URL</td>
</tr>
<tr>
<td>--------------</td>
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<td>----------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
### USDA Monitoring of Highly Erodible Land and Wetland Conservation Violations

- **GAO Number**: 50601-0005-31
- **GAO Name**: USDA Monitoring of Highly Erodible Land and Wetland Conservation Violations

### RMA: Crop Insurance Compliance Case Management

- **GAO Number**: 05601-0004-31
- **GAO Name**: RMA: Crop Insurance Compliance Case Management

### Government Accountability Office (GAO) Audits, As of August 2016

#### RISK MANAGEMENT AGENCY GAO AUDITS 2012- Present

<table>
<thead>
<tr>
<th>GAO Number</th>
<th>GAO Name</th>
<th>GAO Link</th>
</tr>
</thead>
</table>
III. Congressional Relations and Issues

Overview

RMA maintains communications with Congress Members and Senators through the Office of Congressional Relations (OCR). Most Congressional inquiries fall into three categories: inquiries on behalf of constituents, general questions about the program, and inquiries regarding ideas for legislation.

RMA has provided briefings to Congress in recent years on Presidents’ budget requests and progress of Farm Bill implementation. Particular items of interest include:

- Crop Insurance Industry Health
- Improper Payments
- Conservation Compliance
- Separate Enterprise Units by Practice
- Cotton Revenue
- Commission for Specialty Crop Agents
- Organic Price Elections and Specialty Crops
- Farm Bill Studies
- Rice Revenue
- Tobacco Program Changes
- Dry Bean Revenue
- Acreage and Crop Reporting Streamlining Initiative (ACRSI)
- Double Cropping
IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

<table>
<thead>
<tr>
<th>Entity</th>
<th>Relationship</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programs</td>
<td></td>
<td>Ongoing.</td>
</tr>
<tr>
<td>Farm Service Agency (FSA)</td>
<td>Acreage Crop Reporting Streamlining Initiative – A producer-focused effort to reduce the burden of filing an acreage report for both FSA farm programs and Federal crop insurance. Currently, RMA has made IT investments to share acreage data in real-time and aligned program rules to improve the producer experience.</td>
<td>Ongoing.</td>
</tr>
<tr>
<td>FSA and Natural Resources Conservation Service (NRCS)</td>
<td>Conservation Compliance – A 2014 Farm Bill provision mandates that all FCIC paid premium subsidy is subject to Highly Erodible Land and Wetland conservation compliance requirements, which originated in the 1985 Farm Bill. The 2014 Farm Bill also added a number of new exemptions, rules, and deadlines for Federal crop insurance policies. Conservation Compliance is a provision that is carried out as a joint effort between 3 agencies – RMA, FSA, and NRCS.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>FSA</td>
<td>Compliance efforts - RMA can request assistance from FSA in monitoring the Federal Crop Insurance Program. FSA county offices provide documentation necessary to validate concerns, and make referrals to RMA through form AD-2007. One example of this collaborative process is RMA’s annual Spot Check List. Annually, RMA regional compliance offices provide to the FSA State office a list of producers whose claim history is anomalous based on three data mining results. FSA, in turn, conducts reviews of producers on the list and provides RMA with its findings.</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
(FSA) | RMA also relies on FSA for Human Resources (HR) services. | Ongoing |
---|---|---|
National Agricultural Statistics Service (NASS) | Agricultural Statistics – RMA uses agricultural statistics (price, acreage, production, stocks, etc.) produced by NASS to aid in the establishment of price elections and yields for various crops. RMA also provides summarized crop insurance participation data to NASS for their use in the development of county-level estimates. | Ongoing |

<table>
<thead>
<tr>
<th>Entity</th>
<th>Relationship</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Management Operations</strong></td>
<td>GSA is the Federal government lead for real and personal property. GSA delegates leasing authority to USDA. GSA is also the lead agency for ensuring implementation of Personal Identity Verification (PIV) cards used by federal employees.</td>
<td>Ongoing</td>
</tr>
<tr>
<td>USDA Office of Homeland Security and Emergency Coordination (OHSEC)</td>
<td>OHSEC is USDA’s agency that provides Departmental executive leadership in government-wide initiatives and leads security, preparedness, and response efforts. It is responsible for compliance with NSPD-51/HSPD-20 and Executive Order 12656, and provides</td>
<td>Ongoing</td>
</tr>
<tr>
<td>USDA Office of Operations (OO)</td>
<td>OO provides incident command and control for emergencies affecting the USDA Headquarters Complex through the Occupant Emergency Plan (OEP) by</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
executing the OEP during emergencies, providing training, and conducting drills in accordance with Federal Property Management Regulations [41 CFR 101–20.103–4 and 41 CFR 102-74.230-260] and USDA DR 1650-002. We also cooperate with OO in support of USDA HQs complex reconstitution planning and operations as a part of the USDA HQs COOP Plan.

| USDA Office of the Chief Information Officer (OCIO) | USDA’s OCIO manages the Department ‘MIR3’ contract. MIR3 is an automated mass notification system that provides multiple notification methods to notify recipients across the enterprise or by specific location through phone calls, text messages and email. | Ongoing |
| USDA Farm Service Agency (RMA) | FSA provides various security support services for RMA under a Service Level Agreement. FSA HR provides LincPass sponsor and personnel security services for RMA as well as Emergency Relocation Facility support for COOP deployments. | Ongoing |
| National Federation of Federal Employees (NFFE) Local 858 | Union for RMA employees in Kansas City. | Ongoing |
| American Federation of State, County and Municipal Employees (AFSCME) Local 3925 | Union for RMA employees in Washington, DC. | Ongoing |

Stakeholder group overview

Stakeholder groups are varied. RMA enjoys good relationships with the commodity groups. They have contacted RMA on a regular basis and invite the agency to participate in annual meetings. The agency also invites them to participate in meetings held in Washington, D.C.

RMA fosters good communication through website material, special emailings outlining special issues, and frequent announcements through bulletins or memorandums. In addition, these stakeholders continually engage with the agency through its controlled
correspondence system, which allows the agency to formally respond to questions on policy or to provide the agency’s position on certain issues.

Other stakeholder groups, minority farmer groups, and specialty crop groups have contact with RMA through issue emails, notifications, website announcements and regional website announcements.

<table>
<thead>
<tr>
<th>Entity</th>
<th>Relationship</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Association of Crop Insurers</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>American Farm Bureau Federation</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>American Forests</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>American Soybean Association</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>Association of Fish and Wildlife</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>CA Strawberry Commission</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>California Strawberries</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>Cotton Growers</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>Crop Insurance and Reinsurance Bureau</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>Crop Insurers Professional Association</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>Defenders of Wildlife</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>Farm Credit Council</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>Independent Insurance Agents and Brokers of America</td>
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<td>Ongoing/as-needed</td>
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<tr>
<td>Land Trust Alliance</td>
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<tr>
<td>NACD</td>
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<tr>
<td>National Association of State Departments of Ag</td>
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<td>Ongoing/as-needed</td>
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<tr>
<td>National Association of Wheat Growers</td>
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<tr>
<td>National Barley Growers</td>
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<tr>
<td>National Cattlemen's Beef Association</td>
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<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>National Corn Growers</td>
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<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>National Cotton Council</td>
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</tr>
<tr>
<td>National Crop Insurance Services</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>----------------------</td>
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</tr>
<tr>
<td>National Farmers Union</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
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<tr>
<td>National Fish and Wildlife Foundation</td>
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</tr>
<tr>
<td>National Grain and Feed Association</td>
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</tr>
<tr>
<td>National Grain Sorghum Producers Association</td>
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<tr>
<td>National Latino Farmers and Ranchers</td>
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<tr>
<td>National Potato Council</td>
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</tr>
<tr>
<td>National Sunflower Association</td>
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</tr>
<tr>
<td>National Sustainable Agriculture</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>Organic Trade Association</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>Plains Cotton</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>Rural Advancement Foundation International</td>
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<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>Rice Growers</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>Rural Coalition (Coalición Rural)</td>
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<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>Rural Policy Research Institute</td>
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</tr>
<tr>
<td>Soil and Water Conservation Society</td>
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</tr>
<tr>
<td>Texas Peanut Board</td>
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<td>Ongoing/as-needed</td>
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<tr>
<td>Texas Small Farmers and Ranchers</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>The Federation of Southern Cooperatives</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
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<td>The Nature Conservancy</td>
<td>External stakeholder</td>
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</tr>
<tr>
<td>The Trust for Public Land</td>
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</tr>
<tr>
<td>The Wilderness Society</td>
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<tr>
<td>The Wildlife Society</td>
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<td>Ongoing/as-needed</td>
</tr>
<tr>
<td>Theodore Roosevelt Conservation Partnership</td>
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</tr>
<tr>
<td>Trout Unlimited</td>
<td>External stakeholder</td>
<td>Ongoing/as-needed</td>
</tr>
</tbody>
</table>
### Recent engagements with stakeholder group

RMA contact with stakeholder groups is ongoing. Currently, the most contact has occurred with wheat growers in the northwest, corn growers, specialty crop groups and organic farmer groups. Another example of grower group interaction has been through the FCIC Board of Directors (Board). Specialty crop groups have introduced concepts to the FCIC Board in order to develop insurance products for particular crops with no coverage available. Examples of insurance products that have been developed through this process include corn, olives, livestock, tart cherries, blueberries, etc.

### V. Top Issues

#### Hot Topics

**CURRENT CROP INSURANCE UPDATES AND PILOT PROGRAM**

**Organics**: The Risk Management Agency (RMA) has supported the organic sector through the following changes in crop insurance policies:

In 2011, for the first time ever, RMA began offering crop insurance for organic producers based on organic market prices. For the 2016 crop year, RMA offered 57 organic price elections. For the 2017 crop year, RMA will offer 73 organic price elections.
In 2014, RMA eliminated the historical 5% surcharge on organic policy premiums for all crops.

In 2014, RMA added a new Contract Price Addendum (Contract Price Option) that allows organic producers who receive a contract price for their crop to get a crop insurance guarantee that better reflects the actual value of their crop. In 2016, RMA expanded the Contract Price Option to recognize price incentives for crops in transition to organic certification, providing risk management tools at prices closer to the actual market value of the crops. The CPA is available for 73 different crop types, covering the majority of insurable crops.

As a result of these changes, RMA organic insurance policies increased over 92 percent and insured organic acres increased more than 114 percent between 2008 and 2015. RMA insured 3,555 organic policies on 486,831 acres in 2008; and in 2015, RMA insured 6,833 policies on 1,043,403 acres. This data includes both certified organic and transition to organic.

The Whole-Farm Revenue Protection (WFRP) insurance policy, new in 2015, became available in all states and counties nationwide beginning in 2016. This policy allows producers to insure their whole farm revenue with coverage levels of 50 to 85 percent. Although the policy is available for all farms, it was specifically developed for diversified farms that tend to sell to direct, local or regional, and farm-identity preserved markets, such as organic. Organic producers meeting the requirements of the National Organic Program may use their organic prices to value their commodities under this federal crop insurance policy.

**RMA Local/Regional:** RMA recognizes the growth of local and regional food systems, and aims to support producers engaged in local and regional markets. We value the collaboration with the Know Your Farmer, Know Your Food (KYF2) team to better serve beginning farmers and ranchers and operators of smaller farms, many of whom get their start in farmers markets, CSAs, and other direct markets in their local communities. We also know that as local and regional food systems mature, the demand for local food is expanding beyond direct markets and into major grocery stores, restaurants, and schools, often through the work of food hubs and other intermediaries.

RMA works with Know Your Farmer, Know Your Food (KYF2) to improve programs for these producers, make sure we are reaching the right audiences. The following achievements and priorities are particularly significant, and will continue to be focus areas for the future:

- Key RMA staff serve on the KYF2 Management Team and Taskforce to coordinate efforts across USDA.
- RMA’s Whole Farm Revenue Protection (WFRP) is tailored for any farm with up to $8.5 million in insured revenue, including farms with specialty or organic
commodities (both crops and livestock), or those marketing to local, regional, farm-identity preserved, specialty, or direct markets. WFRP allows producers to insure their organic commodities at organic prices reflective of the market where they sell the products, including local and specialty markets. RMA continues to make updates to the WFRP policy and procedures in response to questions received, in order to help producers, agents, and loss adjusters who use, sell or service WFRP insurance. The number of WFRP policies nearly doubled in 2016 from 2015 to 2,131 policies earning premium and liability also more than doubled to a total of nearly $2.3 billion in 2016. (Numbers as of Sept. 30, 2016)

- Risk Management Education projects encourage the formation of partnerships with public and private organizations to inform farmers about risk management strategies. Topics include food safety, local food marketing and branding, and promotion of the WFRP.
- RMA and KYF2 provide education and outreach to farmers selling in local and regional markets about risk management options to increase usage of WFRP and other relevant programs and strategies.

**RMA Reports to Congress:** The Risk Management Agency provides a report to Congress annually in May, pursuant to Section 508(c)(6)(D) of the Federal Crop Insurance Act, as amended by Section 11023 of the Agricultural Act of 2014:

“The Corporation shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report on progress made in developing and improving Federal crop insurance for organic crops, including:

i. the numbers and varieties of organic crops insured;

ii. the progress of implementing the price elections required under this subparagraph, including the rate at which additional price elections are adopted for organic crops;

iii. the development of new insurance approaches relevant to organic producers; and

iv. any recommendations the Corporation considers appropriate to improve Federal crop insurance coverage for organic crops.”

This annual report transmits information on the progress made in developing and improving Federal crop insurance for organic crops and plans to continue the Organic Production Survey on an annual or biannual basis and the use of AMS data to expand the number of organic price elections available is prepared by the Product Management Division and sent to Congress. RMA works with AMS on attaining the current pricing information necessary to publish the report.
STANDARD REINSURANCE AGREEMENT (SRA)
The Standard Reinsurance Agreement (SRA) and the Livestock Price Reinsurance Agreement (LPRA) are cooperative financial assistance agreements between the Federal Crop Insurance Corporation (FCIC) and an insurance company. FCIC is a government corporation within USDA authorized to carry out programs of the Federal Crop Insurance Act.
The SRA and LPRA establish the terms under which FCIC provides reinsurance and subsidies on eligible crop insurance contracts sold by the insurance company. The SRA and LPRA have not been renegotiated since 2010. Decisions will need to be made about future renegotiations.

ACREAGE AND CROP REPORTING STREAMLINING INITIATIVE (ACRSI)
The Acreage Crop Reporting Streamlining Initiative (ACRSI) replaces duplicative crop reporting of common acreage information by producers to both the Farm Service Agency (FSA) and Risk Management Agency (RMA). ACRSI is a joint effort among producers, FSA, RMA, and the crop insurance industry. The project has made significant progress since the enactment of the 2014 Farm Bill. ACRSI was piloted in the spring of 2015 in 30 counties in Iowa and Illinois. FSA and RMA drew upon information gleaned from the initial pilot to expand ACRSI into 15 States in the fall of 2015.
For spring 2016, RMA and FSA expanded ACRSI nationwide for 13 crops and into all 50 states. Those crops were alfalfa, corn, cotton, FSA-Conservation Reserve Program land, fallow, grass, oats, peanuts, rice, rye, sorghum, soybeans, and wheat. This covers 90 percent of all reported acres. Barley and rapeseed/canola were added in the fall of 2016. As with any new initiative, there have been challenges for FSA, RMA, and the AIPs. Not every AIP has made the IT investments and changes needed and their participation is at varying levels which means agents and producers have varying experiences. However, all parties are actively engaged to address concerns. Throughout each phase of the pilot, RMA analyzes what worked (or did not work) and draws upon these experiences to make adjustments to improve the process.

FALLING NUMBERS IN WHEAT

Over the last couple years, issues involving quality adjustment for wheat have arisen across the country – particularly in the Pacific Northwest. RMA has made some changes to address the issues, but some of the more recent requests by producers most likely would not be in the interest of the crop insurance program.

A producer’s yield is a major factor in whether a crop insurance indemnity will be paid under a production based crop insurance policy. Generally under a production based policy, a producer that has a yield that exceeds their historical average will not receive a crop insurance payment. However, there are times when a producer may have an above average yield, but the quality is low. In this situation, the crop has reduced value even though there is an above average yield. The crop insurance program recognizes this and will adjust the yield to recognize that while the yield was above average, the crop’s value is really more equivalent to a crop with a lower yield – this is what is known as quality adjustment. RMA has established policy to address different types of quality issues.
One type of quality adjustment provided for wheat is known as falling numbers. Falling numbers is a test to determine the milling quality of wheat and measure starch content.

Due to high yields in the Pacific Northwest region this year, farmers are requesting that these adjustments be applied to their production for claims purposes, but excluded from their production history record for future insurance guarantee purposes. In other words, they want the quality discounts in order to receive an indemnity payment in the current crop year, but they do not want the discounts to reduce their historical production going forward because it could reduce their insurance guarantee in future years. Changing this procedure based on these inquiries would result in disparate treatment between producers with payable claims and those without. Changing this procedure would also result in disparate treatment of other producers for virtually all other commodities and past years where quality has been an issue for other crops and areas. Lastly, establishing a production history on a basis different than how claims are paid would run contrary to how the program has operated and would violate general principles of insurance – namely that the program must operate in an actuarially sound manner.

While low yields caused by drought in recent years have an impact on growers’ APH approved yields, in many counties in the Pacific Northwest, wheat growers are able to exclude one or more of these very low yields through the use of the Actual Production History Yield Exclusion, an option for producers created by the 2014 Farm Bill. Additionally, RMA’s existing procedures have other available options, such as the 60 percent Yield Substitution, 10 percent yield limitation and Trend-Adjusted APH yields, that producers can utilize to mitigate the impact any low year may have on their overall APH average yield.

While RMA sympathizes with wheat producers who are struggling with low prices and poor quality wheat, RMA does not believe it would be fair to change a longstanding process midyear. Crop insurance compensates producers for quality losses by utilizing a formula that reduces a producer’s historical production history and triggering a crop insurance payment. The process used to establish a producer’s production history has been used by thousands of producers for over 20 years for virtually all crops insured under the Federal crop insurance program as most provide coverage for poor quality. Allowing producers in one situation to not adjust yields would not be fair to all the producers nationwide whose yields have been adjusted due to quality issues.
CONSERVATION COMPLIANCE

A 2014 Farm Bill provision mandates that all FCIC paid premium subsidy is subject to Highly Erodible Land and Wetland conservation compliance requirements, which originated in the 1985 Farm Bill. The 2014 Farm Bill also added a number or new exemptions, rules, and deadlines for Federal crop insurance policies. Conservation Compliance is a provision that is carried out as a joint effort between 3 agencies – RMA, FSA, and NRCS. Conservation compliance implementation has gone well. Due to the efforts of RMA, NRCS, FSA, and the crop insurance industry, few crop insurance customers owe full premium due to failure to certify compliance with highly erodible land and wetland conservation requirements. In fact, with nearly 100% of crop insurance policies now on file with RMA (over 500,000 producers), RMA estimates that for the first year of implementation (2016) less than one percent of crop insurance customers owe full premium for not timely filing certification. However, there is always the possibility of being confronted with a sympathetic story of someone who was not aware of the requirements and did not file timely for reinsurance year 2016.

Key Points:

- During the first year of implementation of conservation compliance for crop insurance, over 99 percent of crop insurance participants certified in a timely manner.
- USDA, along with the insurance companies and stakeholders, made a tremendous effort to ensure that all producers knew about these new requirements. Anyone that had not certified compliance received at least two letters, one phone call, and received a crop insurance contract with the requirement. More than 50,000 letters were mailed and over 25,000 calls were made before the June 1, 2015, deadline.
- In addition to outreach efforts aimed at helping farmers certify to conservation compliance, significant flexibility was given to those who may, for a handful of reasons, not have been able to timely file certifications, including exemptions for new producers, new entities, and where extenuating circumstances made certifying compliance difficult.
- Since June 1, 2015, RMA has provided over 12,000 exemptions for new producers, new entities or those who are new to USDA, and FSA has approved 38 producers who faced extenuating circumstances associated with certifying compliance.
- The department continues to work through specific cases to ensure no producer is unfairly denied premium subsidy.
- The NRCS has been able to service determination requests from persons subject to compliance for the first time due to the recoupling of crop insurance to conservation compliance with little reported issues. The legislation mandated priority technical assistance for these customers. If a determination results in a potential violation, it is important to note that producers will not lose premium subsidy until all administrative appeal rights are exhausted.
United States Department of Agriculture  
2016 Presidential Transition  
Risk Management Agency (RMA)

**Timeline**

On an annual basis, RMA participates (speaking role) in several industry meetings and conference in support of RMA related programs. These meetings and conferences occur throughout the year.

**January 2017**
- No key decisions or significant program issues; however RMA staff could support annual conferences/meetings.

**February 2017**
- Request for Applications (RFA’s) Risk Management Education

**March, 2017**
- No key decisions or significant program issues; however RMA staff could support annual conferences/meetings.

**April, 2017**
- OIG Audit Report 05601-0005-31 titled, RMA’s Utilization of Contracted Data Mining Results
  Report is expected to issue in April.

**May, 2017**
- No key decisions or significant program issues; however RMA staff could support annual conferences/meetings.

**June 2017**
- Formal Approval of the AIPs for the 2018 reinsurance
  The approval of the AIP Standard Reinsurance Agreements are completed in June to become effective July 1, 2017, the beginning of the 2018 reinsurance year.

No key decisions are expected during the first six months from the Office of Product Management. However, routine program maintenance will continue. This includes:
- Issuing new price elections, which are projected prices that are used to value lost production due to an insurable loss;
- Revising premium rates based on recently-accumulated loss experience; and
- Revising prevented planting factors based on the most recent data.

These revisions are published through “actuarial documents,” issued by RMA in accordance with certain contractual deadlines. The deadlines vary by crop, but include the following: *January 31, April 30, June 30, August 31,* and *November 30.*
Appendix A: Acronyms

- A&O Administrative and Operating Expense
- APH Actual Production History
- MGA Managing General Agency
- RY Reinsurance Year
- CY Crop Year
- SCD Sales Closing Date
- CCD Contract Change Date
- FCIC Federal Crop Insurance Corporation
- AIP Approved Insurance Provider
- RO Regional Office
- RCO Regional Compliance Office
- FCIA Federal Crop Insurance Act
- SCO Supplemental Coverage Option
- CAT Catastrophic Coverage
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Tab</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOOD, NUTRITION AND CONSUMER SERVICES</td>
<td>1</td>
</tr>
<tr>
<td>CENTER FOR NUTRITION POLICY AND PROMOTION</td>
<td>2</td>
</tr>
<tr>
<td>FOOD AND NUTRITION SERVICE</td>
<td>3</td>
</tr>
</tbody>
</table>
MISSION AREA BRIEFING MATERIAL

The Mission Area template contains the following sections:

I. **Organizational Overview**

   Mission Area Fact Sheet
   Organizational Chart
   Biographies for Career and Political Staff in Key Leadership Positions
   Overview of Agency Programs and Operations
   Budget and Staffing Summary

II. **Top Issues/Hot Topics**

   Timeline
   Mission Area Issues
   GAO and OIG Audits
AGENCY BRIEFING MATERIAL

Each Agency template contains the following sections:

I. **Organizational Overview**

   - Agency Fact Sheet
   - Agency’s Mission/Strategic Plan
   - Key Mission Delivery Performance Measures
   - Organization’s History
   - Organizational Chart
   - Biographies of Career Staff in Key Leadership Positions
   - Biographies of Political Staff in Key Leadership Positions
   - Organizational Budget and Financial Management
   - Enterprise Workforce Data

II. **Policies and Regulations**

   - Statutory Authorities
   - Important Policies and Regulations
   - Overview of the Policy/Regulation Review Process
   - GAO and OIG Audits

III. **Congressional Relations and Issues**

   - Overview

IV. **Internal and External Stakeholders**

   - Important Relationships with Other Federal Departments or Organizations
   - Stakeholder Group Overview
   - Recent Engagements with Stakeholder Groups

V. **Top Issues**

   - Hot Topics
   - Timeline

Appendix A: Acronyms
WHO WE ARE: OUR MISSION AREA

Food, Nutrition and Consumer Services works to harness the Nation's agricultural abundance to end hunger and improve health in the United States. The Food and Nutrition Service (FNS) administers federal domestic nutrition assistance programs and the Center for Nutrition Policy and Promotion (CNPP) links scientific research to the nutrition needs of consumers through science-based dietary guidance, nutrition policy coordination, and nutrition education.

WHO WE ARE: OUR WORKFORCE

- FNS currently has almost 1,600 employees located in the national office in Alexandria, VA and seven regional offices.
- CNPP has 29 staff located in Alexandria, VA.

WHO WE SERVE: OUR CONSTITUENTS

FNCS provides evidence-based dietary recommendations for all Americans over two. In addition, FNCS programs serve about 1 in 4 Americans who participate in 1 or more of the 15 domestic food and nutrition programs that provide children and needy families better access to food and a more healthful diet.

KEY UPCOMING DECISIONS

- FNS will need to begin the process of implementing two SNAP rules finalized in late 2016: photo EBT and enhanced retailer standards.
- FNCS’ lease for its Headquarters in Alexandria, Va., is set to expire in May 2017. Estimates for either renovation of the current space or for relocation to a new space total about $18 million.

BUDGET HIGHLIGHTS FY 2016

- Total FNCS budget authority is $110b, of which 94% is mandatory.
- SNAP benefits continue to decrease due to over 1m fewer participants in FY 2016. As of 9/1/2016, SNAP benefits are on track to total $2b less than FY 2015.
- CNPP funds are provided through the FNS Nutrition Programs Administration Account (3.29% of the account).
United States Department of Agriculture
2016 Presidential Transition
Food, Nutrition and Consumer Services Mission Area (FNCS)

I. Organizational Overview

Organizational Chart

Food, Nutrition, and Consumer Services Undersecretary

Food and Nutrition Service Administrator
- Office of Chief Communications Officer
- Civil Rights Division
- Senior Policy Advisor

Center for Nutrition Policy and Promotion (CNPP) Executive Director
- Deputy Director
  - Office of Nutrition Guidance and Analysis
  - Office of Nutrition Marketing and Communications

Chief Operating Officer (COO)
- Deputy Administrator for Management
- Office of Information Technology
- Office of Financial Management

Regional Operations and Support (ROS)
- Retailer Operations Division
- Emergency Management
- State Systems Office
- Seven Regional Offices

Supplemental Nutrition Assistance Program (SNAP)

Supplemental Nutrition & Safety Programs

Child Nutrition Programs

Office of Policy Support

Under Secretary - Kevin Concannon (political)
Deputy Under Secretary - Kathryn Wilson (political)
Chief of Staff – Kumar Chandran (political)
Executive Assistant – Donna Browne (career)
Executive Assistant – Chatavia Young (career)
Special Assistant – Rachel Polon (career)
Biographies for career and political staff in key leadership positions

Kevin W. Concannon
Under Secretary for Food, Nutrition and Consumer Services
202-720-7711, Kevin.Concannon@osec.usda.gov

Kevin W. Concannon was nominated by President Obama and Secretary Vilsack and confirmed by the U.S. Senate in July 2009 to serve as Under Secretary for Food, Nutrition and Consumer Services (FNCS) in the United States Department of Agriculture (USDA).

Under Secretary Concannon has had a lengthy and distinguished career in public service. Over the past 25 years, he has served as Director of State Health and Human Services departments in Maine, Oregon, and Iowa. He has led FNCS during the deepest economic recession in 70 years while promoting better access to anti-hunger programs, implementing stronger nutrition science-based meal and food package programs in WIC and child nutrition, supporting improved administration and staffing, and elevating nutrition education and job training through SNAP.

He has served in a number of national organizations, including serving as President of the American Public Welfare Association, President of the National Association of State Mental Health Program Directors, trustee of the American Public Human Services Association, and a board member of the American Humane Association.

He has received a number of awards, including the Lifetime Human Services Award from the American Public Human Services Association in 2007, 2012 Catholic Charities USA Keep the Dream Alive Award, 2012 National WIC Association Leadership Award, and 2015 Board Award from the Congressional Hunger Center.

He is a native of Portland, Maine, and a graduate of Saint Francis Xavier University, Nova Scotia with both Bachelor of Arts and Master of Social Work degrees. He has continued his studies at the University of Southern Maine and the University of Connecticut Graduate School of Social Work. He was awarded a Doctor of Laws Degree honoris causa by Saint Francis Xavier University in 2013.

Concannon has taught graduate courses at the University of Connecticut, Portland State University, Oregon, and the University of Iowa as Adjunct Professor of Social Work.

Dr. Katie Wilson
Deputy Under Secretary for Food, Nutrition and Consumer Services
202-720-7711, Katie.Wilson@osec.usda.gov

Deputy Under Secretary Wilson has a passion for child nutrition and has dedicated her career to improving nutrition program access to all children as well as ensuring the offering of quality food throughout those programs. She has spent 23 years as a school nutrition director in three public schools districts in Wisconsin and five years as the Executive Director for the National Food Service Management Institute and assistant professor at the University of Mississippi.
United States Department of Agriculture
2016 Presidential Transition
Food, Nutrition and Consumer Services Mission Area (FNCS)

She served as president of the School Nutrition Association in 2008-2009 and has shared her expertise domestically and internationally as a board member, invited speaker, guest lecturer, professor of record, and/or peer reviewer for numerous allied organizations, industries, and colleges and universities in the field of nutrition, child health, and food service management. Dr. Wilson has also served on the LaCrosse, Wisconsin (WI) Habitat for Humanity board.

Deputy Under Secretary Wilson holds a Bachelor’s of Science Degree in Dietetics from the University of WI–Stout, a Master’s Degree in Food Science and Nutrition from the University of WI–Stout, and a Doctoral Degree in Foodservice and Lodging Management from Iowa State. She is also credentialed as a School Nutrition Specialist.

Wilson has received peer-nominated awards throughout her career, these include the 1995 WI School Nutrition Director of the Year Award, 1998 FAME Special Achievement Award, USDA Best Practice Awards, Bulls Eye School Nutrition Marketing Awards, 2010 WI Star Advocate, and the 2014 FAME Friend of Child Nutrition Award.

Audrey Rowe
Administrator for the Food and Nutrition Service (FNS)
703-305-2060, Audrey.Rowe@fns.usda.gov

Audrey Rowe is the Administrator for the Food and Nutrition Service (FNS) at the U.S. Department of Agriculture (USDA) in Washington, D.C. FNS provides children and needy families with better access to food and a more healthful diet through its 15 nutrition assistance programs and nutrition education efforts.

She brings to the Federal government over 20 years of experience in human services policy development, fiscal management, program design, service delivery and marketing with a particular focus on vulnerable populations, low income women, children and youth.

Previously, Rowe served as Deputy Administrator for Special Nutrition Programs at FNS, leading the effort to pass the Healthy, Hunger-Free Kids Act of 2010, the legislative centerpiece of First Lady Michelle Obama’s Let’s Move! initiative to end childhood obesity in a generation.

Rowe has extensive experience working on issues related to FNS programs. Her leadership has included roles as Human Resources Administrator in New Haven, Connecticut, and Social Services Commissioner for the State of Connecticut and the District of Columbia. In addition, she served as Executive Vice President and Chief Operating Officer for the National Urban League.

In private industry, Rowe served as Senior Vice President and Managing Director for the Children and Family Services division for Affiliated Computer Service (ACS), formerly Lockheed Martin IMS. In this capacity, she spearheaded industry leadership in the realms of child support payment processing and enforcement and the electronic dissemination of public assistance benefits, including implementing Electronic Benefit Transfer (EBT) programs in over 20 states. Additionally, Rowe was appointed Senior Vice President for Public Affairs where she
managed the corporation’s government relations, philanthropy and community relations programs.

Rowe is a graduate of Federal City College and was a fellow at the John F. Kennedy School of Government Institute of Politics at Harvard University.

Angela Tagtow, MS, RD, LD  
Executive Director, Center for Nutrition Policy and Promotion  
703-305-7600, Angela.Tagtow@cnpp.usda.gov

Appointed in July 2014, Angela Tagtow is the Executive Director for the Center for Nutrition Policy and Promotion (CNPP) at the U.S. Department of Agriculture (USDA) in Washington, D.C. CNPP works to improve the health and well-being of Americans by developing and promoting dietary guidance that links scientific research to the nutrition needs of consumers. Specifically, the Center oversees the state-of-the-art systematic nutrition research reviews of the Nutrition Evidence Library, population-based nutrition and economic analyses, the Dietary Guidelines for Americans, the national iconic symbol for healthy eating MyPlate and consumer-based nutrition education resources, and innovative digital tools for consumers. As a registered dietitian, Tagtow brings to the Federal government almost 25 years of experience in food and nutrition policy, public health nutrition, surveillance systems, research, professional and consumer communication, social marketing, training and education.

Tagtow holds a M.S. degree in Family and Consumer Sciences Education from Iowa State University and a B.A. degree in Dietetics and Chemistry from the University of Northern Iowa.

Telora T. Dean  
Associate Administrator and Chief Operating Officer  
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Telora T. Dean is the Associate Administrator and Chief Operating Officer (AA/COO) for USDA’s Food and Nutrition Service (FNS). Dean shares full responsibility with the Agency’s Administrator for the development, design, operation and improvement of the strategies and systems that create and deliver the Agency’s programs and internal/external services through a $100B program and operations portfolio. As the AA/COO, she ensures the proper balance between efficiencies, effectiveness and results and creates maximum value for customers, stakeholders and taxpayers.

Prior to becoming the AA/COO, Dean served as the Deputy Administrator for Management. In that role, she was the executive lead for the Office of Management (OM) and effected a unified operation to deliver outstanding administrative services. She managed the full complement of components comprising FNS’ management operations—Human Resources, Acquisition Management, Logistics and Facilities Management, Information Systems and Employee Engagement Initiatives.
Prior to joining FNS, Dean provided executive leadership to a number of USDA agencies. As the Farm and Foreign Agricultural Service’s Chief Human Capital Officer, she was responsible for the overall administration, coordination and evaluation of human resource functions for three mission area agencies, supporting a customer base of over 16,000 employees nationally and abroad. During her tenure as Rural Development’s Acting Deputy Administrator for Management, Dean was an executive principal in providing direction and oversight to a $628M annual budget and a $38B loan portfolio to support efficient program delivery and services to rural America.

Dean holds a bachelor’s degree from Alabama Agriculture and Mechanical University and a master’s degree from Marymount University. She counts Harvard University, American University and the Brookings Institution as organizations in her accomplished executive toolkit.

Yvette Jackson
Associate Administrator for Regional Operations and Support
703-305-2064, Yvette.Jackson@fns.usda.gov

Yvette Jackson is the Associate Administrator for Regional Operations and Support for USDA Food and Nutrition Service (FNS). As Associate Administrator, she is responsible for seven Regional Offices and three offices at FNS Headquarters. The Regional Offices provide oversight of program operations and technical assistance to State and local partners who administer the Agency’s 15 nutrition assistance programs. The Headquarters Offices are responsible for retailer management, coordinating disaster relief during local and national emergencies, and providing oversight of state computer systems implementation. Collectively, Jackson is responsible for about 57% of the Agency’s workforce.

Prior to her appointment as Associate Administrator, Jackson served as the Regional Administrator for the Mid-Atlantic Regional Office of FNS.

Jackson brings over 35 years of experience with Federal and State agencies including the Social Security Administration, where she served as the Deputy Commissioner for Finance, Assessment and Management and the Chief Financial Officer; and the Pennsylvania Department of Public Welfare, where she served in several senior executive positions, including Deputy Secretary for Income Maintenance Programs.

Jackson formerly served as both the FNS Administrator and the Deputy Administrator for the Food Stamp Program, where she was instrumental in preserving the national nutrition safety net during welfare reform. In addition to her extensive public service experience, she was the National Health and Human Services Practice Lead for BearingPoint, a global IT and business consulting firm that provided services to Federal, State and local human service agencies.

She holds a Bachelor of Social Welfare from Temple University and a Master of Social Work from Rutgers University.
Jessica Shahin
Associate Administrator for Supplemental Nutrition Assistance Program
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Jessica Shahin is the Associate Administrator for Supplemental Nutrition Assistance Program (SNAP) (formerly known as the Food Stamp Program) for USDA’s Food and Nutrition Service (FNS).

Shahin has over 20 years of experience with SNAP at the State and Federal levels. She served on the original Texas Electronic Benefit Transfer Team as Director of Information Management for the Department of Human Services, was Executive Assistant to the Deputy Commissioner for client self-support programs and was later named Director of Interagency Policy for the agency’s Office of Government Relations. In this capacity, she developed an expertise for effective integration of various human service programs in both policy and management.

Beginning in January 2004, Shahin served as Acting Associate Administrator and Deputy Associate Administrator for the Food Stamp Program/SNAP. She became Associate Administrator for SNAP in January 2009.

Shahin received a master’s degree in Social Work from the University of Texas at Austin and taught public policy for several years as an adjunct professor at the school.

Diane M. Kriviski
Deputy Administrator for Supplemental Nutrition and Safety Programs
703-305-2052, Diane.Kriviski@fns.usda.gov

Diane M. Kriviski is the Deputy Administrator for the Supplemental Nutrition and Safety (SNAS) Programs for USDA’s Food and Nutrition Service (FNS). She is responsible for administration of USDA’s food distribution programs including USDA Foods for school lunches, the Food Distribution Program on Indian Reservations, the Commodity Supplemental Food Program, and the Emergency Food Assistance Program. Kriviski is also responsible for USDA’s Supplemental Food Programs Division including the Special Supplemental Nutrition Program for Women, Infants and Children (WIC); WIC and Senior Farmers’ Market Nutrition programs; and the Office of Food Safety. These programs are part of the nutrition safety net that FNS provides to children and needy families through better access to food, a more healthful diet, and nutrition education.

Kriviski has served FNS for over 30 years at all levels of the organization. Early in her career, she worked with various FNS programs while in the Child Nutrition Division and Food Distribution Division as a grant officer, assisting in the creation of the Senior Farmers’ Market Nutrition Program and awarding of the first grants to help implement WIC EBT.

Kriviski has also held key positions in Financial Management, serving as Acting Chief Financial Officer and Budget Officer, as well as Deputy Budget Officer. In that capacity, she provided leadership in the development and submission of the FNS annual fiscal budget for its 15 nutrition programs.
assistance programs, totaling over $60B at that time. Prior to her current position, Kriviski served as the Deputy Associate Administrator for Special Nutrition Programs at FNS, helping to lead the effort to implement the Healthy, Hunger-Free Kids Act of 2010, the legislative centerpiece of First Lady Michelle Obama’s Let’s Move! initiative.

Cindy Long  
Deputy Administrator for Child Nutrition Programs  
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Cindy Long is the Deputy Administrator for Child Nutrition Programs (CN) for USDA’s Food and Nutrition Service. She is responsible for all aspects of Federal administration of the Child Nutrition programs, including the National School Lunch Program, School Breakfast Program, Child and Adult Care Food Program, Summer Food Service Program, and the Fresh Fruit and Vegetable Program. These programs provide over $20B in nutrition assistance to children and families. In this role she has led FNS’ implementation of the Healthy, Hunger-Free Kids Act, the most significant restructuring of these programs in decades and a legislative centerpiece of the Administration’s nutrition initiatives. She has also led a major restructuring of Child Nutrition program staff and resource management.

Long has served FNS in various positions since joining the agency in 1991. Prior to joining the Child Nutrition programs in 2008, she served in the Office of Analysis, Nutrition and Evaluation (now known as OPS) providing leadership to FNS research and analysis efforts in support of all of the domestic nutrition assistance programs. She began her Federal government career in 1988 with the Office of Management and Budget.

Long possesses a MPA in Public Policy and Economics from Princeton University’s Woodrow Wilson School of Public and International Affairs, and a BA in Economics from the University of Notre Dame.

Richard Lucas  
Deputy Administrator for Policy Support  
703-305-2017, Richard.Lucas@fns.usda.gov

Richard Lucas is the Deputy Administrator for Office of Policy Support (OPS) for USDA’s Food and Nutrition Service (FNS). In that capacity, he is responsible for research and analysis that informs policymaking for, and management of, the Federal nutrition assistance programs. These programs, including the Supplemental Nutrition Assistance Program (SNAP), the school meals programs, and the WIC program, are currently budgeted at over $100 billion annually and serve one in four Americans in the course of a year.

Lucas’s team in OPS includes professionals from a wide range of disciplines, including economists, statisticians, program evaluators, sociologists, and nutritionists. They work closely with policymakers and program officials to find answers to critical questions to make nutrition assistance programs more effective; estimate cost and participation impacts of legislative, budgetary and regulatory changes; evaluate the impacts of programs and program components on
food security, diet quality, and other outcomes; analyze extant data to better target strategies and track performance; and demonstrate and test potential program improvements.

Lucas has worked at FNS since 1994 and holds degrees from Brown University and Stanford University.

Cristina Chiappe
Deputy Administrator for Management
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Cristina Chiappe serves as the Deputy Administrator for Management for USDA’s Food and Nutrition Service (FNS). She oversees all aspects of human capital management, acquisition management, operations and facilities, and information management in an agency with an annual budget of $110 billion.

Chiappe came to FNS from USDA’s Rural Development (RD) in January of 2015 as part of a developmental assignment for the Senior Executive Service (SES) Candidate Development Program (CDP) to serve as Director of Human Resources, Deputy Chief Information Officer, Associate Deputy Chief Financial Officer, and as Chief Staff Officer to the Chief Operating Officer. She also served with 23 other Federal executives as the USDA representative on the White House Advisory Council on SES Reform, which resulted in the 2016 Executive Order: “Strengthening the Senior Executive Service.”

At RD, Chiappe served on various leadership roles in operations and management for RD and Departmental Management. As the Chief of Staff in the Rural Housing Service (RHS), she provided direct oversight in the daily operations of an agency with an annual program funding of $26B, an annual administrative budget of $30M, and a Centralized Servicing Center with a loan portfolio of $100B. As the Director of Program Support, she led the centralization of RD’s technical support functions and the centralization of the Single-Family Housing guaranteed loan program which strategically leveraged staff resources and infused $60B of capital into rural America. Additionally, Chiappe has served as Senior Policy Advisor in the Rural Housing Service, Special Assistant to the Assistant Secretary for Civil Rights, and Special Assistant to the Assistant Secretary for Administration.

In addition to the SES CDP, Chiappe has completed the Federal Executive Institute, American University’s Executive Leadership Program and Harvard Law School’s Program on Negotiation for Executives. She holds a B.A. and M.Ed. from the University of Virginia.

David G. Burr
Chief Financial Officer
703-605-3220, David.Burr@fns.usda.gov

David Burr is the Chief Financial Officer (CFO) for USDA’s Food and Nutrition Service (FNS). He was named FNS’ CFO in September of 2011. In this capacity, he is responsible for
United States Department of Agriculture
2016 Presidential Transition
Food, Nutrition and Consumer Services Mission Area (FNCS)

overseeing the administration and ensuring the fiscal integrity of approximately $110B in program grants and $400M in administrative funding.

The majority of Burr’s Federal career has been with FNS. In June 2010, he was the Director of the Program Accountability and Administration Division of the Supplemental Nutrition Assistance Program (SNAP). Prior to assuming this position, for approximately 10 years, he served as FNS’ Budget Director where he coordinated budget formulation and execution, as well as program data administration for all of the domestic nutrition assistance programs. Burr began his career with FNS as an economist, developing program participation and cost forecasts primarily in support of financial management. Before joining FNS, he served as an operation research analyst with the Naval Air Systems Command for four years.

Burr is a graduate of West Virginia University and studied economics at the graduate level at Virginia Polytechnic Institute and State University.

Kimberly Jackson
Chief Information Officer
703-605-4318, Kimberly.Jackson@fns.usda.gov

Kimberly Jackson is the Chief Information Officer (CIO) for USDA’s Food and Nutrition Service (FNS). Jackson manages and executes a $60M infrastructure and operations and maintenance budget with over 62 Federal staff years supporting the FNS vision of ending hunger and improving nutrition in America.

As CIO, Jackson leads forward-thinking and innovative strategic technology planning and operational delivery, providing value to FNS customers and stakeholders through technology services and mission-enabling capabilities. Jackson positions FNS to achieve mission success through delivery of cost effective emerging technologies, and strategic procurement of hardware, software, and solutions.

Prior to becoming CIO, Jackson served as the Chief Technology Officer (CTO) for the Office of Biometric Identity Management (OBIM) in the DHS National Protection and Programs Directorate (NPPD). As CTO, she served as OBIM’s senior IT official working to ensure compliance with Federal policy related to IT systems management, enterprise architecture, and data management. Jackson leveraged emerging technologies to recommend improvements to major enterprise applications, identify tools to optimize IT system performance, and develop and promote collaborative/joint technology solutions to improve services to enhance mission effectiveness.

Jackson is a graduate of the DHS SES Candidate Development Program, a DHS Level III Program Manager, a certified Project Management Professional® and a graduate of the Federal Executive Institute. She holds a Master of Business Administration from the University of Maryland and a Bachelor of Arts from the University of Virginia.
United States Department of Agriculture
2016 Presidential Transition
Food, Nutrition and Consumer Services Mission Area (FNCS)

**Robin D. Bailey Jr.**  
**Regional Administrator, Southeast Regional Office**  
404-562-1800, Robin.Bailey@fns.usda.gov

Robin D. Bailey Jr. has over 29 years of faithful service to America in various senior levels in the Department of the Air Force and the U.S. Department of Agriculture. As USDA’s Food and Nutrition Service (FNS) Regional Administrator for the Southeast (SERO), he provides executive direction and leadership while orchestrating the execution of all 15 Federal nutrition programs, which provide annual benefits in excess of $25 billion through cooperating State agencies in Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina and Tennessee.

Bailey most recently served as Deputy Administrator for Management and Information Technology for FNS in the National Office. In this role, he provided executive oversight of Information Technology, Human Resources, Contract Management, Logistics and Facility Services. Prior to FNS, he served as Director of Human Resources Management, U.S. Forest Service, in Albuquerque, New Mexico, where he led over 600 personnel who provided Human Resources Management policy and operational services for approximately 50,000 permanent, temporary and seasonal employees.

Bailey is an Air Force veteran and served as an Air Force Civilian in a wide range of leadership positions, including the Civilian Deputy and Staff Director to the 96th Air Base Wing Commander, Eglin Air Force Base, Fla. In this capacity, he co-led more than 5,000 men and women in providing essential base operating support and services for more than 20,000 personnel, six wings, and 50 associate units at the Department of Defense’s largest installation.

Bailey holds a Master of Arts in Communication from the University of Oklahoma. He was selected as a member of the Senior Executive Service in 2009 and appointed by the Secretary of Agriculture as an Executive Resources Board Member in 2013.

**Darlene L. Barnes**  
**Regional Administrator, Mountain Plains Regional Office**  
303-844-0300, Darlene.Barnes@fns.usda.gov

Darlene Barnes was named Regional Administrator for USDA’s Food and Nutrition Service (FNS) Mountain Plains Region (MPRO) in February 2004, after serving as Deputy Regional Administrator since June 1998.

As Regional Administrator, Barnes oversees administration of the nutrition assistance programs in a 10-state region comprising Colorado, Iowa, Kansas, Missouri, Montana, Nebraska, North Dakota, South Dakota, Utah and Wyoming. Located in these states are 30 tribal organizations that she works with to administer the Federal nutrition assistance programs. Barnes manages a staff of 110 FNS employees and provides leadership, oversight and technical assistance for a budget of over $6.5B annually.
Her USDA career began in 1976 with the Rural Electrification Administration. She then continued with the Department at the National Information Technology Center and the Animal and Plant Health Inspection Service (APHIS). Barnes joined FNS in 1990, in governmental and public affairs at the National Office. Under her leadership, FNS’ Public Affairs staff won the Public Relations Society of America’s 1997 Silver Anvil Award for its Team Nutrition grassroots information campaign.

Barnes studied communications at Northern Virginia Community College, the University of Maryland and Colorado State University. She is a graduate of the Federal Executive Institute’s senior leadership program, “Leadership for a Democratic Society.” She helped sponsor the Excellence in Government Awards program, which recognizes public servants at the Federal, State and local levels.

Barnes is an avid volunteer with nutrition assistance organizations and, in June 2012, received the USDA “Unsung Hero” award from Secretary Tom Vilsack, who characterized the honorees as “excellent representatives of the 100,000 USDA employees.”

She has been a member of Hunger Free Colorado and provided leadership for the first Hunger Summit in Colorado. She is the former chair and current executive committee member of the Colorado Federal Executive Board.

**Patricia Dombroski**  
**Regional Administrator, Mid-Atlantic Regional Office**  
609-259-5025, Patricia.Dombroski@fns.usda.gov

Patricia Dombroski is the Administrator of USDA’s Food and Nutrition Service (FNS) Mid-Atlantic Region (MARO). In that capacity, she provides leadership for 15 domestic nutrition assistance programs in six states, the District of Columbia, Puerto Rico and the Virgin Islands. Benefit and administrative funds for MARO nutrition programs exceed $12 billion and reach close to 30 million people each month.

Prior to her current position, Dombroski served as Deputy Regional Administrator for MARO. Dombroski has had the unique opportunity to direct all of the Agency’s assistance programs throughout her tenure with FNS. She has served as MARO Director of the WIC Program, the Food Stamp Program (now known as the Supplemental Nutrition Assistance Program) and the Special Nutrition Programs. Dombroski also led the agency’s largest field office, managing more than 15,000 food stamp retailers and the Federally-operated Summer Food Service Program in the state of New York.
United States Department of Agriculture  
2016 Presidential Transition  
Food, Nutrition and Consumer Services Mission Area (FNCS)  

Tim English  
Regional Administrator, Midwest Regional Office  
312-353-6663, Tim.English@fns.usda.gov  

Tim English is the Regional Administrator of the Midwest Region (MWRO) of USDA’s Food and Nutrition Service (FNS). Under his leadership, MWRO provides oversight of program operations and technical assistance to State and local partners who administer the Agency’s 15 nutrition assistance programs. He oversees the administration of these Federal nutrition assistance programs with nutritional benefits and services valued at over $15 billion in Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin. English commits his talents and energies to creating positive change in programs serving our nation’s most vulnerable low income families and elderly.

Prior to his appointment as Regional Administrator, English served as Deputy Regional Administrator from June 2010 to January 2013, providing leadership in program operations. From March 2003-June 2010, he served as MWRO Supplemental Nutrition Assistance Program (SNAP) Director and was responsible for overseeing SNAP operations in the Midwest region.

He is a graduate of Northern Illinois University, as well as a graduate of the American University School of Public Affairs Key Executive Leadership Certificate Program in Washington, D.C.

William E. Ludwig  
Regional Administrator, Southwest Regional Office  
214-290-9800, Williams.Ludwig@fns.usda.gov  

William “Bill” Ludwig is the Regional Administrator of USDA’s Food and Nutrition Service’s (FNS) Southwest Region (SWRO). He oversees 15 Federal nutrition assistance programs in Arkansas, Louisiana, New Mexico, Oklahoma, Texas and 26 tribal organizations with a regional budget of nearly $14 billion.

His mission is to ensure that children throughout the region have access to safe, nutritious and balanced meals. Ludwig is a strong advocate of partnerships, which he believes are critical to accomplishing the region’s mission of reaching the youngest and most vulnerable populations.

During his tenure, Ludwig has built a solid network of more than 300 partner organizations at the Federal, State, Tribal and local levels. These connections have resulted in a greater awareness of FNS’ programs and have generated a variety of innovative ways to provide healthy food to families and children at-risk of hunger.

Ludwig believes in leaning forward and stretching across barriers to help those in need, whether they are in an urban or rural community, through programs such as the WIC/Medical Model, the Community Eligibility Program, the Summer Food Service Program and Mobile Farmers Markets.
United States Department of Agriculture
2016 Presidential Transition
Food, Nutrition and Consumer Services Mission Area (FNCS)

Staying connected is important to the business of fighting hunger, so in conjunction with his travel throughout the region, he and his team have developed creative ways to keep their audiences informed through social media, e-newsletters and partner calls.

Ludwig earned his Bachelor of Arts from Louisiana State University and Master’s in Business Administration from Louisiana Tech University.

Jesus Mendoza Jr.
Regional Administrator, Western Regional Office
415-705-1337, Jesus.Mendoza@fns.usda.gov

Jesus Mendoza Jr. serves as the Regional Administrator for USDA’s Food and Nutrition Service (FNS), Western Regional Office (WRO). In this capacity, Mendoza provides leadership, oversight and technical assistance for 15 Federal nutrition assistance programs operating within eight states (Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, and Washington) three territories (American Samoa, Commonwealth of the Northern Mariana Islands, and Guam) and 35 tribal organizations. Mendoza leads a 88 person staff and oversight of a budget exceeding $20 billion.

Mendoza began his career with FNS Western Regional Office in 2002 as a Program Specialist with the Special Nutrition Programs (SNP) and served as SNP Section Chief and Regional Director and Deputy Regional Administrator prior to his current position. Before joining the Agency, Mendoza served as Program Officer for International Planned Parenthood and worked for the World Wildlife Fund, Latin America and Caribbean Region offices. Mendoza also served in the Peace Corps in Ecuador and Morocco and in the U.S. Army.

Mendoza earned a Bachelor’s degree in Political Science from Southwest Texas State University and Master’s degree in International Development Project Management from Clark University in Worcester, Mass.

Kurt Messner
Regional Administrator, Northeast Regional Office
617-565-3670, Kurt.Messner@fns.usda.gov

Kurt Messner is the Regional Administrator for USDA’s Food and Nutrition Service (FNS), Northeast Regional Office (NERO). In this role, he is responsible for the implementation of the Agency’s 15 nutrition assistance programs throughout the Northeast Region, which include the six states of New England and the state of New York. Working in partnership with State and local organizations and providing technical assistance to these partners, NERO oversees the administration of the full range of FNS programs.

Messner began his career at FNS as the Director of Financial Management at NERO in 2007. In that role, he was responsible for fiscal oversight of FNS programs, and administrative and organizational support. Before joining FNS, Messner served as the Regional Director of Operations and the Deputy Regional Director for Housing with the U.S. Department of Housing and Urban Development (HUD) in Boston. Messner was appointed Deputy Regional
Administrator for NERO in May 2013 and served as Acting Regional Administrator beginning in May 2014.

Messner has been nominated for two Excellence in Government Awards from the Greater Boston Federal Executive Board – in 1995 as a member of a team recognized for their work with workforce planning and development, and again in 2001 for Federal Employee of the Year. Messner received a HUD Secretary Representative’s award in 2001 for outstanding achievement and contribution to the Agency’s mission; and in 2006 he received a Massachusetts Governor’s Special Recognition Award for his contributions to the Gulf Relief efforts related to Hurricane Katrina.

Messner holds a B.S. in Business Management and M.B.A. from Regis University. He has also completed the Executive Leadership Program at Harvard University’s Kennedy School of Government.

Overview of Agency Programs and Operations

The Food, Nutrition and Consumer Services (FNCS) works to harness the Nation's agricultural abundance to end hunger and improve health in the United States. Its agencies administer federal domestic nutrition assistance programs and the Center for Nutrition Policy and Promotion, which links scientific research to the nutrition needs of consumers through science-based dietary guidance, nutrition policy coordination, and nutrition education. FNCS achieves this through its two agencies: the Food and Nutrition Service and the Center for Nutrition and Policy Promotion.

The Food and Nutrition Service (FNS) works with partners to provide food and nutrition education to people in need in a way that inspires public confidence and supports American agriculture.

In pursuit of its mission, FNS executes an annual Agency Priorities Plan consisting of multi-year goals and current year objectives that align to our Agency Priorities. FNS uses these objectives as the basis for a corporate priority-setting process that promotes focused and effective management of scarce administrative resources to key initiatives.

FNS’ ongoing responsibilities and performance objectives are captured in USDA’s Strategic Plan 2014-2018. The FNS Agency Priorities Plan (APP) uses USDA’s Strategic Goals 4 and 5 as an organizing structure and consists of multi-year goals and current year objectives that align to the Agency Priorities, support the Department’s Strategic plan, and comply with the Government Performance and Results Modernization Act of 2010 (GPRAMA). The operational foundation for the FNS plan consists of five organizing priorities.

- **Agency Priority 1: Help Americans Eat Smart and Maintain a Healthy Weight**
  FNS works to support and encourage healthy diets through science-based guidance and strong nutrition standards and education.
Areas of focus include: increases in the average Healthy Eating Index; Healthy People 2020 Health Indicators; Healthy eating and healthy weight program measures; Implementation of the Agricultural Act of 2014 and the Healthy, Hunger-Free Kids Act of 2010 (HHFKA) provisions; Implementation of nutrition education and obesity prevention strategies; and communication and promotion strategies that support the overall priorities.

The Center for Nutrition Policy and Promotion (CNPP) works to improve the health and well-being of Americans by developing and promoting dietary guidance that links the best evidence-based scientific research to the nutrition needs of consumers.

CNPP carries out its mission to improve the health of Americans by: serving as the Federal authority on evidence-based food, nutrition and economic analyses that inform policy and programs; translating science into actionable food and nutrition guidance for all Americans; and leading national communication initiatives that apply science-based messages to advance consumers’ dietary and economic knowledge and behaviors. Major projects include the Dietary Guidelines for Americans, MyPlate, SuperTracker, the Healthy Eating Index, and the Nutrition Evidence Library.

- **Agency Priority 2: Preserve Public Trust in FNS Programs**
  Reflects USDA’s zero tolerance policy for fraud, waste or abuse in nutrition assistance programs.

  Areas of focus include: Compliance with Federal requirements; National School Lunch Program (NSLP) improper payment rate; Supplemental Nutrition Assistance Program (SNAP) trafficking (retailer and client); Child Nutrition (CN)/Women, Infants and Children (WIC) reauthorization; SNAP quality control; Reauthorization of Farm Bill programs; and communications strategies designed to increase public trust.

- **Agency Priority 3: FNS is an Efficient, High Performing and Adaptable Organization**
  Efforts to ensure employees are competent, engaged, and challenged to develop and implement innovative solutions to today’s challenges.

  Areas of focus include: Employee Engagement; Recruitment and Retention Strategies; Talent Management; USDA’s Blueprint for Stronger Service; Process Improvement; and Office of Information Technology (OIT) Operational Framework.

- **Agency Priority 4: Reduce Food Insecurity by Helping Feed Those in Need**
  Emphasizes efforts to keep nutrition programs in reach of vulnerable populations including young people, the elderly, and those with disabilities.

  Areas of focus include: Implementation of Farm Bill provisions; Implementation of SNAP Employment and Training Programs; Increases in Summer meals programs participation; Retention of participation of children after age 1 in WIC; Communicating messages
regarding program access; Food Distribution Program on Indian Reservations (FDPIR) administrative funding; Food Safety Training; Farmers’ Market Nutrition Program (FMNP) Participation Barriers; Able-Bodied Adults Without Dependents (ABAWD) Policies; and Community Engagement Strategies.

- **Agency Priority 5: Civil Rights: Ensuring Access, Equality and Respect in FNS Programs and Activities**
  
  FNS’ commitment to oversight of civil rights laws, policies and directives related to nutrition programs is reflected in this priority.

  Areas of focus include: Compliance Reviews; Voluntary Resolution Agreements; Internal Program Complaint Processing; and Equal Employment Opportunity (EEO) Compliance and Training.

**Supplemental Nutrition Assistance Program**

SNAP offers nutrition assistance to millions of eligible, low-income individuals and families and provides economic benefits to communities. SNAP is the largest program in the domestic hunger safety net. Eligible recipients are provided a monthly allotment of benefits via debit card to use to purchase food at authorized stores. FNS works with state partners, who administer the program at the state and local level based on Federal rules, and the retail community to ensure proper program administration and program integrity. FNS is directly responsible for authorizing retail stores to redeem program benefits and monitoring them to ensure adherence to program requirements. In addition to certifying households for eligibility and issuing benefits, SNAP state agencies deliver nutrition education to participants to help them purchase healthy food on a tight budget. SNAP employment and training services are provided to eligible participants to assist them with building skills for in demand jobs so they can transition to self-sufficiency.

**Child Nutrition Programs**

The Food and Nutrition Service administers several programs that provide healthy food to children. These programs are administered by state agencies, each of these programs helps fight hunger and obesity by reimbursing organizations such as schools, child care centers, and after-school programs for providing healthy meals to children.

  - **National School Lunch Program**

    The National School Lunch Program is a federally assisted meal program operating in public and nonprofit private schools and residential child care institutions. It provides nutritionally balanced, low-cost or free lunches to children each school day. The program was established under the National School Lunch Act, signed by President Harry Truman in 1946.
School Breakfast Program (SBP)
SBP provides cash assistance to states to operate nonprofit breakfast programs in schools and residential childcare institutions. The Food and Nutrition Service administers the SBP at the Federal level. State education agencies administer the SBP at the state level, and local school food authorities operate the Program in schools.

Child and Adult Care Food Program (CACFP)
CACFP provides aid to child and adult care institutions and family or group day care homes for the provision of nutritious foods that contribute to the wellness, healthy growth, and development of young children, and the health and wellness of older adults and chronically impaired disabled persons.

Summer Food Service Program
The Summer Food Service Program ensures that low-income children continue to receive nutritious meals when school is not in session.

Fresh Fruit and Vegetable Program (FFVP)
FFVP can be an important tool in our efforts to combat childhood obesity. The Program has been successful in introducing school children to a variety of produce that they otherwise might not have the opportunity to sample. The various partnerships that FNS and state agencies have developed in the public and private sectors, as well as the dedicated work of school administrators, have contributed to the overall success and acceptance of the program. FFVP is consistent with and supports the National Academy of Medicine’s recommendations to provide healthier snack choices in schools.

Special Milk Program
The Special Milk Program provides milk to children in schools and childcare institutions who do not participate in other Federal meal service programs. The program reimburses schools for the milk they serve. Schools in the National School Lunch or School Breakfast Programs may also participate in the Special Milk Program to provide milk to children in half-day pre-kindergarten and kindergarten programs where children do not have access to the school meal programs.

Supplemental Nutrition and Safety Programs
Food Distribution Division (FDD) is responsible for: USDA Foods in the National School Lunch Program, The Emergency Food Assistance Program (TEFAP), and the Food Distribution Program on Indian Reservations (FDPIR), the Commodity Supplemental Food Program (CSFP), and USDA Foods Disaster Assistance.

Commodity Supplemental Food Program (CSFP)
CSFP works to improve the health of low-income elderly persons at least 60 years of age by supplementing their diets with nutritious USDA Foods. Women, infants, and children who were certified and receiving CSFP benefits as of February 6, 2014, can continue to receive assistance until they are no longer eligible under the program rules in effect on
February 6, 2014. Through CSFP, USDA distributes both food and administrative funds to participating states and Indian Tribal Organizations.

- **Food Distribution Program on Indian Reservations (FDPIR)**
  FDPIR is a Federal program that provides USDA foods to low-income households, including the elderly, living on Indian reservations, and to Native American families residing in approved service areas near reservations or in Oklahoma.

- **Nutrition Services Incentive Program (NSIP)**
  The Food and Nutrition Service purchases USDA Foods for distribution through NSIP, a nutrition program for the elderly administered by the Department of Health and Human Service's Administration for Community Living.

- **The Emergency Food Assistance Program (TEFAP)**
  TEFAP supplements the diets of low-income Americans, including elderly people, by providing them with emergency food and nutrition assistance. Under TEFAP, USDA foods are made available by the U.S. Department of Agriculture to states. States provide the food to local agencies that they have selected, usually food banks, which in turn, distribute the food to soup kitchens and food pantries that directly serve the public.

- **Schools/USDA Foods Programs**
  USDA's Schools/Child Nutrition Programs support American agricultural producers by providing cash reimbursements for meals served in schools, but also by providing nutritious, USDA-purchased food to the programs: National School Lunch Program (NSLP); Child and Adult Care Food Program (CACFP); and the Summer Food Service Program (SFSP).

- **Women, Infants, and Children (WIC)**
  The Special Supplemental Nutrition Program for Women, Infants, and Children - better known as the WIC Program - serves to safeguard the health of low-income pregnant, postpartum and breastfeeding women, infants, & children up to age 5 who are at nutritional risk. WIC provides nutritious foods to supplement diets, information on healthy eating, breastfeeding promotion and support, and referrals to health care.

- **Farmers’ Market Nutrition Program (FMNP)**
  The WIC Farmers’ Market Nutrition Program (FMNP) provides WIC participants with coupons to purchase fresh, unprepared, locally grown fruits and vegetables from local farmers' markets.

- **Senior Farmers’ Market Nutrition Program (SFMNP)**
  The Senior Farmers’ Market Nutrition Program provides low-income seniors with coupons that can be exchanged for eligible foods at farmers’ markets, roadside stands, and community supported agriculture programs.
## Budget and Staffing Summary

### Food, Nutrition and Consumer Services Mission Area

**Budget Authority FY 2009- FY 2016**

(Dollars in Thousands)

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II. Top Issues/Hot Topics

Timeline

Winter 2017: TBD - Health and Medicine Division Study -- First “short” report is expected to address Part 1 of the study being conducted on the process to update the Dietary Guidelines for Americans

January 2017:

- **Summer Electronic Benefit Transfer (EBT) Project Awards:** Since summer 2011, USDA has supported the Summer Electronic Benefit Transfer for Children (SEBTC) projects, which reach low income families in areas where there are limited numbers of sites eligible to serve summer meals. FNS expects that appropriators will provide over $20 million to continue Summer EBT demonstrations in FY 2017. Decisions will need to be made in January 2017 regarding the states and tribal organizations receiving grants to operate summer EBT projects in summer 2017.

- **National Academy of Medicine (NAM) WIC Food Package Report:** The Healthy, Hunger Free Kids Act of 2010 requires a comprehensive review of the WIC food package at least every ten years to ensure that it conforms to current nutrition science, public health concerns, and cultural eating patterns. In late 2014, FNS contracted with the NAM to convene an expert panel and conduct the next review. The panel’s report could be released as early as January 2017, though it could take several months longer. The report will be highly scrutinized by Congress and other program stakeholders, who will likely be interested to know FNS’ plans to consider regulatory changes in WIC based on the report soon after its release.

- **SNAP Retailer Eligibility Standards Rule:** The final rule changes the standards for participating SNAP retailers and is scheduled to be published by the end of calendar year 2016 with an effective date of one year following publication. A substantial education and technical assistance program for SNAP retailers will be conducted to ensure that authorized retailers are able to comply with the new standards by the effective date. Plans for this effort will need to begin shortly after publication of the final rule, potentially as early as January 2017. Stakeholders may raise concerns about the new standards.

- **SNAP Quality Control, Establishment of a National Quality Control (QC) error rate for FY 2016:** FNS will begin working with states to pull a new sample of FY 2016 cases and complete case reviews to establish a national QC error rate for FY 2016. A change in approach (from a two tier to a one tier review) is being instituted for FY 2016 based on changes that needed to be incorporated in the QC system to assure a sound QC system; there will be no state error rates for FY 2016, only the national error rate. These reviews will require significant state cooperation and Federal access to case documentation and state systems. The 2016 national error rate will be announced in June, 2017.
- **USDA Food Plans** – December Cost of Food Report is released. CNPP publishes monthly updates to the various USDA food plans to reflect changes in the costs of the food packages.

**February 2017:**

- **Child Nutrition (CN) Program Integrity Final Rule:** The Healthy, Hunger-Free Kids Act (HHFKA) of 2010 includes statutory changes to further enhance the integrity of the CN Programs. In March 2016, FNS published a proposed rule to codify these changes as well as several recommendations from recently conducted management evaluations and USDA Office of Inspector General (OIG) audits of state agencies operating CN Programs. Policy decisions will be needed on key issues in February 2017 to finalize drafting and clearance of the rule by June 2017.

- **USDA Food Plans** – January Cost of Food Report is released

**March 2017:**

- **USDA Food Plans** – February Cost of Food Report is released

**April 2017:**

- **FNCS Park Office Center Lease Re-Competition:** The lease for Park Office Center, the location of FNCS’ National Office, in Alexandria, VA expires in May 2017. A General Services Administration (GSA)-led competition to replace that lease is currently underway. Results of that competition are expected to be known in the second quarter of FY 2017. Costs associated with execution of a new lease are estimated to be approximately $17 million. While funding to support those costs is essentially dependent on full year FY 2017 appropriations action, some potential alternative funding options have been identified. No later than April 2017, FNCS will need to assess its financial situation and finalize its funding strategy.

- **USDA Food Plans** – March Cost of Food Report is released

**May 2017:**

- **USDA Food Plans** – April Cost of Food Report is released

- **Announcement of Farm to School Grant Awards:** Each year, USDA awards up to $5 million in competitive grants to assist eligible entities (school districts, state and local agencies, Tribal nations, agricultural producers, and non-profit organizations) in implementing farm to school programs that improve access to local foods in eligible schools. They can support training, operations, planning, purchasing equipment, developing school gardens, developing partnerships, and implementing farm to school programs. Applications for the FY 2017 grants are due in December 2016; announcement of awards is scheduled for May 2017.
June 2017:

- **USDA Food Plans** – May Cost of Food Report is released

**Mission Area Issues**

**SNAP Quality Control (QC):** To establish a national QC error rate for FY 2016, FNS staff will work with states to pull a new sample of FY 2016 cases and complete case reviews. State agencies must grant Federal reviewers access to the documentation and State systems necessary to complete these case reviews. States must continue to report FY 2016 case results to FNS as an opportunity to review internal procedures to ensure that all state QC reviewers are operating in accordance with program rules and the QC system for FY 2017 is sound. This review will begin in early 2017.

**Child Nutrition Reauthorization (CNR):** Congress may take up and pass CNR during the “lame duck” session at the end of 2016. If it does not, the legislative discussion on this may continue into 2017. However, the programs continue to operate despite the lapse of the legislation.

**Child Nutrition Program Integrity Rule:** The Healthy, Hunger-Free Kids Act (HHFKA) of 2010 includes statutory changes to further enhance the integrity of the Child Nutrition (CN) Programs. In March 2016, FNS published a proposed rule to codify these changes as well as several recommendations from recently conducted management evaluations and USDA Office of Inspector General (OIG) audits of state agencies operating CN Programs. The final rule is scheduled to be published June 2017. Policy decisions will be needed on key issues in February 2017 to finalize drafting and clearance of the rule by this date.

**Farm to School:** Consistent with the Healthy Hunger-Free Kids Act of 2010 and USDA’s Know Your Farmer, Know Your Food Task Force, FNS has improved access to local foods in schools through grants, technical assistance, and research. In addition to maintaining these efforts, FNS is expanding its focus to other programs, and the implementation of new meal standards in the Child and Adult Care Food program in FY17 provides opportunities to highlight local foods program.

**Office of Community Food Systems:** While USDA has been engaged in farm to school efforts for a number of years, the Healthy Hunger-Free Kids Act of 2010 specifically directed the Department to improve access to local foods in schools through grants, technical assistance, and research. The Office of Community Food Systems (OCFS) operates the USDA Farm to School Grant Program (FY17 awards will be made in May 2017), administers and disseminates information from the USDA Farm to School Census, and provides a host of technical assistance and training. OCFS works closely with the Department’s Know Your Farmer, Know Your Food
Task Force to coordinate and collaborate on issues related to local and regional foods and to highlight Farm to School Census data on the KYF2 Compass Map website.

**Summer Meals for Children:** FNS has a long history of working towards increasing the number of children served by summer meals. While planning for this is already underway, these efforts will need to continue during the first part of 2017 to ensure that the summer of 2017 is successful in meeting the needs of children.

**National Academy of Medicine Review of the Process to Develop the Dietary Guidelines for America’s:** For CNPP, the most immediate issue is the study being conducted by the Health and Medicine Division of the National Academy of Medicine. Once the study is complete, USDA, in partnership with HHS, will need to determine how to manage the study findings in the context of initiating the next revision of the Dietary Guidelines for 2020.

**GAO and OIG Audits**

### GAO Audits

- **WIC Program: Improved Oversight of Income Eligibility Determination Needed (GAO-13-290)**
  - **Date Issued:** March 8, 2013
  - **Hyperlink to audit:** [http://www.gao.gov/assets/660/652480.pdf](http://www.gao.gov/assets/660/652480.pdf)
  - **Audit Objectives:** Audit request made by the House Committee on Education and the Workforce and the Senate Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies. GAO assessed: (1) how do state and local criteria for determining WIC income eligibility vary; (2) to what extent are individuals who would otherwise be ineligible for WIC deemed eligible due to their participation in other programs; and (3) how does USDA assist and monitor state determination of WIC income eligibility.
  - **Audit Summary:** GAO reviewed Federal laws and regulations; analyzed USDA’s national data from 2010, recent survey findings, and monitoring reports; reviewed WIC policy manuals from 10 states chosen to provide population size and geographic diversity; and interviewed Federal, state, and local officials. GAO recommended that USDA develop a timeline for reviewing its monitoring reports to assess national program risks and target assistance. USDA agreed with GAO’s recommendation. FNS staff developed a process to use an automated report to identify areas in need of correction or improvement that were found during WIC Management Evaluations conducted across the country. Using the output report, FNS will assess the frequency of Management Evaluation findings in each policy and program area nationwide and
respond by providing policy clarification, training, or other corrective actions to states. The report went into production on November 1, 2013, and FNS reported that staff will review the reports quarterly.

- **Current Status**: Closed

- **School Lunch**: Implementing Nutrition Changes Was Challenging and Clarification of Oversight Requirements Is Needed (GAO-14-104)
  - **Date Issued**: February 27, 2014
  - **Audit Objectives**: Request made by the House Committee on Education and the Workforce. GAO assessed: (1) lunch participation trends; (2) challenges School Food Authorities’ (SFAs) faced implementing the changes, if any; and (3) USDA’s assistance with and oversight of the changes.
  - **Audit Summary**: To address these areas, GAO used several methods, including review of Federal laws, regulations, and guidance; analysis of USDA’s lunch participation data; a national survey of state child nutrition program directors; and site visits to eight school districts selected to provide variation in geographic location and certain school district and food service characteristics. To improve program integrity, GAO recommends that USDA clarify the need to document noncompliance issues found during state reviews of SFAs and complete efforts to assess states’ assistance needs related to oversight of financial management. USDA generally agreed with GAO’s recommendations.
  - **Current Status**: Closed

- **School-Meals Programs**: USDA Has Enhanced Controls, but Additional Verification Could Help Ensure Legitimate Program Access (GAO-14-262)
  - **Date Issued**: June 16, 2014
  - **Audit Objectives**: GAO began this work on the initiative of the Comptroller General. GAO assessed: (1) steps taken to help identify and prevent ineligible beneficiaries from receiving benefits in school-meal programs; and (2) what opportunities exist to strengthen USDA’s oversight of the school-meals programs.
  - **Audit Summary**: GAO reviewed the National School Lunch Program policies, interviewed program officials, and randomly selected a non-generalizable sample that included 25 of 7.7 million approved household applications from 25 of 1,520 school districts in the Dallas, Texas, and Washington, D.C., regions. GAO performed limited eligibility testing using civilian Federal-employee payroll data from 2010 through 2013 due to the unavailability of other data sources containing nonFederal employee income. GAO also conducted interviews with households. Ineligible households were
referred to the Inspector General. GAO recommends that the Secretary of Agriculture develop a pilot program to explore the feasibility of using computer matching to identify households with income that exceeds program-eligibility thresholds for verification, and explore the feasibility of verifying a sample of categorically eligible households.

- **Current Status:** Open

**School Meal Programs: Implications of Adjusting Income Eligibility Thresholds and Reimbursement Rates by Geographic Differences (GAO-14-557)**

- **Date Issued:** August 7, 2014
- **Hyperlink to audit:** [http://www.gao.gov/assets/670/664689.pdf](http://www.gao.gov/assets/670/664689.pdf)
- **Audit Objectives:** This audit request was from Representative Sam Farr. The objectives were: (1) what are the available data sources that could be used to adjust for cost-of-living differences for household income eligibility and for variations in food, labor, and other costs for USDA school reimbursement rates; and (2) what are the advantages and disadvantages of using such data sources for making adjustments for income eligibility and reimbursement rates.

- **Audit Summary:** No recommendations included in this report. GAO looked at a variety of methods by which to identify geographic differences in living costs and the potential for using them to adjust: (1) income eligibility thresholds; and (2) reimbursement rates for schools. They also examined the extent to which states and localities can make adjustments for geographic differences in costs by using existing program rules. GAO reviewed relevant laws, regulations, and literature; analyzed available data sources and methods; and interviewed knowledgeable experts.

- **Current Status:** Closed

**Supplemental Nutrition Assistance Program (SNAP): Enhanced Detection Tools and Reporting Could Improve Efforts to Combat Recipient Fraud (GAO-14-641)**

- **Date Issued:** August 21, 2014
- **Audit Objectives:** This audit request was from Senator Jeff Sessions. The audit objectives were: (1) how has USDA addressed the issues raised in its IG report on SNAP fraud; (2) how does USDA determine SNAP’s payment error rate and to what extent is payment error due to participant fraud; and (3) how many SNAP benefits continue to be vulnerable to trafficking.

- **Audit Summary:** GAO reviewed: (1) how selected state agencies combat SNAP recipient fraud; (2) the effectiveness of certain state fraud detection tools; and (3) how FNS oversees state anti-fraud efforts. GAO reviewed relevant Federal laws, regulations, guidance, and documents; interviewed officials in 11 states; interviewed
Federal officials; tested fraud detection tools using fiscal year 2012 program data; and monitored websites for potential trafficking online. Although results are not generalizable to all States, the 11 states, selected based on various criteria including the size of their SNAP recipient household population and their payment error rates, served about a third of SNAP recipient households. GAO recommends, among other things, that FNS reassess current financial incentives and detection tools and issue guidance to help States better detect fraud and report on their anti-fraud efforts. FNS is working on the corrective actions resulting from this audit report.

• **Nutrition Assistance – Additional Guidance Could Assist States in Addressing Online Sale of Infant Formula (GAO-15-94)**
  - **Date Issued:** January 12, 2015
  - **Audit Objectives:** GAO did this work in response to a request made by the Chairs of House Committee on Education and the Workforce and the House Subcommittee on Early Childhood, Elementary, and Secondary Education, as well as another member of Congress. The key questions to be addressed by their audit were: 1) how does USDA determine the amount of formula to provide to participating infants; 2) what is known about the extent to which participants sell WIC formula online; and 3) what steps has USDA taken to prevent and address the online sale of WIC formula.
  - **Audit Summary:** GAO recommended that USDA require state agencies to inform WIC participants that selling WIC formula is against program rules and describe in their state plans how they identify attempted sales. GAO also recommended that USDA assess online sales, including techniques states can use to monitor them. USDA agreed with GAO’s recommendations.
  - **Current Status:** One recommendation was closed and two remain open. FNS’ latest update to move toward closure was provided to GAO on July 18, 2016.

  - **Date Issued:** May 18, 2015
  - **Hyperlink to audit:** [http://gao.gov/assets/670/669688.pdf](http://gao.gov/assets/670/669688.pdf)
  - **Audit Objectives:** GAO did this work in response to a request made by the Chairs of House Committee on Education and the Workforce, as well as the Chairs of the subcommittees on Higher Education and Workforce Training; Health, Employment, Labor, and Pensions; Workforce Protections; and Early Childhood, Elementary, and Secondary Education. The key questions to be addressed by their audit were: 1) how do agencies define regulatory guidance and what processes and criteria are used to
determine whether to issue guidance or undertake rulemaking; 2) what similarities and differences exist between the agencies policies, processes, and practices for developing and using regulatory guidance; and 3) how do the agencies ensure that their departmental guidance is current and transparent.

- **Audit Summary:** GAO made recommendations to four departments, and specific to USDA recommended that it strengthen the use of internal controls in guidance production processes and improve online guidance dissemination. USDA generally agreed with this recommendation.

- **Current Status:** Open. However, FNS provided information needed to close the USDA recommendation to GAO on July 22, 2016, and is currently waiting for GAO to update the status of the recommendation on their public website.

**School Nutrition: USDA Has Efforts Underway to Help Address Ongoing Challenges Implementing Changes in Nutrition Standards (GAO-15-656)**

- **Date Issued:** October 14, 2015
- **Audit Objectives:** GAO did this work in response to a request made by the Chair of the Committee on Education and Workforce. The key questions to be addressed by their audit were: 1) what challenges, if any, are the School Food Authorities (SFAs) GAO visited previously for the January 2014 report (GAO-14-104) dealing with currently, and as they continue to implement school lunch changes; 2) what challenges, if any, have these SFAs faced while implementing the changes to the nutrition standards for school breakfasts and the new nutrition standards for competitive foods; and 3) what actions has USDA taken to assist SFAs in implementing the school food requirements, such as helping schools mitigate any challenges related to food cost and waste.

- **Audit Summary:** GAO made no new recommendations to USDA as this was a follow-up to the GAO-14-104 report in which they recommended that USDA clarify the need to document noncompliance issues found during state reviews of SFAs and complete efforts to assess states' assistance needs related to oversight of financial management.

- **Current Status:** Closed

**OIG Audits**

- **Analysis of FNS’ Supplemental Nutrition Assistance Program Fraud Prevention and Detection Efforts (27002-0011-13)**
  - **Date Issued:** September 28, 2012
Audit Objectives: Initially, OIG’s audit objectives were to determine whether funds were used properly by analyzing SNAP-related databases at Federal and state levels for anomalies and signs of fraud, waste, and abuse; and to compare 10 selected states’ SNAP recipient databases to the Social Security Administration’s Death Master File. Subsequent to the December 2011 House Agriculture Committee’s Subcommittee on Department Operations, Oversight, and Credit’s hearing on SNAP fraud, the audit scope was expanded to include an evaluation of the adequacy of FNS and state tools used to prevent and detect SNAP fraud, and whether the states were using the tools provided.

Audit Summary: OIG concluded that, given the size and complexity of SNAP, the low rate of data anomalies identified was a notable achievement and the States had made significant progress resolving the questioned recipients identified in their matches. OIG also stated that, since SNAP participation has reached record levels, even incremental improvements in fraud detection and prevention can have a meaningful impact on SNAP program integrity. The report contained nine recommendations.

Current Status: This audit will be resolved upon the development of an action plan on next steps for the National Accuracy Clearinghouse (NAC) project. The NAC pilot project report was signed by the Secretary and delivered to Congress on May 10, 2016. FNS is preparing a letter to all States detailing next steps. Estimated completion date – October 31, 2016.

Food and Nutrition Service Financial Statements for Fiscal Year 2012 and 2011 (27401-0002-21)

Audit Objectives: To determine whether: (1) the financial statements present fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, the assets, liabilities, and net position, net cost, changes in net position, and combined budgetary resources; (2) the internal control objectives over financial reporting were met; and (3) the Food and Nutrition Service complied with laws and regulations for those transactions and events that could have a direct and material effect on the comparative financial statements. OIG also determined whether the Management Discussion and Analysis was materially consistent with the information in the comparative financial statements.

Audit Summary: The report contains an unqualified opinion on the financial statements, as well as the results of our assessment of the Food and Nutrition Service’s internal controls over financial reporting and compliance with laws and regulations. FNS’ comparative financial statements for fiscal years 2012 and 2011,
including the accompanying notes, present fairly, in all material respects, the financial position of FNS, as of September 30, 2012, and 2011, and its net costs, changes in net position, and budgetary resources for the years then ended, in conformity with accounting principles generally accepted.

- **Current Status:** Closed

- **National School Lunch Program – Food Service Management Company (FSMC) Contracts (27601-0001-23)**
  - **Date Issued:** January 3, 2013
  - **Hyperlink to audit:** [https://www.usda.gov/oig/webdocs/27601-0001-23.pdf](https://www.usda.gov/oig/webdocs/27601-0001-23.pdf)
  - **Audit Objectives:** The objectives of the audit were: (1) assess the effectiveness of any controls implemented by FNS and selected state agencies as a result of previous audits; (2) determine whether SFAs that signed fixed-price-per-meal contracts are receiving the full benefit and value of all donated foods provided to FSMCs, and (3) determine whether SFAs that signed cost-reimbursable contracts with FSMCs are receiving all purchase rebates.
  - **Audit Summary:** This audit was conducted based on an inquiry from Congresswoman DeLauro. Overall, OIG reported the following: FNS needs to enhance its management oversight and controls of SFAs that contract with FSMCs; FNS needs to improve its monitoring of SFAs’ oversight for FSMC purchase discounts and rebates; FNS did not ensure full credit was given for USDA-donated foods; and FNS needs to improve reviews of State Agency FSMC contracts.
  - **Current Status:** FNS completed all corrective actions that resulted from the 15 recommendations in the audit report. The procurement tool associated with many of the recommendations was released for implementation nationwide in School Year 2016-2017. The request for final action and closure for the remaining open recommendations (1, 2, 7, 8, 11, 12, 13, and 15) was submitted to OCFO for approval on August 15, 2016.

- **Vendor Management in the Food and Nutrition Service’s Special Supplemental Nutrition Assistance Program for Women, Infants and Children (WIC) (27601-0038-CH)**
  - **Date Issued:** March 29, 2013
  - **Hyperlink to audit:** [https://www.usda.gov/oig/webdocs/27601-0038-CH.pdf](https://www.usda.gov/oig/webdocs/27601-0038-CH.pdf)
  - **Audit Objectives:** The overall objectives of the audit were to evaluate FNS’ implementation of new regulations intended to improve the integrity of vendor management, and to assess the certification of participants as eligible. As part of this, OIG assessed the state agencies’ implementation of vendor compliance
investigations; their accountability, control, and security over food instruments; and how they made determinations of participant eligibility.

- **Audit Summary:** OIG did not identify any material findings associated with participant eligibility. However, OIG reported that FNS needs to strengthen guidance and oversight of state agencies’ vendor monitoring and enforcement activities. FNS does not ensure that all retail vendors disqualified from SNAP are disqualified from WIC. FNS has completed all corrective actions resulting from the nine recommendations in the audit report.

- **Current Status:** Closed

- **Overlap and Duplication in the Food and Nutrition Service’s Nutrition Programs**
  (27001-0001-10)
  - **Date Issued:** June 13, 2013
  - **Hyperlink to audit:** [https://www.usda.gov/oig/webdocs/27001-0001-10.pdf](https://www.usda.gov/oig/webdocs/27001-0001-10.pdf)
  - **Audit Objectives:** OIG evaluated the potential for duplication and overlap in the five largest FNS nutrition assistance programs, accounting for 99 percent of FNS’ total program budget related to FYs 2012 through 2006.
  - **Audit Summary:** Although this audit did not document a single area of unnecessary overlap or duplication in any of FNS’ programs, OIG recommended that FNS determine and document the requirements for conducting a study and to identify and determine the extent to which overlap and duplication may exist in FNS’ nutritional assistance programs. OIG also recommended that FNS determine whether it had the resources necessary to conduct the assessment of the potential overlap of its nutrition programs or whether additional funding will be necessary to complete the assessment.
  - **Current Status:** Closed

- **FNS: Controls for Authorizing Supplemental Nutrition Assistance Program Retailers**
  (27601-0001-31)
  - **Date Issued:** July 31, 2013
  - **Audit Objectives:** This audit was initiated by OIG in April 2012 to evaluate FNS’ controls for authorizing SNAP retailers; specifically to assess FNS controls over the retailer authorization process, and to evaluate the Agency’s actions to strengthen its processes to prevent the authorization of previously disqualified owners.
  - **Audit Summary:** This audit report contains 20 recommendations. OIG reports that FNS should comprehensively review its policies and procedures, seek legislative change to retain a portion of retailer penalties; require background checks for retailers; strengthen internal guidance; make improvements to its automated retailer data system; create and strengthen safeguards for high-risk stores; and require more
supervisory reviews. FNS should also review the owners identified to determine if they need to be penalized or disqualified from SNAP.

- **Current Status:** Six of the twenty recommendations remain open, but are in the process of being addressed. Closure of two of the recommendations hinges on the rulemaking process, which pushes the estimated completion date of closure out to October 2017.

- **Food and Nutrition Service Financial Statements for Fiscal Year 2013 – 2012 (27401-0003-21)**
  - **Date Issued:** December 6, 2013
  - **Audit Objectives:** To examine the Food and Nutrition Service’s financial statements for FY 2013 and 2012.
  - **Audit Summary:** The report contains an unqualified opinion on the financial statements, as well as the results of our assessment of the Food and Nutrition Service’s internal controls over financial reporting and compliance with laws and regulations. OIG determined that the agency’s financial statements for the FY 2013 and 2012 present fairly, in all material respects, FNS’ financial position as of September 30, 2013 and 2012, and that they conform with accounting principles generally accepted.
  - **Current Status:** Closed

- **State Agencies’ Food Costs for the Food and Nutrition Service’s Special Supplemental Nutrition Program for Women, Infants and Children (WIC) (27004-0001-22)**
  - **Date Issued:** September 25, 2014
  - **Audit Objectives:** OIG’s goal was to conduct an audit survey of states to evaluate factors that impact the FNS WIC program’s costs, including average food costs and costs per participant. Additionally, OIG wanted to gain an understanding of FNS and State oversight activities in monitoring program costs.
  - **Audit Summary:** OIG found that FNS can strengthen its oversight of state agency cost containment practices and recommended that FNS coordinate with Medicaid. OIG also recommended that FNS should take more effective measures in cost containment policies. The audit report contained six recommendations for FNS. FNS developed a national WIC cost containment strategy that requires state agencies to implement a vendor peer group system, competitive price criteria, and allowable reimbursement levels in a manner that ensures the WIC Program pays authorized vendors competitive prices for supplemental foods. It also requires state agencies to ensure that vendors who derive more than 50 percent of their annual food sales
revenue from WIC food instruments do not cause higher food costs for the program than do other vendors. All of these requirements are codified in program regulations found at 7 CFR 246.12.

- **Current Status:** All recommendations but one are closed. The open recommendation is pending completion of an Economic Research Service (ERS) study. FNS is working with ERS on its update of the 2005 report, Interstate Variation in WIC Food Package Costs: The Role of Food Prices, Caseload Composition, and Cost-Containment Practices. This study, which examines the degree to which food prices, caseloads, and the implementation of various cost containment measures influence state agencies’ food package costs, was delayed and is now estimated to be completed by the Fall of 2017.

- **Food and Nutrition Service Financial Statements for Fiscal Years 2014 and 2013 (OIG 27401-0004-21)**
  - **Date Issued:** November 14, 2014
  - **Audit Objectives:** To determine whether: 1) the comparative financial statements were presented fairly, in all material respects, in accordance with accepted principles; 2) the internal control objectives over financial reporting were met; 3) FNS complied with laws and regulations for transactions and events that could have a direct and material effect to the financial statements; and 4) the information presented in Management’s Discussion and Analysis was materially consistent with the information in the comparative financial statements.
  - **Audit Summary:** The Food and Nutrition Service received an unqualified opinion from the OIG’s audit of the FNS comparative financial statements.
  - **Current Status:** Closed

- **National School Lunch and School Breakfast Program Error Rates (OIG 27601-0001-41)**
  - **Date Issued:** May 5, 2015
  - **Hyperlink to audit:** [https://www.usda.gov/oig/webdocs/27601-0001-41.pdf](https://www.usda.gov/oig/webdocs/27601-0001-41.pdf)
  - **Audit Objectives:** To evaluate the methods FNS used to lower the error rates for NSLP and SBP. OIG sought to determine if FNS, State agencies, and SFAs had adequate controls to: 1) ensure children met the eligibility requirements, and 2) meal claims were supported and accurately reimbursed.
  - **Audit Summary:** OIG recommended that FNS consult with the Office of the General Counsel to determine its regulatory authority to require households to submit income documentation with school meals applications. Based on this determination, FNS should then take the appropriate actions to revise the programs’ documentation
requirements. Additionally, OIG recommended that FNS should clarify criteria for identifying questionable applications and provide guidance and training for cafeteria fund management.

- Current Status: Closed

**SNAP Error Rates (OIG 27601-0002-41)**

- **Date Issued:** September 23, 2015
- **Hyperlink to audit:** [https://www.usda.gov/oig/webdocs/27601-0002-41.pdf](https://www.usda.gov/oig/webdocs/27601-0002-41.pdf)
- **Audit Objectives:** To determine if FNS and States have controls in place to ensure the integrity of SNAP error rate determination.
- **Audit Summary:** OIG recommended that FNS should consider changing quality control (QC) from a two-tier process reliant on state error rates to a one-tier process in which FNS or a third party reviews cases, and establishes a timeline for making this change, if cost beneficial. OIG also recommended that FNS needs to reiterate policies regarding the proper use of error review committees, QC staff’s variable treatment of error cases, and issue guidance to states on appropriate use of private consultants. Lastly, they recommended that FNS should amend and enforce policies to ensure error rates are accurate and determined if they are in compliance with regulations.
- **Current Status:** Open. Management decision agreement reached on all recommendations as of June 30, 2016. Four recommendations are closed and the remaining recommendations are on track to be closed by December 31, 2016.

**Healthy, Hunger-Free Kids Act (HHFKA) of 2010 – Controls Over Food Service Account Revenue (OIG 27601-0001-22)**

- **Date Issued:** September 28, 2015
- **Audit Objectives:** To evaluate the controls that FNS has in place to ensure that SFAs comply with the food service account revenue requirements outlined in Sections 205 and 206 of HHFKA. In addition, OIG sought to evaluate FNS’ compliance with the requirements outlined in Section 307 of that Act regarding indirect food costs.
- **Audit Summary:** OIG recommended that FNS needs to redesign controls to provide reasonable assurance that SFAs comply with the paid lunch equity and non-program food revenue requirements of sections 205 and 206, and that their reports are on time and complete. Additionally, they recommended that FNS needs to supply SFAs with updated guidance concerning indirect costs. Lastly, OIG recommended that FNS needs to establish a date for publishing the annual paid lunch price report.
- **Current Status:** Open. Action request currently being finalized for submission to the Office of the Chief Financial Officer by October 31, 2016.
United States Department of Agriculture
2016 Presidential Transition
Food, Nutrition, and Consumer Services

- **Food and Nutrition Service Financial Statements for Fiscal Years 2015 and 2014 (OIG 27401-0005-21)**
  - **Date Issued:** November 5, 2015
  - **Audit Objectives:** To determine whether: 1) FNS’ comparative financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles; 2) FNS met internal control objectives over financial reporting; 3) transactions and events with direct and material effect on the financial statements were compliant with applicable laws and regulations; and 4) the information presented in the Management’s Discussion and Analysis was materially consistent with the information in the comparative financial statements.
  - **Audit Summary:** The Food and Nutrition Service received an unqualified opinion from the OIG’s audit of the FNS comparative financial statements.
  - **Current Status:** Closed

- **SNAP Administrative Costs (OIG 27601-0003-22)**
  - **Date Issued:** September 29, 2016
  - **Hyperlink to audit:** Not yet available
  - **Audit Objectives:** To evaluate FNS’ controls over SNAP administrative costs, with a specific focus on whether states with county-administered programs were effectively and efficiently controlling costs and minimizing variances.
  - **Audit Summary:** Though a final report is pending issuance, it is expected that OIG will recommend the following: 1) that FNS could be more proactive in analyzing and containing variances in SNAP costs-per-case; 2) that FNS regional offices have different procedures for conducting financial reviews and risk assessments; and 3) that weaknesses in state and county financial management controls and a lack of effective FNS oversight led to inaccurate program financial reporting and questioned costs.
  - **Current Status:** Pending publication of final audit report. FNS officials are currently preparing a formal response to OIG’s official draft report that will be included in its entirety as an attachment to OIG’s final report.

- **FNS Controls Over SNAP Benefits for Able-Bodied Adults Without Dependents (ABAWD) (OIG 27601-00032-31)**
  - **Date Issued:** September 29, 2016
  - **Hyperlink to audit:** Not yet available
  - **Audit Objectives:** To determine whether FNS’ oversight of state agency controls is adequate to ensure that only eligible ABAWDs are receiving SNAP benefits.
Audit Summary: Though a final report is pending issuance, it is expected that OIG will recommend the following: 1) FNS conduct a study to identify the most troublesome areas for states and develop best practices for implementing the complex ABAWD provisions; 2) FNS review regulations to verify that the agency is consistently implementing laws regarding SNAP age limits; and 3) FNS ensure that valid, complete, and timely information is included in the Management Evaluation System (MEMSNext Generation).

Current Status: Pending publication of final audit report. FNS officials are currently preparing a formal response to OIG’s official draft report that will be included in its entirety as an attachment to OIG’s final report.
WHAT WE DO: OUR MISSION

The Center for Nutrition Policy and Promotion (CNPP) works to improve the health and well-being of Americans by developing and promoting dietary guidance that links scientific research to the nutrition needs of consumers. Major projects include the Dietary Guidelines for Americans, MyPlate, SuperTracker, Healthy Eating Index, and the Nutrition Evidence Library. CNPP is within USDA’s Food, Nutrition and Consumer Services (FNCS) mission area.

WHO WE ARE: OUR WORKFORCE

Staff of 29 dietitians, nutritionists, nutrition scientists, analysts, educators, communicators, economists, public health experts, visual information specialists, librarians and administrative assistants are all located at FNCS HQ in Alexandria, VA.

WHO WE SERVE: OUR CONSTITUENTS

CNPP resources are used by consumers, health professionals, nutrition educators, Federal agencies, and other stakeholders serving the public. Its nutrition policy guidance serves as the foundation for sister agency Food and Nutrition Service (FNS) in its program areas for low-income populations.

BUDGET HIGHLIGHTS FY 2016

- CNPP operates under four Congressional mandates and receives no direct Congressional appropriations.
- Staff salaries, benefits and administrative funds are provided through USDA’s Food and Nutrition Service Nutrition Programs Administration Account (NPA).
- See the Budget Highlights for CNPP’s NPA allocation (3.29% of total FNS NPA Account).
United States Department of Agriculture
2016 Presidential Transition
Center for Nutrition Policy and Promotion (CNPP)

I. Organizational Overview

Agency’s Mission/Strategic Plan

The U.S. Department of Agriculture’s (USDA) Center for Nutrition Policy and Promotion (CNPP) works to improve the health and well-being of Americans by developing and promoting dietary guidance that links the best evidence-based scientific research to the nutrition needs of consumers. CNPP carries out its mission to improve the health of Americans by:

- Serving as the Federal authority on evidence-based food, nutrition and economic analyses that inform policy and programs.
- Translating science into actionable food and nutrition guidance for all Americans.
- Leading national communication initiatives that apply science-based messages to advance consumers’ dietary and economic knowledge and behaviors.

Major projects include the Dietary Guidelines for Americans, MyPlate, SuperTracker, the Healthy Eating Index, and the Nutrition Evidence Library. CNPP is within USDA’s Food, Nutrition and Consumer Services (FNCS) mission area.

The mission and work of CNPP shows a clear connection to USDA’s overall Department-level strategies:

**USDA Strategic Plan (Goal 4):**
Ensure that all of America’s children have access to safe, nutritious, and balanced meals.
- Improve access to nutritious food.
- Promote a healthy diet and physical activity behaviors.

**CNPP Specific Goals and Objectives:**

**Goal 1:** Serve as the Federal authority on evidence-based food, nutrition and economic analyses that inform policy and programs.

- **Objective 1.1.** Ensure the integrity, capacity and rigor of the methodology used to conduct food and nutrition systematic reviews and economic analyses.
- **Objective 1.2.** Apply quality advancement strategies to food, nutrition and economic analytic methodologies.

**Goal 2:** Translate science into actionable food and nutrition guidance for all Americans.

- **Objective 2.1.** In collaboration with HHS, develop, publish and promote the 2015 and 2020 Dietary Guidelines for Americans.
Objective 2.2. Develop scientific reviews and analyses of evidence for the birth to 24 month and pregnant women populations and integrate into the 2020 Dietary Guidelines for Americans.

Goal 3: Lead national communication initiatives that apply science-based messages to advance consumers’ dietary and economic knowledge and behaviors.

Objective 3.1. Integrate proactive consumer messages and tools across dynamic communication platforms.

Objective 3.2. Expand capacity to amplify consumer message reach and penetration through partnerships.

Objective 3.3. Implement evaluation mechanisms to measure message penetration, consumer awareness, and diet quality.

CNPP’s mission, vision, goals, priorities, and values exemplify its commitment to performance that meet the needs of the American public - driving greater integration and collaboration for greater impact. Strategies, such as the distribution of countless electronic and print materials, allow CNPP to influence healthy diets and physical activity behaviors of Americans. CNPP’s resources are widely used by consumers, health professionals, nutrition educators, Federal agencies, and other stakeholders serving the public.

Key mission delivery performance measures

CNPP and USDA’s Food and Nutrition Service (FNS) are the two agencies that comprise the FNCS mission area. FNS and CNPP work collaboratively to help Americans “Eat Smart,” which is a strategic priority for FNS.

The areas and strategies by which CNPP contributes to meeting and achieving key performance targets are as follows:

- CNPP administers the development of the Dietary Guidelines for Americans (Dietary Guidelines) which provides the basis for all Federal food and nutrition policy and education initiatives, including MyPlate, the National School Lunch and School Breakfast Programs, the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), the Child and Adult Care Food Program (CACFP), and SNAP-Ed in the Supplemental Nutrition Assistance Program (SNAP).

- The Dietary Guidelines is designed for nutrition educators, health professionals and policy makers who, in turn, design education, outreach, and guidance based on the recommendations. These “information multipliers” magnify the reach of the Guidelines to consumers in schools, communities, food service, and health care settings; on food labels; and in many other venues.
• All Federal dietary guidance for the public is required to be consistent with the Dietary Guidelines, which provides scientific basis for the government to speak in a consistent and uniform manner.

• CNPP provides the scientific basis for the SNAP. The Thrifty Food Plan (TFP) is the basis for maximum SNAP allotments, and the TFP ensures that recipients have the resources to purchase a healthful diet at a low cost.

• CNPP produces the Healthy Eating Index (HEI), a measure of how well the diets of Americans conform to the Dietary Guidelines. The FNS uses the HEI to measure the extent to which the diets of the low-income population follow the Dietary Guidelines.

Organization’s History

The Center for Nutrition Policy and Promotion (CNPP) was established in December 1994 pursuant to a Memorandum of Understanding between two USDA mission areas: (1) Research, Education, and Economics (REE) and (2) Food, Nutrition and Consumer Services (FNCS). Together with FNS, CNPP reports to the Office of the Under Secretary for FNCS.

The creation of CNPP came at a time when the American public was becoming increasingly aware of the importance of diet, yet was receiving conflicting nutrition messages. CNPP, therefore, has served as a touchstone where the public was assured that the nutrition guidance they received would be based on sound research and analysis.
Organizational Chart

United States Department of Agriculture
2016 Presidential Transition
Center for Nutrition Policy and Promotion (CNPP)

CNPP Chart Dated March 10, 2014
Biographies of career staff in key leadership positions

Jackie Haven, MS, RD
Deputy Director, Center for Nutrition Policy and Promotion
703-305-7600, Jackie.Haven@cnpp.usda.gov

Jackie Haven is the Deputy Director of USDA’s Center for Nutrition Policy and Promotion (CNPP) where she directs USDA’s programs to set national nutrition policy, and design and implement innovative and effective science-based national nutrition promotion and outreach programs, to improve the health of all Americans. Ms. Haven is responsible for the development and implementation of the Dietary Guidelines for Americans, and supporting programs, including USDA’s Nutrition Evidence Library, the Healthy Eating Index, and the USDA Food Plans. She provides oversight for the design and implementation of USDA’s MyPlate food icon, the ChooseMyPlate.gov website, USDA’s award-winning SuperTracker, and the associated multi-modal, multi-year Dietary Guidelines consumer communications campaign. Under the MyPlate public-private partnerships initiative, she is leading a challenge to community and research organizations, educators, healthcare providers, and the media, to help magnify the reach of Dietary Guidelines nutrition messages by creatively working in ways that promote healthy eating practices and increase physical activity.

Ms. Haven has been with USDA for over 20 years. She holds an M.S. degree in clinical nutrition from New York University and a B.A. in psychology and marketing from the State University of New York at Albany.

Colette Rihane, MS, RD
Director, Office of Nutrition Guidance and Analysis
703-305-7600, Colette.Rihane@cnpp.usda.gov

Colette Rihane serves as the Director of the Office of Nutrition Guidance and Analysis within USDA’s Center for Nutrition Policy and Promotion (CNPP) where she oversees the process for developing the Dietary Guidelines for Americans having served as USDA’s lead Co-Executive Secretary to the 2015 Dietary Guidelines Advisory Committee (DGAC). Other major activities performed under her supervision include evaluation of the scientific evidence used to inform policy development through CNPP’s Nutrition Evidence Library, creation of USDA Food Patterns, updating of USDA’s Food Plans including the Thrifty Food Plan which forms the basis for SNAP allotments, releasing the annual Expenditures on Children by Families report, measuring diet quality through the Healthy Eating Index, and ensuring consistency of Dietary Guidance messaging across USDA and the U.S. Department of Health and Human Services (HHS).

Ms. Rihane has been with USDA for 16 years. She holds a M.S. degree in nutrition from the Texas Woman’s University and a B.S. degree in dietetics from The Florida State University. She is a 22-year veteran, retired Chief Master Sergeant, of the United States Air Force in the medical specialties field.
Brooke Hardison, MPH
Director, Office of Nutrition Marketing and Communications
703-305-7600, Brooke.Hardison@cnpp.usda.gov

Brooke Hardison is the Director of the Office of Nutrition Marketing and Communications within USDA’s Center for Nutrition Policy and Promotion. She directs teams engaged in communications, public affairs and nutrition education activities. Ms. Hardison is responsible for leading the Center’s nutrition marketing efforts, including promotion of MyPlate – the national iconic symbol for healthy eating – as well as consumer-based nutrition education resources and innovative digital tools available through the Center’s website, ChooseMyPlate.gov. Prior to joining the Center, Ms. Hardison served as the senior communications advisor and spokesperson for USDA’s nutrition assistance and education programs, including the Supplemental Nutrition Assistance Program (SNAP), the National School Lunch and School Breakfast programs, the Special Supplemental Nutrition Program for Women, Infants and Children (WIC), and the Dietary Guidelines for Americans.

Ms. Hardison started her Federal career as a Presidential Management Fellow at the National Institutes of Health in 2005 and has been with USDA for 4 years. She holds a Master of Public Health (MPH) degree from Temple University in Philadelphia where she focused on health communications, and a B.A. in social sciences and public health from the Johns Hopkins University in Baltimore.

Biographies of political staff in key leadership positions

Angela Tagtow, MS, RD, LD
Executive Director, Center for Nutrition Policy and Promotion
703-305-7600, Angela.Tagtow@cnpp.usda.gov

Appointed in July 2014, Angela Tagtow is the Executive Director for the Center for Nutrition Policy and Promotion (CNPP) at the U.S. Department of Agriculture (USDA) in Washington, D.C. CNPP works to improve the health and well-being of Americans by developing and promoting dietary guidance that links scientific research to the nutrition needs of consumers. Specifically, the Center oversees the state-of-the-art systematic nutrition research reviews of the Nutrition Evidence Library, population-based nutrition and economic analyses, the Dietary Guidelines for Americans, the national iconic symbol for healthy eating MyPlate and consumer-based nutrition education resources, and innovative digital tools for consumers. As a registered dietitian, Tagtow brings to the Federal government almost 25 years of experience in food and nutrition policy, public health nutrition, surveillance systems, research, professional and consumer communication, social marketing, training and education.

Ms. Tagtow holds a M.S. degree in family and consumer sciences education from Iowa State University and a B.A. degree in dietetics and chemistry from the University of Northern Iowa.
Organizational Budget and Financial Management

<table>
<thead>
<tr>
<th>Center for Nutrition Policy and Promotion</th>
<th>Budget Authority FY 2009-2016</th>
<th>Funds Available</th>
<th>(Dollars in Thousands)</th>
</tr>
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<tbody>
<tr>
<td>Discretionary:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nutrition Programs Administration (CNPP)</td>
<td>3,835</td>
<td>3,912</td>
<td>3,795</td>
</tr>
<tr>
<td>Transfer from Child Nutrition Programs</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td>Transfer from SNAP</td>
<td>500</td>
<td>1,500</td>
<td>1,498</td>
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<tr>
<td>CNPP Total</td>
<td>$5,835</td>
<td>$6,912</td>
<td>$6,793</td>
</tr>
<tr>
<td>Reimbursements</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$5,835</td>
<td>$6,912</td>
<td>$6,793</td>
</tr>
</tbody>
</table>

- CNPP operates under four Congressional mandates and receives no direct Congressional appropriations.
  - The Agricultural Act of 2014, Section 4204 (H.R. 2642; Public Law 113–79, also known as the 2014 Farm Bill)
  - The Food and Nutrition Act of 2008, as amended
  - Consolidated Appropriations Act of 2001 (Public Law 106-554; H. R. 5658, Section 515(a) of the Treasury and General Government Appropriations Act for Fiscal Year 2001, also known as the Data Quality Act or Information Quality Act)
- Staff salaries, benefits and administrative funds are provided through the FNS Nutrition Programs Administrations Account and Child Nutrition.
- See the FNS Budget Highlights for CNPP’s NPA allocation (3.29% of total FNS NPA Account).
**Enterprise Workforce Data**

- CNPP employs a workforce of 29 employees made up of dietitians, nutritionists, nutrition scientists, analysts, educators, communicators, economists, public health experts, visual information specialists, librarians and administrative staff. The following is a breakdown of those who are full-time and part-time—
  - Full-time: 28 employees
  - Part-time: 1 employee
- CNPP does not hire seasonal employees.
- CNPP does not employ temporary employees.
- Of our total workforce, 5 employees (17%) are eligible to retire within the next year.
- Our headquarters is located in Alexandria, VA, which houses 93% of our workforce.
- CNPP has no regional offices.
II. Policies and Regulations

Statutory Authorities

The mission and goals of CNPP are implicitly authorized by several statutes:

**Organic Act of 1862** established USDA. The Act was amended in 1977 to include “human nutrition” as a subject area.


**National Agricultural Research, Extension, and Teaching Policy Act of 1977** (see p. 69) identified USDA as the lead agency in the Federal Government for food and agricultural sciences, including human nutrition.


**National Nutrition Monitoring and Related Research Act of 1990** (Public Law 101-445, Section 301 [7 U.S.C. 5341], Title III-October 22, 1990) (NNMRRA) requires the Secretaries of USDA and HHS to publish jointly every 5 years the *Dietary Guidelines for Americans*. The Act requires that any Federal agency proposing to issue guidance on the *Dietary Guidelines* to the general public submit it for review by the Secretaries of USDA and HHS to ensure that it is consistent with the *Dietary Guidelines for Americans*.

https://www.gpo.gov/fdsys/pkg/STATUTE-104/pdf/STATUTE-104-Pg1034.pdf

The **Agricultural Act of 2014**, Section 4204 (H.R. 2642; Public Law 113–79, also known as the 2014 Farm Bill (February 7, 2014) amended section 301(a) of the NNMRA by adding the following: “(3) Pregnant women and young children.—Not later than the 2020 report and in each report thereafter, the Secretaries shall include national nutritional and dietary information and guidelines for pregnant women and children from birth until the age of 2.”


**Federal Advisory Committee Act of 1972** (Public Law 92-463, 5 U.S.C. Appendix 1) (FACA) formally allowed the Federal Government to recognize the merits of seeking the advice and assistance of our nation’s citizens and also sought to assure that advisory committees provide advice that is relevant, objective and open to the public while acting promptly to complete their work and comply with reasonable cost controls and recordkeeping requirements.

http://www.gsa.gov/portal/mediaId/128410/fileName/FACA-Statute-2013.action
Consolidated Appropriations Act of 2001 (Public Law 106-554; H. R. 5658, Section 515(a) of the Treasury and General Government Appropriations Act for Fiscal Year 2001, also known as the Data Quality Act or Information Quality Act) ensures the maximization of quality, objectivity, utility, and integrity of information (including all scientific evidence, data and statistical information) applied to Federal policies and guidance being developed and disseminated. 

http://www.regulationwriters.com/library/DQA.pdf
https://www.whitehouse.gov/sites/default/files/omb/fedreg/reproducible2.pdf

The Food and Nutrition Act of 2008, as amended, was enacted to strengthen the agricultural economy; to help to achieve a fuller and more effective use of food abundances; to provide for improved levels of nutrition among low-income households through a cooperative Federal-State program of food assistance to be operated through normal channels of trade; and for other purposes.

http://www.fns.usda.gov/sites/default/files/PL_88-525a_0.pdf

Important Policies and Regulations

1. Significant policies/regulations finalized within the last year:

2. Policies/regulations open for comment or pending clearance with OMB: None

3. Number of new regulations released per year (on average) and the percent deemed significant/economically significant by the Office of Information and Regulatory Affairs (OIRA): None

Overview of the policy/regulation review process

The updating and release of the Dietary Guidelines for Americans is required under the 1990 National Nutrition Monitoring and Related Research Act (NNMRA), which states that every 5 years, the United States Department of Agriculture (USDA) and the Department of Health and Human Services (HHS) must jointly publish a report containing nutritional and dietary information and guidelines for the general public. The NNMRA requires that the Dietary Guidelines be based on the preponderance of current scientific and medical knowledge. Considered voluntary Federal guidance, not regulation, the Dietary Guidelines is not subject to the Federal rulemaking process.

The Dietary Guidelines builds from the previous edition with revisions based on the Scientific Report of the Dietary Guidelines Advisory Committee and consideration of Federal agency and public comments. The Dietary Guidelines is designed for policy makers, and nutrition and health professionals to help all individuals ages 2 years and older.
and their families consume a healthy, nutritionally adequate diet. The information in the Dietary Guidelines is used in developing Federal food, nutrition, and health policies and programs. It also is the basis for Federal nutrition education materials designed for the public and for the nutrition education components of USDA and HHS food programs. The Dietary Guidelines is intended to help prevent disease not treat disease.

Staff from agencies within USDA (CNPP, FNS, ARS, FSIS, REE, NIFA, AMS) and HHS (ODPHP, FDA, CDC, NIH, NIDDK, NHLBI, IHS, ODS, OA) collaborate very closely during each Dietary Guidelines revision process. This revision occurs every 5 years and can be defined as a 3-stage process which includes the Advisory Committee’s review of scientific knowledge current at the time, Federal scientists translating that science into sound food-based guidance to promote health, and then having nutrition communication specialists translating guidance into actionable messages and materials for consumers. For each revision period, the Agency’s trade the role of who is in the administrative lead. For the 2015-2020 Dietary Guidelines for Americans, HHS’s Office of Disease Prevention and Health Promotion was in the administrative lead and for the upcoming 2015-2020 Dietary Guidelines for Americans, USDA’s Center for Nutrition Policy and Promotion will be in the administrative lead. The administrative lead assumes the role of ensuring that the Federal Advisory Committee Act and other authorities are adhered to, performs all administrative tasks related to supporting Committee operations, and bears the responsibility for funding the activities related to developing the Dietary Guidelines. Plans for the next Dietary Guidelines update process will be underway in 2017 (creating the Charter for the Committee, establishing an inter-agency MOU, etc.). When compared to historical timelines, it is anticipated that the next Committee would need to be in place in 2018 in order for the 2020-2025 Dietary Guidelines for Americans to be released in 2020.

For more detailed information, click on links below:

What are the Dietary Guidelines for Americans?

How the Dietary Guidelines for Americans are developed.

GAO and OIG Audits

None

III. Congressional Relations and Issues

Overview

Congress has shown interest in the Dietary Guidelines for Americans (Dietary Guidelines or Guidelines), developed and published jointly by USDA’s Center for Nutrition Policy and Promotion (CNPP) and Department of Health and Human Services (HHS) Office of Disease Prevention and Health Promotion (ODPHP). CNPP staff have conducted and continue to conduct briefings with Congressional staff upon request. Interest, particularly
on the House side, has focused largely on the scope of the *Dietary Guidelines*, as well as the process and evidence used to formulate the *Guidelines*. The House and Senate Agriculture and Appropriations Committees have asked to be briefed by CNPP staff on the *Dietary Guidelines* prior to future release.

The Consolidated and Further Continuing Appropriations Act, 2015 included a rider addressed to USDA, appropriating $1 million to be given to the Health and Medicine Division of the National Academy of Medicine (formerly known as the Institute of Medicine) to conduct an independent study on the process of developing the *Dietary Guidelines*. The study is now under way and is expected to be completed by the end of calendar year 2017.

### IV. **Internal and External Stakeholders**

**Important relationships with other Federal Departments or organizations**

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Nature of Relationship</th>
<th>List of Agencies Involved</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dietary Guidelines for Americans</strong></td>
<td>National Nutrition Monitoring and Related Research Act of 1990 (Public Law 101-445, Section 301 [7 U.S.C. 5341], Title III-October 22, 1990) (NNMRRA) requires the Secretaries of USDA and Health and Human Services (HHS) to publish jointly every 5 years the <em>Dietary Guidelines for Americans</em>.</td>
<td>USDA-CNPP, ARS and HHS-ODPHP share in the leadership role</td>
</tr>
<tr>
<td><strong>Pregnancy and Birth to 24 Months Project</strong></td>
<td>The Agricultural Act of 2014, Section 4204 (H.R. 2642; Public Law 113–79, also known as the 2014 U.S. Farm Bill-February 7, 2014) provided an amendment to the NNMRRRA of 1990 by adding the following: “Pregnant women and young children.—Not later than the 2020 report and in each report thereafter, the Secretaries shall include national nutritional and dietary information and guidelines for pregnant women and children from birth until the age of 2.” 7 U.S.C. 5341(a)(3).</td>
<td>USDA-CNPP and HHS-ODPHP share in the leadership role</td>
</tr>
<tr>
<td><strong>Dietary Guidance Review Committee (DGRC)</strong></td>
<td>Co-led by USDA and HHS to ensure that dietary guidance from the Federal government accurately reflects the <em>Dietary Guidelines for Americans</em> and provides for the review of Federal dietary guidance materials as required by the National Nutrition Monitoring and Related Research Act of 1990. The committee meets on a quarterly basis.</td>
<td>USDA representation: CNPP, FNS, ARS, NAL, NIFA, FSIS, ODHP, NICH, CDC, FDA, HRSA, OHS-ACF, USAID</td>
</tr>
<tr>
<td></td>
<td></td>
<td>HHS Representation:</td>
</tr>
</tbody>
</table>
### Initiative | Nature of Relationship | List of Agencies Involved
--- | --- | ---
Interagency Committee on Human Nutrition Research (ICHNR) with three subcommittees on:  
- Dietary Guidance  
- Dietary Reference Intakes  
- National Nutrition Research Roadmap  
Co-led by USDA and HHS. Parent Committee meets 1-2 times per year. Subcommittees meet at least two times per year or more as needed. | ODPHP, HRSA, ACL, NIDDK, FDA, CDC, IHS, OWH, NHLBI  
USDA representation: CNPP, FNS, ARS, NAL, NIFA, FSIS, ERS, AMS  
HHS representation: OASH, ODPHP, OSG, NIH, FDA, CDC  
Other: DoD, USAID

**Healthy Eating Index (HEI)**  
The HEI is a measure of diet quality that assesses conformance to the *Dietary Guidelines for Americans*. USDA’s primary use of the HEI is to monitor the diet quality of the U.S. population and the low-income subpopulation. Collaborations occur at least twice per month. | Updates are made in collaboration with partners at HHS-NIH-NCI

Cross-Agency Nutrition Program Coordination | Led by the Centers for Disease Control and Prevention (CDC), quarterly calls to update on and coordinate among Federal nutrition programs. | USDA-CNPP, FNS and HHS-CDC

Cross-Agency Consumer Nutrition Communication Working Group | Led by the Food and Drug Administration (FDA), monthly calls to update on and coordinate consumer communication. | USDA-CNPP and HHS-FDA, CDC, ODPHP

**MyPlate, MyState**  
Through MyPlate, MyState, USDA is working to make the connection between healthy eating and more than 160,000 farmers and ranchers nationwide that are selling into local markets through grocery stores, local restaurants, schools and other institutions, farmers markets, farm stands and community supported agriculture (CSA) programs. CNPP supports the USDA Know Your Farmer, Know Your Food Initiative, which coordinates the Department’s work to develop strong local and regional food systems. | USDA-CNPP, FNS, AMS, and KYF2

Union representation for all FNCS bargaining unit employees | The American Federation of Government Employees (AFGE) and the National Treasury Employees Union (NTEU) are the recognized. AFGE is the largest federal  
NTEU represents 150,000 workers in 31 departments and agencies
Stakeholder group overview

CNPP manages a Nutrition Communicators Network comprised of organizations across sectors who work with the agency to help promote MyPlate and the *Dietary Guidelines for Americans*. The Network consists of:

- National Strategic Partners
- Community Partners
- MyPlate Campus Ambassadors

Additionally, CNPP also periodically engages with diverse stakeholders represent nutrition and health organizations, public health and medical practitioners and other health professionals, nutrition researchers, non-government organizations, foundations and the private sector.

Recent engagements with stakeholder group

- National Strategic Partners receive a bi-monthly Digest Email alerting to availability of new resources, and other announcements. Partner sharing webinars occur every other month. An in-person partner meeting occurs twice per year.
- Community Partners receive a monthly Digest Email of new resource alerts and announcements.
- Campus Ambassadors receive a monthly Digest Email of new resource alerts and announcements.

V. Top Issues

Hot Topics

As noted in the Overview above, CNPP’s hot topics are related to the *Dietary Guidelines for Americans* and related Congressional interest. The most immediate issue is the study being conducted by the Health and Medicine Division of the National Academy of Medicine. Once the study is complete, USDA, in partnership with HHS, will need to determine how to manage the study findings in the context of initiating the next revision of the Dietary Guidelines for 2020.
Timeline

<table>
<thead>
<tr>
<th>Month</th>
<th>Program Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Winter 2017</td>
<td>Health and Medicine Division Study – First “short” report is expected to address Part 1 of the study being conducted on the process to update the Dietary Guidelines for Americans</td>
</tr>
<tr>
<td>January 2017</td>
<td>USDA Food Plans–December Cost of Food Report is released</td>
</tr>
<tr>
<td>February 2017</td>
<td>USDA Food Plans—January Cost of Food Report is released</td>
</tr>
<tr>
<td>March 2017</td>
<td>USDA Food Plans–February Cost of Food Report is released</td>
</tr>
<tr>
<td>April 2017</td>
<td>USDA Food Plans–March Cost of Food Report is released</td>
</tr>
<tr>
<td>May 2017</td>
<td>USDA Food Plans–April Cost of Food Report is released</td>
</tr>
<tr>
<td>June 2017</td>
<td>USDA Food Plans–May Cost of Food Report is released</td>
</tr>
<tr>
<td>Spring TBD</td>
<td>SuperTracker – In collaboration with HHS’s President’s Council on Fitness, Sport, &amp; Nutrition–President’s Active Lifestyle Award (PALA+) and the Presidential Champions challenge are incorporated</td>
</tr>
<tr>
<td>Spring TBD</td>
<td>Healthy Eating Index 2015 – Expected to be released and announced</td>
</tr>
</tbody>
</table>

Appendix A: Acronyms

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ACL</td>
<td>Administration for Community Living</td>
</tr>
<tr>
<td>ARS</td>
<td>Agricultural Research Service</td>
</tr>
<tr>
<td>AMS</td>
<td>Agricultural Marketing Service</td>
</tr>
<tr>
<td>CDC</td>
<td>Centers for Disease Control and Prevention</td>
</tr>
<tr>
<td>CNPP</td>
<td>Center for Nutrition Policy and Promotion</td>
</tr>
<tr>
<td>DoD</td>
<td>United States Department of Defense</td>
</tr>
<tr>
<td>ERS</td>
<td>Economic Research Service</td>
</tr>
<tr>
<td>FACA</td>
<td>Federal Advisory Committee Act of 1972</td>
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<tr>
<td>FDA</td>
<td>Food and Drug Administration</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>---------</td>
<td>-----------</td>
</tr>
<tr>
<td>FNCS</td>
<td>Food, Nutrition and Consumer Services</td>
</tr>
<tr>
<td>FNS</td>
<td>Food and Nutrition Service</td>
</tr>
<tr>
<td>FSIS</td>
<td>Food Safety and Inspection Service</td>
</tr>
<tr>
<td>HEI</td>
<td>Healthy Eating Index</td>
</tr>
<tr>
<td>HHS</td>
<td>Department of Health and Human Services</td>
</tr>
<tr>
<td>HRSA</td>
<td>Health Resources and Services Administration</td>
</tr>
<tr>
<td>IHS</td>
<td>Indian Health Service</td>
</tr>
<tr>
<td>KYF2</td>
<td>Know Your Farmer, Know Your Food</td>
</tr>
<tr>
<td>NAL</td>
<td>National Agricultural Library</td>
</tr>
<tr>
<td>NEL</td>
<td>Nutrition Evidence Library</td>
</tr>
<tr>
<td>NICHD</td>
<td>National Institute of Child Health and Human Development</td>
</tr>
<tr>
<td>NCI</td>
<td>National Cancer Institute</td>
</tr>
<tr>
<td>NHLBI</td>
<td>National Heart, Lung, and Blood Institute</td>
</tr>
<tr>
<td>NIDDK</td>
<td>National Institute of Diabetes and Digestive and Kidney Diseases</td>
</tr>
<tr>
<td>NIFA</td>
<td>National Institute of Food and Agriculture</td>
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<tr>
<td>NIH</td>
<td>National Institutes of Health</td>
</tr>
<tr>
<td>NNMRRRA</td>
<td>National Nutrition Monitoring and Related Research Act of 1990</td>
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<tr>
<td>OASH</td>
<td>Office of the Assistant Secretary for Health</td>
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<td>ODPHP</td>
<td>Office of Disease Prevention and Health Promotion</td>
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<td>Office of Head Start-Administration for Children and Families</td>
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<td>Office of the Surgeon General</td>
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<td>ODS</td>
<td>Office of Dietary Supplements</td>
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<td>OWH</td>
<td>Office on Women’s Health</td>
</tr>
<tr>
<td>RD/RDN</td>
<td>Registered Dietitian/Registered Dietitian Nutritionist</td>
</tr>
<tr>
<td>REE</td>
<td>Research, Education, and Economics</td>
</tr>
<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>USDA</td>
<td>United States Department of Agriculture</td>
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</table>
WHAT WE DO: OUR MISSION
The Food and Nutrition Service (FNS) works with partners to provide food and nutrition education to people in need in a way that inspires public confidence and supports American agriculture. Programs such as the National School Lunch and Breakfast Programs, the Supplemental Nutrition Assistance Program (SNAP), and Women, Infants and Children (WIC), are among our 15 nutrition assistance programs that aim to increase food security for children and low-income people. We assist expecting mothers, infants and children in child care and schools, local farmers markets and supermarkets, and low-income families turning to food banks for assistance. These investments support health care, education, and a competitive workforce. FNS is within USDA’s Food, Nutrition and Consumer Services (FNCS) mission area.

WHO WE ARE: OUR WORKFORCE
- FNS currently has authorized over 1,500 employees.
- The employees are located at the National Office in Alexandria, Va., and seven Regional Offices in Massachusetts, New Jersey, Georgia, Texas, Illinois, Colorado, and California.

WHO WE SERVE: OUR CONSTITUENTS
FNS works with State agencies that manage school lunch and breakfast programs, WIC offices, farmers markets, SNAP, food banks, Indian reservations, and emergency and disaster relief food programs

KEY UPCOMING DECISIONS
- FNS will need to begin the process of implementing two SNAP rules finalized in late 2016: photo EBT and enhanced retailer standards.
- FNS’ lease for its Park Office Center Headquarters in Alexandria, Va., is set to expire in May 2017. Estimates for either renovation of the current space or for relocation to a new space total about $18 million.

BUDGET HIGHLIGHTS FY 2016
- Almost 94 percent of FNS funding is provided for the mandatory entitlement programs – SNAP and the Child Nutrition Programs. SNAP funding totaled almost $81 billion in FY 2016 and CNP funding totaled about $22 billion.
- WIC is FNS’ largest discretionary program with budget authority of about $6.4 billion in FY 2016.
- SNAP benefits continue to decrease due to over a million fewer participants in FY 2016 as compared to the year before. As of September 1, SNAP benefits are on track to total about $2 billion less than was spent in FY 2015.
I. **Organizational Overview**

**Agency’s Mission/Strategic Plan**

**USDA’s Food and Nutrition Service (FNS) Mission Statement:** We work with partners to provide food and nutrition education to people in need in a way that inspires public confidence and supports American agriculture.

In pursuit of its mission, FNS executes an annual Agency Priorities Plan consisting of multi-year goals and current year objectives that align to our Agency Priorities. FNS uses these objectives as the basis for a corporate priority-setting process that promotes focused and effective management of scarce administrative resources to key initiatives.

FNS’ ongoing responsibilities and performance objectives are captured in USDA’s [Strategic Plan 2014-2018](#). The FNS Agency Priorities Plan (APP) uses USDA’s Strategic Goals 4 and 5 as an organizing structure and consists of multi-year goals and current year objectives that align to the Agency Priorities, support the Department’s Strategic plan, and comply with the Government Performance and Results Modernization Act of 2010 (GPRAMA). The operational foundation for the FNS plan consists of five organizing priorities.

- **Agency Priority 1: Help Americans Eat Smart and Maintain a Healthy Weight**
  FNS works to support and encourage healthful diets through science-based guidance and strong nutrition standards and education.

  Areas of focus include: increases in the average Healthy Eating Index; Healthy People 2020 Health Indicators; Healthy eating and healthy weight program measures; Implementation of the Agriculture Act of 2014 and the Healthy, Hunger-Free Kids Act of 2010 (HHFKA) provisions; Implementation of nutrition education and obesity prevention strategies; and communication and promotion strategies that support the overall priorities.

- **Agency Priority 2: Preserve Public Trust in FNS Programs**
  Reflects USDA’s zero tolerance policy for fraud, waste or abuse in nutrition assistance programs.

  Areas of focus include: Compliance with Federal requirements; National School Lunch Program (NSLP) improper payment rate; Supplemental Nutrition Assistance Program (SNAP) trafficking (retailer and client); Child Nutrition (CN)/Women, Infants and Children (WIC) reauthorization; SNAP quality control; Reauthorization of Farm Bill programs; and communications strategies designed to increase public trust.
Agency Priority 3: FNS is an Efficient, High Performing and Adaptable Organization

Efforts to ensure employees are competent, engaged, and challenged to develop and implement innovative solutions to today’s challenges.

Areas of focus include: Employee Engagement; Recruitment and Retention Strategies; Talent Management; USDA’s Blueprint for Stronger Service; Process Improvement; and Office of Information Technology (OIT) Operational Framework.

Agency Priority 4: Reduce Food Insecurity by Helping Feed Those in Need

Emphasizes efforts to keep nutrition programs in reach of vulnerable populations including young people, the elderly, and those with disabilities.

Areas of focus include: Implementation of Farm Bill provisions; Implementation of SNAP Employment and Training Programs; Increases in Summer meals programs participation; Retention of participation of children after age 1 in WIC; Communicating messages regarding program access; Food Distribution Program on Indian Reservations (FDPIR) administrative funding; Food Safety Training; Farmers’ Market Nutrition Program (FMNP) Participation Barriers; Able-Bodied Adults Without Dependents (ABAWD) Policies; and Community Engagement Strategies.

Agency Priority 5: Civil Rights: Ensuring Access, Equality and Respect in FNS Programs and Activities

FNS’ commitment to oversight of civil rights laws, policies and directives related to nutrition programs is reflected in this priority.

Areas of focus include: Compliance Reviews; Voluntary Resolution Agreements; Internal Program Complaint Processing; and Equal Employment Opportunity (EEO) Compliance and Training.

Key mission delivery performance measures

In support of USDA’s Strategic Plan, FNS provides data on the performance measures shared below with USDA’s Office of Budget and Analysis (OBPA) and the Office of Management and Budget on a quarterly basis. These key performance indicators are included in budget tan sheets which are publicly available annually.
Organization’s History

FNS was established August 8, 1969, by Secretary's Memorandum No. 1659 and Supplement 1 pursuant to the authority contained in 5 U.S.C. 301 and the Reorganization Plan No. 2 of 1953. FNS is the Federal Agency responsible for managing the 15 domestic nutrition assistance programs. Its mission is to increase food security and reduce hunger in partnership with cooperating organizations by providing children and other low-income Americans access to food, a healthful diet, and nutrition education.

Over the past half-century – beginning with the National School Lunch Program in 1946 – the Nation has gradually built an array of nutrition assistance programs designed to help the most vulnerable populations meet their food needs. Taken together, these programs form a nationwide safety net supporting low-income families and individuals in their efforts to escape food insecurity and hunger and achieve healthy, nutritious diets. Currently, the programs administered by FNS touch the lives of one in four Americans over the course of a year.
Biographies of career staff in key leadership positions

Telora T. Dean
Associate Administrator and Chief Operating Officer
703-305-2062, Telora.Dean@fns.usda.gov

Telora T. Dean is the Associate Administrator and Chief Operating Officer (AA/COO) for USDA’s Food and Nutrition Service (FNS). Dean shares full responsibility with the Agency’s Administrator for the development, design, operation and improvement of the strategies and systems that create and deliver the Agency’s programs and internal/external services through a $100B program and operations portfolio. As the AA/COO, she ensures the proper balance between efficiencies, effectiveness and results and creates maximum value for customers, stakeholders and taxpayers.

Prior to becoming the AA/COO, Dean served as the Deputy Administrator for Management. In that role, she was the executive lead for the Office of Management (OM) and effected a unified operation to deliver outstanding administrative services. She managed the full complement of components comprising FNS’ management operations—Human Resources, Acquisition Management, Logistics and Facilities Management, Information Systems and Employee Engagement Initiatives.

Prior to joining FNS, Dean provided executive leadership to a number of USDA agencies. As the Farm and Foreign Agricultural Service’s Chief Human Capital Officer, she was responsible for the overall administration, coordination and evaluation of human resource functions for three mission area agencies, supporting a customer base of over 16,000 employees nationally and abroad. During her tenure as Rural Development’s Acting Deputy Administrator for Management, Dean was an executive principal in providing direction and oversight to a $628M annual budget and a $38B loan portfolio to support efficient program delivery and services to rural America.

Dean holds a bachelor’s degree from Alabama Agriculture and Mechanical University and a master’s degree from Marymount University. She counts Harvard University, American University and the Brookings Institute, as organizations in her accomplished executive toolkit.

Yvette Jackson
Associate Administrator for Regional Operations and Support
703-305-2064, Yvette.Jackson@fns.usda.gov

Yvette Jackson is the Associate Administrator for Regional Operations and Support for USDA’s Food and Nutrition Service (FNS). As Associate Administrator, she is responsible for seven Regional Offices and three offices at FNS Headquarters. The Regional Offices provide oversight for program operations and technical assistance to State and local partners who administer the Agency’s 15 nutrition assistance programs. The Headquarters Offices are responsible for retailer management, coordinating disaster relief during local and national emergencies, and providing
oversight of State computer systems implementation. Collectively, Jackson is responsible for about 57% of the Agency’s workforce.

Prior to her appointment as Associate Administrator, Jackson served as the Regional Administrator for the Mid-Atlantic Regional Office of FNS.

Jackson brings over 35 years of experience with Federal and State agencies including the Social Security Administration, where she served as the Deputy Commissioner for Finance, Assessment and Management and the Chief Financial Officer; and the Pennsylvania Department of Public Welfare, where she served in several senior executive positions, including Deputy Secretary for Income Maintenance Programs.

Jackson formerly served as both the FNS Administrator and the Deputy Administrator for the Food Stamp Program, where she was instrumental in preserving the national nutrition safety net during welfare reform. In addition to her extensive public service experience, she was the National Health and Human Services Practice Lead for BearingPoint, a global IT and business consulting firm that provided services to Federal, State and local human service agencies.

She holds a Bachelor of Social Welfare from Temple University and a Master of Social Work from Rutgers University.

Jessica Shahin
Associate Administrator for Supplemental Nutrition Assistance Program
703-305-2022, Jessica.Shahin@fns.usda.gov

Jessica Shahin is the Associate Administrator for Supplemental Nutrition Assistance Program (SNAP) (formerly known as the Food Stamp Program) for USDA’s Food and Nutrition Service (FNS).

Shahin has over 20 years of experience with SNAP at the State and Federal levels. She served on the original Texas Electronic Benefit Transfer Team as Director of Information Management for the Department of Human Services, was Executive Assistant to the Deputy Commissioner for client self-support programs and was later named Director of Interagency Policy for the agency’s Office of Government Relations. In this capacity, she developed an expertise for effective integration of various human service programs in both policy and management.

Beginning in January 2004, Shahin served as Acting Associate Administrator and Deputy Associate Administrator for the Food Stamp Program/SNAP. She became Associate Administrator for SNAP in January 2009.

Shahin received a master’s degree in Social Work from the University of Texas at Austin and taught public policy for several years as an adjunct professor at the school.
Diane M. Kriviski
Deputy Administrator for Supplemental Nutrition and Safety Programs
703-305-2052, Diane.Kriviski@fns.usda.gov

Diane M. Kriviski is the Deputy Administrator for the Supplemental Nutrition and Safety (SNAS) Programs for USDA’s Food and Nutrition Service (FNS). She is responsible for administration of USDA’s food distribution programs including USDA Foods for school lunches, the Food Distribution Program on Indian Reservations, the Commodity Supplemental Food Program, and the Emergency Food Assistance Program. Kriviski is also responsible for USDA’s Supplemental Food Programs Division including the Special Supplemental Nutrition Program for Women, Infants and Children (WIC); WIC and Senior Farmers’ Market Nutrition programs; and the Office of Food Safety. These programs are part of the nutrition safety net that FNS provides to children and needy families through better access to food, a more healthful diet, and nutrition education.

Kriviski has served FNS for over 30 years at all levels of the organization. Early in her career, she worked with various FNS programs while in the Child Nutrition Division and Food Distribution Division as a grant officer, assisting in the creation of the Senior Farmers’ Market Nutrition Program and awarding of the first grants to help implement WIC EBT.

Kriviski has also held key positions in Financial Management, serving as Acting Chief Financial Officer and Budget Officer, as well as Deputy Budget Officer. In that capacity, she provided leadership in the development and submission of the FNS annual fiscal budget for its 15 nutrition assistance programs, totaling over $60B at that time. Prior to her current position, Kriviski served as the Deputy Associate Administrator for Special Nutrition Programs at FNS, helping to lead the effort to implement the Healthy, Hunger-Free Kids Act of 2010, the legislative centerpiece of First Lady Michelle Obama’s Let’s Move! initiative.

Cindy Long
Deputy Administrator for Child Nutrition Programs
703-305-2054, Cindy.Long@fns.usda.gov

Cindy Long is the Deputy Administrator for Child Nutrition Programs (CN) for USDA’s Food and Nutrition Service. She is responsible for all aspects of Federal administration of the Child Nutrition programs, including the National School Lunch Program, School Breakfast Program, Child and Adult Care Food Program, Summer Food Service Program, and the Fresh Fruit and Vegetable Program. These programs provide over $20B in nutrition assistance to children and families. In this role she has led FNS’ implementation of the Healthy, Hunger-Free Kids Act, the most significant restructuring of these programs in decades and a legislative centerpiece of the Administration’s nutrition initiatives. She has also led a major restructuring of Child Nutrition program staff and resource management.

Long has served FNS in various positions since joining the agency in 1991. Prior to joining the Child Nutrition programs in 2008, she served in the Office of Analysis, Nutrition and Evaluation (now known as Office of Policy Support) providing leadership to FNS research and analysis.
United States Department of Agriculture  
2016 Presidential Transition  
Food and Nutrition Service (FNS)

efforts in support of all of the domestic nutrition assistance programs. She began her Federal government career in 1988 with the Office of Management and Budget.

Long possesses a MPA in Public Policy and Economics from Princeton University’s Woodrow Wilson School of Public and International Affairs, and a BA in Economics from the University of Notre Dame.

Richard Lucas  
Deputy Administrator for Policy Support  
703-305-2017, Richard.Lucas@fns.usda.gov

Richard Lucas is the Deputy Administrator for Office of Policy Support (OPS) for USDA’s Food and Nutrition Service (FNS). In that capacity, he is responsible for research and analysis that informs policymaking for, and the management of the Federal nutrition assistance programs. These programs, including the Supplemental Nutrition Assistance Program (SNAP), the school meals programs, and the WIC program, are currently budgeted at over $100 billion annually and serve one in four Americans in the course of a year.

Lucas’s team in OPS includes professionals from a wide range of disciplines, including economists, statisticians, program evaluators, sociologists, and nutritionists. They work closely with policymakers and program officials to find answers to critical questions to make nutrition assistance programs more effective; estimate cost and participation impacts of legislative, budgetary and regulatory changes; evaluate the impacts of programs and program components on food security, diet quality, and other outcomes; analyze extant data to better target strategies and track performance; and demonstrate and test potential program improvements.

Lucas has worked at FNS since 1994 and holds degrees from Brown University and Stanford University.

Cristina Chiappe  
Deputy Administrator for Management  
703-305-2030, Cristina.Chiappe@fns.usda.gov

Cristina Chiappe serves as the Deputy Administrator for Management for USDA’s Food and Nutrition Service (FNS). She oversees all aspects of human capital management, acquisition management, operations and facilities, and information management in an agency with an annual budget of $110 billion.

Chiappe came to FNS from USDA’s Rural Development (RD) in January of 2015 as part of a developmental assignment for the Senior Executive Service (SES) Candidate Development Program (CDP) to serve as Director of Human Resources, Deputy Chief Information Officer, Associate Deputy Chief Financial Officer, and as Chief Staff Officer to the Chief Operating Officer. She also served with 23 other Federal executives as the USDA representative on the White House Advisory Council on SES Reform, which resulted in the 2016 Executive Order: “Strengthening the Senior Executive Service.”
At RD, Chiappe served on various leadership roles in operations and management for RD and Departmental Management. As the Chief of Staff in the Rural Housing Service (RHS), she provided direct oversight in the daily operations of an agency with an annual program funding of $26B, an annual administrative budget of $30M, and a Centralized Servicing Center with a loan portfolio of $100B. As the Director of Program Support, she led the centralization of RD’s technical support functions and the centralization of the Single-Family Housing guaranteed loan program which strategically leveraged staff resources and infused $60B of capital into rural America. Additionally, Chiappe has served as Senior Policy Advisor in the Rural Housing Service, Special Assistant to the Assistant Secretary for Civil Rights, and Special Assistant to the Assistant Secretary for Administration.

In addition to the SES CDP, Chiappe has completed the Federal Executive Institute, American University’s Executive Leadership Program and Harvard Law School’s Program on Negotiation for Executives. She holds a B.A. and M.Ed. from the University of Virginia.

David G. Burr  
Chief Financial Officer  
703-605-3220, David.Burr@fns.usda.gov

David Burr is the Chief Financial Officer (CFO) for USDA’s Food and Nutrition Service (FNS). He was named FNS’ CFO in September of 2011. In this capacity, he is responsible for overseeing the administration and ensuring the fiscal integrity of approximately $110B in program grants and $400M in administrative funding.

The majority of Burr’s Federal career has been with FNS. In June 2010, he was the Director of the Program Accountability and Administration Division of the Supplemental Nutrition Assistance Program (SNAP). Prior to assuming this position, for approximately 10 years, he served as FNS’ Budget Director where he coordinated budget formulation and execution, as well as program data administration for all of the domestic nutrition assistance programs. Burr began his career with FNS as an economist, developing program participation and cost forecasts primarily in support of financial management. Before joining FNS, he served as an operation research analyst with the Naval Air Systems Command for four years.

Burr is a graduate of West Virginia University and studied economics at the graduate level at Virginia Polytechnic Institute and State University.

Kimberly Jackson  
Chief Information Officer  
703-605-4318, Kimberly.Jackson@fns.usda.gov

Kimberly Jackson is the Chief Information Officer (CIO) for USDA’s Food and Nutrition Service (FNS). Jackson manages and executes a $60M infrastructure and operations and maintenance budget with over 62 Federal staff years supporting the FNS vision of ending hunger and improving nutrition in America.
As CIO, Jackson leads forward-thinking and innovative strategic technology planning and operational delivery, providing value to FNS customers and stakeholders through technology services and mission-enabling capabilities. Jackson positions FNS to achieve mission success through delivery of cost effective emerging technologies, and strategic procurement of hardware, software, and solutions.

Prior to becoming CIO, Jackson served as the Chief Technology Officer (CTO) for the Office of Biometric Identity Management (OBIM) in the DHS National Protection and Programs Directorate (NPPD). As CTO, she served as OBIM’s senior IT official working to ensure compliance with Federal policy related to IT systems management, enterprise architecture, and data management. Jackson leveraged emerging technologies to recommend improvements to major enterprise applications, identify tools to optimize IT system performance, and develop and promote collaborative/joint technology solutions to improve services to enhance mission effectiveness.

Jackson is a graduate of the DHS SES Candidate Development Program, a DHS Level III Program Manager, a certified Project Management Professional® and a graduate of the Federal Executive Institute. She holds a Master of Business Administration from the University of Maryland and a Bachelor of Arts from the University of Virginia.

Robin D. Bailey Jr.
Regional Administrator, Southeast Regional Office
404-562-1800, Robin.Bailey@fns.usda.gov

Robin D. Bailey Jr. has over 29 years of faithful service to America in various senior levels in the Department of the Air Force and the U.S. Department of Agriculture. As USDA’s Food and Nutrition Service (FNS) Regional Administrator for the Southeast (SERO), he provides executive direction and leadership while orchestrating the execution of all 15 Federal nutrition programs, which provide annual benefits in excess of $25 billion through cooperating State agencies in Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina and Tennessee.

Bailey most recently served as Deputy Administrator for Management and Information Technology for FNS in the National Office. In this role, he provided executive oversight of Information Technology, Human Resources, Contract Management, Logistics and Facility Services. Prior to FNS, he served as Director of Human Resources Management, U.S. Forest Service, in Albuquerque, New Mexico, where he led over 600 personnel who provided Human Resources Management policy and operational services for approximately 50,000 permanent, temporary and seasonal employees.

Bailey is an Air Force veteran and served as an Air Force Civilian in a wide range of leadership positions, including the Civilian Deputy and Staff Director to the 96th Air Base Wing Commander, Eglin Air Force Base, Fla. In this capacity, he co-led more than 5,000 men and women in providing essential base operating support and services for more than 20,000 personnel, six wings, and 50 associate units at the Department of Defense’s largest installation.
Bailey holds a Master of Arts in Communication from the University of Oklahoma. He was selected as a member of the Senior Executive Service in 2009 and appointed by the Secretary of Agriculture as an Executive Resources Board Member in 2013.

Darlene L. Barnes  
Regional Administrator, Mountain Plains Regional Office  
303-844-0300, Darlene.Barnes@fns.usda.gov

Darlene Barnes was named Regional Administrator for USDA’s Food and Nutrition Service (FNS) Mountain Plains Region (MPRO) in February 2004, after serving as Deputy Regional Administrator since June 1998.

As Regional Administrator, Barnes oversees administration of the Supplemental Nutrition Assistance Program (SNAP); school lunch and breakfast programs; the Summer Meals Program; Women, Infants and Children (WIC); and 10 other nutrition assistance programs in a 10-state region comprising Colorado, Iowa, Kansas, Missouri, Montana, Nebraska, North Dakota, South Dakota, Utah and Wyoming. Located in these states are 30 tribal organizations that she works with to administer the Federal nutrition assistance programs. Barnes manages a staff of 110 FNS employees and provides leadership, oversight and technical assistance for a budget of over $6.5B annually.

Her USDA career began in 1976 with the Rural Electrification Administration. She then continued with the Department at the National Information Technology Center and the Animal and Plant Health Inspection Service (APHIS). Barnes joined FNS in 1990, in governmental and public affairs at the National Office. Under her leadership, FNS’ Public Affairs staff won the Public Relations Society of America’s 1997 Silver Anvil Award for its Team Nutrition grassroots information campaign.

Barnes studied communications at Northern Virginia Community College, the University of Maryland and Colorado State University. She is a graduate of the Federal Executive Institute’s senior leadership program, “Leadership for a Democratic Society.” She helped sponsor the Excellence in Government Awards program, which recognizes public servants at the Federal, state and local levels.

Barnes is an avid volunteer with nutrition assistance organizations and, in June 2012, received the USDA “Unsung Hero” award from Secretary Tom Vilsack, who characterized the honorees as “excellent representatives of the 100,000 USDA employees.”

She has been a member of Hunger Free Colorado and provided leadership for the first Hunger Summit in Colorado. She is the former chair and current executive committee member of the Colorado Federal Executive Board.
Patricia Dombroski
Regional Administrator, Mid-Atlantic Regional Office
609-259-5025, Patricia.Dombroski@fns.usda.gov

Patricia Dombroski is the Administrator of USDA’s Food and Nutrition Service (FNS) Mid-Atlantic Region (MARO). In that capacity, she provides leadership for 15 domestic nutrition assistance programs in six states, the District of Columbia, Puerto Rico and the Virgin Islands. Benefit and administrative funds for MARO nutrition programs exceed $12 billion and reach close to 30 million people each month.

Prior to her current position, Dombroski served as Deputy Regional Administrator for MARO. Dombroski has had the unique opportunity to direct all of the Agency’s assistance programs throughout her tenure with FNS. She has served as MARO Director of the WIC Program, the Food Stamp Program (now known as the Supplemental Nutrition Assistance Program) and the Special Nutrition Programs. Dombroski also led the agency’s largest field office, managing more than 15,000 food stamp retailers and the Federally-operated Summer Food Service Program in the State of New York.

Tim English
Regional Administrator, Midwest Regional Office
312-353-6663, Tim.English@fns.usda.gov

Tim English is the Regional Administrator of the Midwest Region (MWRO) of USDA’s Food and Nutrition Service (FNS). Under his leadership, MWRO provides oversight of program operations and technical assistance to state and local partners who administer the Agency’s 15 nutrition assistance programs. He oversees the administration of these Federal nutrition assistance programs with nutritional benefits and services valued at over $15 billion in Illinois, Indiana, Michigan, Minnesota, Ohio and Wisconsin. English commits his talents and energies to creating positive change in programs serving our nation’s most vulnerable low income families and elderly.

Prior to his appointment as Regional Administrator, English served as Deputy Regional Administrator from June 2010 to January 2013, providing leadership in program operations. From March 2003-June 2010, he served as MWRO Supplemental Nutrition Assistance Program (SNAP) Director and was responsible for overseeing SNAP operations in the Midwest region.

He is a graduate of Northern Illinois University, as well as a graduate of the American University School of Public Affairs Key Executive Leadership Certificate Program in Washington, D.C.

William E. Ludwig
Regional Administrator, Southwest Regional Office
214-290-9800, Williams.Ludwig@fns.usda.gov

William “Bill” Ludwig is the Regional Administrator of USDA’s Food and Nutrition Service’s (FNS) Southwest Region (SWRO). He oversees 15 Federal nutrition assistance programs in
Arkansas, Louisiana, New Mexico, Oklahoma, Texas and 26 tribal organizations with a regional budget of nearly $14 billion. These programs include the Supplemental Nutrition Assistance Program; the National School Lunch and School Breakfast Programs; the Special Supplemental Food Program for Women, Infants and Children (WIC); and other nutrition assistance programs.

His mission is to ensure that children throughout the region have access to safe, nutritious and balanced meals. Ludwig is a strong advocate of partnerships, which he believes are critical to accomplishing the region’s mission of reaching the youngest and most vulnerable populations.

During his tenure, Ludwig has built a solid network of more than 300 partner organizations at the Federal, State, Tribal and local levels. These connections have resulted in a greater awareness of FNS’ programs and have generated a variety of innovative ways to provide healthy food to families and children at-risk of hunger.

Ludwig believes in leaning forward and stretching across barriers to help those in need, whether they are in an urban or rural community, through programs such as the WIC/Medical Model, the Community Eligibility Program, the Summer Food Service Program and Mobile Farmers Markets.

Staying connected is important to the business of fighting hunger, so in conjunction with his travel throughout the region, he and his team have developed creative ways to keep their audiences informed through social media, e-newsletters and partner calls.

Ludwig earned his Bachelor of Arts from Louisiana State University and Master’s in Business Administration from Louisiana Tech University.

Jesus Mendoza Jr.
Regional Administrator, Western Regional Office
415-705-1337, Jesus.Mendoza@fns.usda.gov

Jesus Mendoza Jr. serves as the Regional Administrator for USDA’s Food and Nutrition Service (FNS), Western Regional Office (WRO). In this capacity, Mendoza provides leadership, oversight and technical assistance for 15 Federal nutrition assistance programs operating within eight states (Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, and Washington) three territories (American Samoa, Commonwealth of the Northern Mariana Islands, and Guam) and 35 tribal organizations. Mendoza leads an 88 person staff and oversight of a budget exceeding $20 billion.

Mendoza began his career with FNS Western Regional Office in 2002 as a Program Specialist with the Special Nutrition Programs (SNP) and served as SNP Section Chief and Regional Director and Deputy Regional Administrator prior to his current position. Before joining the Agency, Mendoza served as Program Officer for International Planned Parenthood and worked for the World Wildlife Fund, Latin America and Caribbean Region offices. Mendoza also served in the Peace Corps in Ecuador and Morocco and the U.S. Army.
Mendoza earned a Bachelor’s degree in Political Science from Southwest Texas State University and Master’s degree in International Development Project Management from Clark University in Worcester, Mass.

**Kurt Messner**
**Regional Administrator, Northeast Regional Office**
617-565-3670, Kurt.Messner@fns.usda.gov

Kurt Messner is the Regional Administrator for USDA’s Food and Nutrition Service (FNS), Northeast Regional Office (NERO). In this role, he is responsible for the implementation of the Agency’s 15 nutrition assistance programs throughout the Northeast Region, which include the six states of New England and the state of New York. Working in partnership with state and local organizations and providing technical assistance to these partners, NERO oversees the administration of the full range of FNS programs.

Messner began his career at FNS as the Director of Financial Management at NERO in 2007. In that role, he was responsible for fiscal oversight of FNS programs, and administrative and organizational support. Before joining FNS, Messner served as the Regional Director of Operations and the Deputy Regional Director for Housing with the U.S. Department of Housing and Urban Development (HUD) in Boston. Messner was appointed Deputy Regional Administrator for NERO in May 2013 and served as Acting Regional Administrator beginning in May 2014.

Messner has been nominated for two Excellence in Government Awards from the Greater Boston Federal Executive Board – in 1995 as a member of a team recognized for their work with workforce planning and development, and again in 2001 for Federal Employee of the Year. Messner received a HUD Secretary Representative’s award in 2001 for outstanding achievement and contribution to the Agency’s mission; and in 2006 he received a Massachusetts Governor’s Special Recognition Award for his contributions to the Gulf Relief efforts related to Hurricane Katrina.

Messner holds a B.S. in Business Management and M.B.A. from Regis University. He has also completed the Executive Leadership Program at Harvard University’s Kennedy School of Government.
Audrey Rowe  
**Administrator for the Food and Nutrition Service**  
703-305-2060, Audrey.Rowe@fns.usda.gov

Audrey Rowe is the Administrator for USDA’s Food and Nutrition Service (FNS) in Washington, D.C. FNS provides children and needy families with better access to food and a more healthful diet through its 15 nutrition assistance programs and nutrition education efforts.

She brings to the Federal government over 20 years of experience in human services policy development, fiscal management, program design, service delivery and marketing with a particular focus on vulnerable populations, low income women, children and youth.

Most recently, Rowe served as Deputy Administrator for Special Nutrition Programs at FNS, leading the effort to pass the Healthy, Hunger-Free Kids Act of 2010, the legislative centerpiece of First Lady Michelle Obama’s *Let’s Move!* initiative to end childhood obesity in a generation.

Rowe has extensive experience working on issues related to FNS programs. Her leadership has included roles as Human Resources Administrator in New Haven, Connecticut, and Social Services Commissioner for the State of Connecticut and the District of Columbia. In addition, she served as Executive Vice President and Chief Operating Officer for the National Urban League.

In private industry, Rowe served as Senior Vice President and Managing Director for the Children and Family Services division for Affiliated Computer Service (ACS), formerly Lockheed Martin IMS. In this capacity, she spearheaded industry leadership in the realms of child support payment processing and enforcement and the electronic dissemination of public assistance benefits, including implementing Electronic Benefit Transfer (EBT) programs in over 20 states. Additionally, Rowe was appointed Senior Vice President for Public Affairs where she managed the corporation’s government relations, philanthropy and community relation programs.

Rowe’s publications include:

- The Feminization of Poverty: An Issue for the 90’s, Yale University Journal of Law and Feminism, Fall 1991

Rowe is a graduate of Federal City College and was a fellow at the John F. Kennedy School of Government Institute of Politics at Harvard University.
Organizational Budget and Financial Management

| Special Supplemental Nutrition Program for Women, Infants and Children (WIC): |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| WIC Program……………………………………………………… | 6,860,000 | 7,252,000 | 6,734,027 | 6,618,497 | 6,522,247 | 6,715,841 | 6,623,000 | 6,350,000 |
| WIC UPC Database……………………………………………… | - | - | 1,000 | 1,000 | 949 | 928 | 927 | 932 |
| WIC - Total……………………………………………………………… | 6,860,000 | 7,252,000 | 6,735,027 | 6,619,497 | 6,523,196 | 6,716,769 | 6,623,927 | 6,350,932 |

| Child Nutrition Programs (CNP): |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Team Nutrition…………………………………………………… | 13,500 | 13,516 | 14,202 | 15,016 | 14,556 | 15,504 | 15,504 | 15,504 |
| Team Nutrition funding transferred to CNPP……………………… | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) | (1,500) |
| School Meals Equipment Grants…………………………………… | - | - | - | - | 9,729 | 25,000 | 25,000 | 30,000 |
| School Breakfast Expansion Grants……………………………… | - | - | - | - | 1,000 | - | - | - |
| Summer EBT Demonstration…………………………………………… | - | 85,000 | - | - | - | - | - | 16,000 |
| CNP - Discretionary Sub-total …………………………………….… | 13,500 | 98,516 | 14,202 | 16,016 | 24,285 | 40,504 | 56,504 | 68,504 |

| National School Lunch Program - meal reimbursements………… | 8,472,755 | 9,967,068 | 9,981,094 | 10,169,615 | 11,278,621 | 10,576,266 | 11,996,089 | 12,154,720 |
| Child and Adult Care Food Program - meal reimbursements………. | 2,513,852 | 2,640,923 | 2,686,344 | 2,831,543 | 2,949,544 | 3,079,915 | 3,195,866 | 3,340,081 |
| Summer Food Service Program - meal reimbursements…………………. | 357,984 | 387,264 | 392,680 | 401,998 | 434,724 | 461,584 | 495,521 | 555,729 |
| Special Milk Program…………………………………………… | 14,941 | 12,673 | 12,512 | 13,240 | 12,523 | 10,608 | 11,216 | 8,791 |
| State Administrative Expenses…………………………………… | 178,994 | 193,258 | 206,943 | 279,016 | 289,684 | 247,182 | 263,686 | 270,878 |
| Commodity Procurement………………………………………… | 741,209 | 685,876 | 907,919 | 1,077,727 | 1,181,651 | 1,078,668 | 1,255,510 | 1,350,683 |
| Mandatory Other Program Costs………………………………….… | 24,128 | 26,661 | 26,627 | 48,673 | 56,328 | 58,995 | 60,039 | 68,370 |
| Fresh Fruit and Vegetable Program…………………………….. | 108,000 | 25,000 | 109,000 | 137,000 | 174,000 | 158,000 | 159,000 | 162,000 |
| All Other Direct Appropriations…………………………………… | 13,250 | 153,250 | 45,250 | 18,250 | 73,250 | 28,250 | 19,250 | 19,250 |
| CNP - Mandatory Sub-total ……………………………………..… | 15,058,161 | 17,012,364 | 17,462,339 | 18,288,910 | 20,109,672 | 19,428,047 | 21,416,106 | 22,269,134 |
| CNP - Total……………………………………………………………… | 15,071,661 | 17,110,880 | 17,476,541 | 18,304,926 | 20,133,957 | 19,468,551 | 21,472,610 | 22,337,638 |
### United States Department of Agriculture
#### 2016 Presidential Transition
**Food and Nutrition Service (FNS)**

<table>
<thead>
<tr>
<th></th>
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<td>(1,500)</td>
<td>(1,498)</td>
<td>-</td>
<td>-</td>
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<td><strong>SNAP - Discretionary Sub-total</strong></td>
<td>1,000</td>
<td>1,000</td>
<td>998</td>
<td>1,000</td>
<td>971</td>
<td>998</td>
<td>998</td>
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<tr>
<td>Mandatory:</td>
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<td>Supplemental Nutrition Assistance Program Benefits</td>
<td>45,599,291</td>
<td>49,616,620</td>
<td>61,001,019</td>
<td>70,334,648</td>
<td>67,313,095</td>
<td>71,845,455</td>
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<td>6,193,888</td>
<td>6,922,752</td>
<td>7,491,633</td>
<td>7,426,095</td>
<td>7,702,861</td>
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<td>8,143,826</td>
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<td>Nutrition Assistance Program (Puerto Rico)</td>
<td>1,760,435</td>
<td>1,746,351</td>
<td>1,744,605</td>
<td>1,835,464</td>
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<td>1,893,880</td>
<td>1,951,397</td>
<td>1,959,136</td>
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<td>Commonwealth of the Northern Mariana and American Samoa</td>
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<td>19,161</td>
<td>19,154</td>
<td>20,519</td>
<td>19,670</td>
<td>19,754</td>
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<td>114,914</td>
<td>112,797</td>
<td>96,958</td>
<td>102,746</td>
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<td>248,000</td>
<td>247,500</td>
<td>260,250</td>
<td>265,750</td>
<td>268,750</td>
<td>327,000</td>
<td>318,000</td>
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<td>All Other Mandatory SNAP</td>
<td>30,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>23,000</td>
<td>205,000</td>
<td>14,000</td>
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<td><strong>SNAP -Mandatory Sub-total</strong></td>
<td>53,967,746</td>
<td>58,675,681</td>
<td>70,610,869</td>
<td>79,989,722</td>
<td>77,284,442</td>
<td>82,161,312</td>
<td>81,828,185</td>
<td>80,838,664</td>
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<td><strong>SNAP - Total</strong></td>
<td>$53,968,746</td>
<td>$58,676,681</td>
<td>$70,611,867</td>
<td>$79,990,722</td>
<td>$77,285,413</td>
<td>$82,162,310</td>
<td>$81,829,183</td>
<td>$80,839,662</td>
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| **Commodity Assistance Program (CAP):** |             |             |             |             |             |             |             |              |
| Discretionary:                 |             |             |             |             |             |             |             |              |
| Commodity Supplemental Food Program | 160,430   | 171,409     | 175,697     | 176,788     | 181,873     | 202,682     | 211,482     | 222,198      |
| Emergency Food Assistance Program Administrative Costs | 49,500      | 49,500      | 49,401      | 48,000      | 45,953      | 49,401      | 49,401      | 54,401       |
| TEFAP Infrastructure Grants    | -           | 6,000       | -           | -           | -           | -           | -           | -            |
| Pacific Island Assistance      | 1,070       | 1,070       | 1,068       | 1,000       | 986         | 1,070       | 1,070       | 1,070        |
| Farmers' Market Nutrition Program | 19,800    | 20,000      | 19,960      | 16,548      | 15,272      | 16,548      | 16,548      | 18,548       |
| **CAP Discretionary Sub-total** | 230,800     | 247,979     | 246,126     | 242,336     | 244,084     | 269,701     | 278,501     | 296,217      |
| Mandatory:                     |             |             |             |             |             |             |             |              |
| Senior Farmers' Market Nutrition Program | 20,600      | 20,600      | 20,600      | 20,600      | 19,549      | 19,117      | 19,096      | 19,199       |
| **CAP - Total**                | $251,400    | $268,579    | $266,726    | $262,936    | $263,633    | $288,818    | $297,597    | $315,416     |

<p>| <strong>Nutrition Programs Administration (NPA):</strong> |             |             |             |             |             |             |             |              |
| Discretionary:                 |             |             |             |             |             |             |             |              |
| Nutrition Programs Administration (FNS) | 138,156    | 143,889     | 143,414     | 132,701     | 126,778     | 134,810     | 130,752     | 130,036      |
| National Commission on Hunger report | -          | -           | -           | -           | -           | -           | -           | -            |
| Institute of Medicine Report on the Dietary Guidelines | -          | -           | -           | -           | -           | -           | -           | -            |
| GSA Rent &amp; Security            | -           | -           | -           | -           | -           | -           | -           | -            |
| <strong>NPA Total</strong>                  | $138,156    | $143,889    | $143,414    | $132,701    | $126,778    | $135,810    | $144,286    | $144,864     |
| Recovery Act Funds             | 5,944,667   | 10,781,519  | 12,272,291  | 8,456,590   | 6,819,099   | 5,796,384   | -           | -            |
| Supplementals                  | -           | -           | -           | -           | 5,700       | -           | -           | -            |
| Reimbursements                 | 907         | 1,070       | 886         | 964         | 776         | 224         | 178         | 508          |</p>
<table>
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<tr>
<th><strong>Total</strong></th>
<th>$82,235,527</th>
<th>$94,234,618</th>
<th>$113,774,036</th>
<th>$111,152,852</th>
<th>$114,568,866</th>
<th>$110,367,781</th>
<th>$109,989,020</th>
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<tr>
<td></td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
<td>Actual</td>
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<td>Discretionary Total</td>
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<td>$7,743,384</td>
<td>$7,138,767</td>
<td>$7,010,550</td>
<td>$6,918,365</td>
<td>$7,162,854</td>
<td>$7,103,289</td>
<td>$6,860,583</td>
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<tr>
<td>Mandatory Total</td>
<td>$69,046,507</td>
<td>$75,708,645</td>
<td>$88,094,808</td>
<td>$98,300,232</td>
<td>$97,414,612</td>
<td>$101,609,404</td>
<td>$103,264,314</td>
<td>$103,127,929</td>
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<tr>
<td>Sub-Total</td>
<td>$76,289,963</td>
<td>$83,452,029</td>
<td>$95,233,575</td>
<td>$105,310,782</td>
<td>$104,332,977</td>
<td>$108,772,258</td>
<td>$110,367,603</td>
<td>$109,988,512</td>
</tr>
<tr>
<td>Recovery Act, Supplementals &amp; Reimbursements</td>
<td>$5,945,564</td>
<td>$10,782,589</td>
<td>$12,273,157</td>
<td>$8,463,254</td>
<td>$6,819,875</td>
<td>$5,796,608</td>
<td>$178</td>
<td>$508</td>
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<tr>
<td>FNS total</td>
<td>$82,235,527</td>
<td>$94,234,618</td>
<td>$107,506,732</td>
<td>$113,774,036</td>
<td>$111,152,852</td>
<td>$114,568,866</td>
<td>$110,367,781</td>
<td>$109,989,020</td>
</tr>
</tbody>
</table>
Enterprise Workforce Data

Workforce FY 2009-FY 2016

![Graph showing workforce distribution over years with categories like Washington DC (HQ), Field Offices, and Total Staff.]

GS Level Distribution

- GS 8- GS 12, 49%
- GS 13- GS 15, 47%
- GS 5 -GS 7, 3%
- ES/SES, 1%
United States Department of Agriculture
2016 Presidential Transition
Food and Nutrition Service (FNS)

Current Workforce by Location

<table>
<thead>
<tr>
<th>Location</th>
<th>Number of Staff</th>
<th>Percentage of Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington DC (HQ)</td>
<td>661</td>
<td>43%</td>
</tr>
<tr>
<td>Robbinsville, NJ</td>
<td>107</td>
<td>7%</td>
</tr>
<tr>
<td>Chicago, IL</td>
<td>86</td>
<td>6%</td>
</tr>
<tr>
<td>Denver, CO</td>
<td>100</td>
<td>7%</td>
</tr>
<tr>
<td>Boston, MA</td>
<td>86</td>
<td>6%</td>
</tr>
<tr>
<td>Atlanta, GA</td>
<td>97</td>
<td>6%</td>
</tr>
<tr>
<td>Dallas, TX</td>
<td>77</td>
<td>5%</td>
</tr>
<tr>
<td>San Francisco, CA</td>
<td>88</td>
<td>6%</td>
</tr>
<tr>
<td>Retail Operations (Various)</td>
<td>221</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Total Field Offices</strong></td>
<td><strong>862</strong></td>
<td><strong>57%</strong></td>
</tr>
<tr>
<td><strong>Total Staff</strong></td>
<td><strong>1523</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Workforce by Program Area

- NPA: 55%
- CNPP: 21%
- Child Nutrition: 17%
- WIC: 4%
- SNAP: 2%
- CAP: 0%
The following enterprise workforce data (as of September 1, 2016) covers FNS and the Center for Nutrition Policy and Promotion (CNPP).

- FNCS has 1,568 full-time employees, 7 part-time employees and one intermittent employee for a total workforce of 1,576.
- Of the total FNCS workforce, 16.7% are eligible to retire within the next year.
- The FNCS Headquarters Office is located in Alexandria, VA which houses 42% of the total number of employees to include:
  - 670 FNS employees; and
  - 29 CNPP employees.
- The Retailer Operations Division (ROD) has 235 employees located throughout the United States. ROD works to achieve the FNS mission by effectively authorizing, investigating, and sanctioning retailers thereby ensuring the stewardship of SNAP funds and inspiring public confidence.
- FNS has seven Regional Offices that work with state and community partners to increase food security and reduce hunger, while focusing on increasing awareness and access to our programs to under-served populations:
  - The Mid-Atlantic Regional Office is located in Robbinsville, NJ and has 108 employees;
  - The Midwest Regional Office is located in Chicago, IL and has 84 employees;
  - The Mountain Plains Regional Office is located in Denver, CO and has 101 employees;
  - The Northeast Regional office is located in Boston, MA and has 89 employees;
  - The Southeast Regional Office is located in Atlanta, GA and has 97 employees;
  - The Southwest Regional Office is located in Dallas, TX and has 75 employees; and
  - The Western Regional Office is located in San Francisco, CA and has 88 employees.
- FNCS has 1,151 employees in 13 mission critical occupations.
II. Policies and Regulations

Statutory Authorities

The legal authority for most nutrition assistance programs administered by FNS derives from the following statutes:

- The Food and Nutrition Act of 2008 as amended (FNA), governing SNAP and some food distribution programs;
- The Richard B. Russell National School Lunch Act of 1946 as amended (NSLA), governing the school meals programs, the Child and Adult Care Food Program, and the Fresh Fruit and Vegetable Program;
- The Child Nutrition Act of 1966 as amended (CNA), governing the WIC program, the Special Milk Program, and some aspects of the school meals programs;
- The Emergency Food Assistance Act of 1983 (EFAA), which authorizes The Emergency Food Assistance Program;
- The Agriculture and Consumer Protection Act of 1973 (ACPA), which authorizes the Commodity Supplemental Food Program;
- Agriculture and Food Act of 1981 (AFA), which authorizes distribution of surplus commodities; and
- Farm Security and Rural Investment Act of 2002 (FSRIA), which authorizes the Senior Farmers’ Market Nutrition Program.

Each FNS program is reauthorized through the Farm Bill process, which covers the FNA, EFAA, ACPA, AFA, and FSRIA, or the Child Nutrition reauthorization process, which covers the NSLA and CNA. The Agricultural Act of 2014 reauthorized FNA programs through fiscal year 2018. The Healthy, Hunger-Free Kids Act of 2010 reauthorized most provisions of the NSLA and CNA through fiscal year 2015. Though this reauthorization has now lapsed, the NSLA and CNA programs continue to operate under their permanent authorities and with the appropriation of funding.

Important Policies and Regulations

Below is a list of regulations which were finalized within the last year, are open for comment or are pending clearance with OMB:
## United States Department of Agriculture  
### 2016 Presidential Transition  
### Food and Nutrition Service (FNS)

**Finalized within the last year (8/1/2015 – 7/31/2016)**

<table>
<thead>
<tr>
<th>RIN</th>
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<td>0584-AD86</td>
<td>Final</td>
<td>SNAP: Review of Major Changes in Program Design and Management Evaluation Systems</td>
<td>1/19/2016</td>
<td>81 FR 2725</td>
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<td>0584-AE01</td>
<td>Final</td>
<td>Clarification of Eligibility of Fleeing Felons</td>
<td>9/10/2015</td>
<td>80 FR 54410</td>
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<td>0584-AE07</td>
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<td>SNAP: Nutrition Education and Obesity Prevention Grant Program</td>
<td>3/31/2016</td>
<td>81 FR 18447</td>
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<td>0584-AE09</td>
<td>Final &amp; Interim Final</td>
<td>NSLP &amp; SBP: Nutrition Standards for All Foods Sold in School, as Required by HHFKA</td>
<td>7/29/2016</td>
<td>81 FR 50131</td>
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<td>0584-AE16</td>
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<td>NSLP &amp; SBP: Eliminating Applications through Community Eligibility as Required by the HHFKA</td>
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<td>CACFP: Meal Pattern Revisions Related to the HHFKA</td>
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<td>WIC: Electronic Benefit Transfer (EBT) Implementation</td>
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<td>81 FR 10433</td>
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<td>0584-AE30</td>
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<td>Administrative Reviews in the School Nutrition Programs</td>
<td>7/29/2016</td>
<td>81 FR 50170</td>
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<td>0584-AE33</td>
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<td>Supplemental Nutrition Assistance Program (SNAP): Employment and Training Program</td>
<td>03/24/2016</td>
<td>81 FY 15613</td>
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### Open for Comment

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<td>0584-AE09</td>
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<td>7/29/2016</td>
<td>Comment period ends 9/27/16 (on IFR provision)</td>
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### Pending at OMB

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<td>0584-AD87</td>
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<td>SNAP: Eligibility, Certification, and Employment and Training Provisions</td>
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### Notable Guidance Documents

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<td><strong>SNAP</strong></td>
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<tr>
<td>ABAWD Time Limit Policy and Program Access</td>
<td>November 2015</td>
<td><a href="#">ABAWD Time Limit Policy and Program Access</a></td>
</tr>
<tr>
<td>QC Policy Memo Integrity of the SNAP Quality Control System</td>
<td>January 2016</td>
<td><a href="#">QC Policy Memo Integrity of the SNAP Quality Control System</a></td>
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<tr>
<td>SNAP E&amp;T and WIOA Unified and Combined State Plans</td>
<td>March 2016</td>
<td><a href="#">SNAP E&amp;T and WIOA Unified and Combined State Plans</a></td>
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<td>ABAWD Time Limit Exemptions for Veterans Disability Benefit Recipients</td>
<td>May 2016</td>
<td><a href="#">ABAWD Time Limit Exemptions for Veterans Disability Benefit Recipients</a></td>
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<tr>
<td>Revised Quality Control Handbook 310</td>
<td>September 2016 (coming by the end of the month)</td>
<td>Not yet available</td>
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### Child Nutrition

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<td>Procuring Local Meat, Poultry, Game, and Eggs for Child Nutrition Programs</td>
<td>10/22/2015</td>
<td><a href="#">Procuring Local Meat, Poultry, Game, and Eggs for Child Nutrition Programs</a></td>
</tr>
<tr>
<td>Local Foods and Related Activities in Summer Meal Programs, with Questions and Answers</td>
<td>November 2015</td>
<td><a href="#">Local Foods and Related Activities in Summer Meal Programs, with Questions and Answers</a></td>
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### Notable Guidance Documents

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<th>Link</th>
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<tr>
<td>Team Up for School Nutrition Success State Expansion</td>
<td>11/13/2015</td>
<td>Team Up for School Nutrition Success State Expansion</td>
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<tr>
<td>Revised Prototype Free and Reduced Price Application Materials for SY 2016-17</td>
<td>4/29/2016</td>
<td>Revised Prototype Free and Reduced Price Application Materials for SY 2016-17</td>
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<tr>
<td>Meaningful Access for Persons with Limited English Proficiency in the School Meal Programs: Guidance and Q&amp;As</td>
<td>5/25/2016</td>
<td>Meaningful Access for Persons with Limited English Proficiency in the School Meal Programs: Guidance and Q&amp;As</td>
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<td>The Use of Share Tables in Child Nutrition Programs</td>
<td>6/22/2016</td>
<td>The Use of Share Tables in Child Nutrition Programs</td>
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<tr>
<td>Unpaid Meal Charges: Local Meal Charge Policies</td>
<td>7/8/2016</td>
<td>Unpaid Meal Charges: Local Meal Charge Policies</td>
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<td>Unpaid Meal Charges: Clarification on Collection of Delinquent Meal Payments</td>
<td>7/8/2016</td>
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<tr>
<td>Resources for Making Potable Water Available in Schools and Child Care Facilities</td>
<td>7/20/2016</td>
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<tr>
<td>Ensuring Year-long Eligibility in the School Lunch and School Breakfast Programs</td>
<td>8/5/2016</td>
<td>Ensuring Year-long Eligibility in the School Lunch and School Breakfast Programs</td>
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<tr>
<td>Ensuring Access to Free and Reduced Price School Meals for Low-Income Students</td>
<td>8/10/2016</td>
<td>Ensuring Access to Free and Reduced Price School Meals for Low-Income Students</td>
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### WIC

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Since 2006, FNS has released an average of 8 new regulations (i.e., regulations where no prior stage of rulemaking for the same rule was released in earlier years) annually. Of these rules, 49.4% were deemed significant/economically significant by OMB’s Office of Information and Regulatory Affairs (OIRA).
Overview of the policy/regulation review process

Federal nutrition assistance programs operate as partnerships between FNS and the state and local organizations that interact directly with program participants. States voluntarily enter into agreements with the Federal Government to operate programs according to Federal standards in exchange for funding:

- **Supplemental Nutrition Assistance Program (SNAP)** enables low-income households to improve their diets by increasing food purchasing power using benefits that are redeemed at retail grocery stores across the country. SNAP benefits can also be redeemed at farmers’ markets; the number of markets and direct marketing farmers authorized to accept SNAP has grown substantially in recent years. State agencies operate the program according to national eligibility and benefit standards set by Federal law and regulations. They also provide nutrition education to clients, and are responsible for ensuring integrity in certification and benefit issuance. FNS has the lead in managing retailers authorized to redeem benefits, to ensure that they operate the program effectively and with integrity. Benefits are 100 percent Federally-financed, while administrative costs are shared between the Federal and state governments. The Food Distribution Program on Indian Reservations (FDPIR), an alternative to SNAP providing foods directly to low-income households living on Indian reservations, and to American Indian households residing in other approved areas. Puerto Rico, American Samoa, and the Commonwealth of the Northern Mariana Islands (CNMI) receive block grant funds to provide nutrition assistance in lieu of SNAP.

- **Child Nutrition Programs (CNP):** The major goal of these programs – the National School Lunch (NSLP), School Breakfast (SBP), Child and Adult Care Food (CACFP), Summer Food Service (SFSP), and Special Milk (SMP) Programs – is to support schools, private nonprofit organizations and child care institutions in meeting the nutritional needs of the children and adults they serve.

  The programs provide reimbursement to state and local governments and private nonprofit organizations for meals and snacks served to children in schools, child care institutions, and after-school care programs; the program also supports meals served in adult day care centers. FNS provides cash and commodities on a per-meal basis to offset the cost of food service at the local level, as well as a significant portion of state and local administrative expenses. FNS also provides training, technical assistance, and nutrition education. Payments are substantially higher for meals served free or at a reduced price to children from low-income families; nearly 90 percent of program funding supports service to low-income children. In addition, the Fresh Fruit and Vegetable Program provides free fresh fruits and vegetables to school children in selected schools in low-income areas during the school day.

- **Special Supplemental Nutrition Program for Women, Infants and Children (WIC):** WIC’s major objective is to address the nutrition needs of low-income pregnant, breastfeeding and postpartum women, infants and children up to five years of age who are found to be at nutritional risk. WIC provides funding to states for foods containing
nutrients determined by research to be lacking in the target group’s diet, health care referrals, and nutrition education, along with administrative costs. States operate the program pursuant to plans approved by FNS. WIC is augmented in some localities by the Farmers’ Market Nutrition Program, which provides WIC participants with coupons to purchase fresh produce at farmers markets.

- **Commodity Assistance Programs**: These programs provide domestically-produced, high quality foods, some of which are in surplus, for use in the Child Nutrition Programs and for distribution to food banks and other emergency feeding organizations. In addition, the Commodity Supplemental Food Program (CSFP) provides food packages to low-income elderly, while the Senior Farmers’ Market Nutrition Program provides this same population with coupons to purchase fresh produce at farmers markets. USDA also purchases and distributes food commodities for assistance in major disasters or emergencies when other food supplies are not readily available.

FNS is responsible for implementing statutory requirements that set national program standards for eligibility and benefits, providing Federal funding to state and local partners, and for conducting monitoring and evaluation activities to make sure that program structures and policies are properly implemented and effective in meeting program missions. State and local organizations are responsible for delivering benefits efficiently, effectively, and in a manner consistent with federal regulations. An exception to this approach is the authorization and monitoring of SNAP retailers; FNS sets national policies and manages the operational aspects of retailer participation in the Program.

Regulations are thus largely focused on adjusting state requirements for administering the programs, including changes to eligibility standards and benefit levels or standards, integrity and other operational requirements. Because the authorizing statutes are fairly prescriptive, regulations typically change in response to the reauthorization process, and regulatory review and revision outside of statutory change is usually integrated into reauthorization implementation.

Nutrition assistance policy issues generally reflect efforts to balance competing imperatives – access to and nutritional content of program benefits, accuracy and integrity of program administration, and budgetary costs. FNS identifies policy and operational priorities for regulatory change through its ongoing interactions with state partners and local cooperators in the process of program administration, as well as interactions with key stakeholder and advocacy organizations such as the American Public Human Services Association, the School Nutrition Association, the American Commodity Distribution Association, and the National WIC Association. Because of the size, costs, and high public profile of these programs, the policy and regulatory change process can be contentious.
GAO and OIG Audits

**GAO Audits**

- **WIC Program: Improved Oversight of Income Eligibility Determination Needed (GAO-13-290)**
  - **Date Issued:** March 8, 2013
  - **Hyperlink to audit:** [http://www.gao.gov/assets/660/652480.pdf](http://www.gao.gov/assets/660/652480.pdf)
  - **Audit Objectives:** Audit request made by the House Committee on Education and the Workforce and the Senate Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies. GAO assessed: (1) how do state and local criteria for determining WIC income eligibility vary; (2) to what extent are individuals who would otherwise be ineligible for WIC deemed eligible due to their participation in other programs; and (3) how does USDA assist and monitor state determination of WIC income eligibility.
  - **Audit Summary:** GAO reviewed federal laws and regulations; analyzed USDA’s national data from 2010, recent survey findings, and monitoring reports; reviewed WIC policy manuals from 10 states chosen to provide population size and geographic diversity; and interviewed federal, state, and local officials. GAO recommended that USDA develop a timeline for reviewing its monitoring reports to assess national program risks and target assistance. USDA agreed with GAO’s recommendation. FNS staff developed a process to use an automated report to identify areas in need of correction or improvement that were found during WIC Management Evaluations conducted across the country. Using the output report, FNS will assess the frequency of Management Evaluation findings in each policy and program area nationwide and respond by providing policy clarification, training, or other corrective actions to states. The report went into production on November 1, 2013, and FNS reported that staff will review the reports quarterly.
  - **Current Status:** Closed

- **School Lunch: Implementing Nutrition Changes Was Challenging and Clarification of Oversight Requirements Is Needed (GAO-14-104)**
  - **Date Issued:** February 27, 2014
  - **Audit Objectives:** Request made by the House Committee on Education and the Workforce. GAO assessed: (1) lunch participation trends; (2) challenges School Food Authorities’ (SFAs) faced implementing the changes, if any; and (3) USDA’s assistance with and oversight of the changes.
Audit Summary: To address these areas, GAO used several methods, including review of federal laws, regulations, and guidance; analysis of USDA’s lunch participation data; a national survey of state child nutrition program directors; and site visits to eight school districts selected to provide variation in geographic location and certain school district and food service characteristics. To improve program integrity, GAO recommends that USDA clarify the need to document noncompliance issues found during state reviews of SFAs and complete efforts to assess states’ assistance needs related to oversight of financial management. USDA generally agreed with GAO’s recommendations.

Current Status: Closed

- School-Meals Programs: USDA Has Enhanced Controls, but Additional Verification Could Help Ensure Legitimate Program Access (GAO-14-262)
  - Date Issued: June 16, 2014
  - Audit Objectives: GAO began this work on the initiative of the Comptroller General. GAO assessed: (1) steps taken to help identify and prevent ineligible beneficiaries from receiving benefits in school-meal programs; and (2) what opportunities exist to strengthen USDA’s oversight of the school-meals programs.
  - Audit Summary: GAO reviewed the National School Lunch Program policies, interviewed program officials, and randomly selected a non-generalizable sample that included 25 of 7.7 million approved household applications from 25 of 1,520 school districts in the Dallas, Texas, and Washington, D.C., regions. GAO performed limited eligibility testing using civilian federal-employee payroll data from 2010 through 2013 due to the unavailability of other data sources containing nonfederal employee income. GAO also conducted interviews with households. Ineligible households were referred to the Inspector General. GAO recommends that the Secretary of Agriculture develop a pilot program to explore the feasibility of using computer matching to identify households with income that exceeds program-eligibility thresholds for verification, and explore the feasibility of verifying a sample of categorically eligible households.
  - Current Status: Open

- School Meal Programs: Implications of Adjusting Income Eligibility Thresholds and Reimbursement Rates by Geographic Differences (GAO-14-557)
  - Date Issued: August 7, 2014
Audit Objectives: This audit request was from Representative Sam Farr. The objectives were: (1) what are the available data sources that could be used to adjust for cost-of-living differences for household income eligibility and for variations in food, labor, and other costs for USDA school reimbursement rates; and (2) what are the advantages and disadvantages of using such data sources for making adjustments for income eligibility and reimbursement rates.

Audit Summary: No recommendations included in this report. GAO looked at a variety of methods by which to identify geographic differences in living costs and the potential for using them to adjust: (1) income eligibility thresholds; and (2) reimbursement rates for schools. They also examined the extent to which states and localities can make adjustments for geographic differences in costs by using existing program rules. GAO reviewed relevant laws, regulations, and literature; analyzed available data sources and methods; and interviewed knowledgeable experts.

Current Status: Closed

Supplemental Nutrition Assistance Program (SNAP): Enhanced Detection Tools and Reporting Could Improve Efforts to Combat Recipient Fraud (GAO-14-641)

Audit Objectives: This audit request was from Senator Jeff Sessions. The audit objectives were: (1) how has USDA addressed the issues raised in its IG report on SNAP fraud; (2) how does USDA determine SNAP’s payment error rate and to what extent is payment error due to participant fraud; and (3) how many SNAP benefits continue to be vulnerable to trafficking.

Audit Summary: GAO reviewed: (1) how selected state agencies combat SNAP recipient fraud; (2) the effectiveness of certain state fraud detection tools; and (3) how FNS oversees state anti-fraud efforts. GAO reviewed relevant federal laws, regulations, guidance, and documents; interviewed officials in 11 states; interviewed federal officials; tested fraud detection tools using fiscal year 2012 program data; and monitored websites for potential trafficking online. Although results are not generalizable to all States, the 11 states, selected based on various criteria including the size of their SNAP recipient household population and their payment error rates, served about a third of SNAP recipient households. GAO recommends, among other things, that FNS reassess current financial incentives and detection tools and issue guidance to help states better detect fraud and report on their anti-fraud efforts. FNS is working on the corrective actions resulting from this audit report.

Current Status: Open
United States Department of Agriculture
2016 Presidential Transition
Food and Nutrition Service (FNS)

  - **Date Issued:** January 12, 2015
  - **Audit Objectives:** GAO did this work in response to a request made by the Chairs of House Committee on Education and the Workforce and the House Subcommittee on Early Childhood, Elementary, and Secondary Education, as well as another member of Congress. The key questions to be addressed by their audit were: 1) how does USDA determine the amount of formula to provide to participating infants; 2) what is known about the extent to which participants sell WIC formula online; and 3) what steps has USDA taken to prevent and address the online sale of WIC formula.
  - **Audit Summary:** GAO recommended that USDA require state agencies to inform WIC participants that selling WIC formula is against program rules and describe in their state plans how they identify attempted sales. GAO also recommended that USDA assess online sales, including techniques states can use to monitor them. USDA agreed with GAO’s recommendations.
  - **Current Status:** One recommendation was closed and two remain open. FNS’ latest update to move toward closure was provided to GAO on July 18, 2016.

  - **Date Issued:** May 18, 2015
  - **Hyperlink to audit:** [http://gao.gov/assets/670/669688.pdf](http://gao.gov/assets/670/669688.pdf)
  - **Audit Objectives:** GAO did this work in response to a request made by the Chairs of House Committee on Education and the Workforce, as well as the Chairs of the subcommittees on Higher Education and Workforce Training; Health, Employment, Labor, and Pensions; Workforce Protections; and Early Childhood, Elementary, and Secondary Education. The key questions to be addressed by their audit were: 1) how do agencies define regulatory guidance and what processes and criteria are used to determine whether to issue guidance or undertake rulemaking; 2) what similarities and differences exist between the agencies policies, processes, and practices for developing and using regulatory guidance; and 3) how do the agencies ensure that their departmental guidance is current and transparent.
  - **Audit Summary:** GAO made recommendations to four departments, and specific to USDA recommended that it strengthen the use of internal controls in guidance production processes and improve online guidance dissemination. USDA generally agreed with this recommendation.
United States Department of Agriculture
2016 Presidential Transition
Food and Nutrition Service (FNS)

- **Current Status:** Open. However, FNS provided information needed to close the USDA recommendation to GAO on July 22, 2016, and is currently waiting for GAO to update the status of the recommendation on their public website.

- **School Nutrition: USDA Has Efforts Underway to Help Address Ongoing Challenges Implementing Changes in Nutrition Standards (GAO-15-656)**
  - **Date Issued:** October 14, 2015
  - **Audit Objectives:** GAO did this work in response to a request made by the Chair of the Committee on Education and Workforce. The key questions to be addressed by their audit were: 1) what challenges, if any, are the School Food Authorities (SFAs) GAO visited previously for the January 2014 report (GAO-14-104) dealing with currently, and as they continue to implement school lunch changes; 2) what challenges, if any, have these SFAs faced while implementing the changes to the nutrition standards for school breakfasts and the new nutrition standards for competitive foods; and 3) what actions has USDA taken to assist SFAs in implementing the school food requirements, such as helping schools mitigate any challenges related to food cost and waste.
  - **Audit Summary:** GAO made no new recommendations to USDA as this was a follow-up to the GAO-14-104 report in which they recommended that USDA clarify the need to document noncompliance issues found during state reviews of SFAs and complete efforts to assess states' assistance needs related to oversight of financial management.
  - **Current Status:** Closed

**OIG Audits**

- **Analysis of FNS’ Supplemental Nutrition Assistance Program Fraud Prevention and Detection Efforts (27002-0011-13)**
  - **Date Issued:** September 28, 2012
  - **Audit Objectives:** Initially, OIG’s audit objectives were to determine whether funds were used properly by analyzing SNAP-related databases at Federal and state levels for anomalies and signs of fraud, waste, and abuse; and to compare 10 selected states’ SNAP recipient databases to the Social Security Administration’s Death Master File. Subsequent to the December 2011 House Agriculture Committee’s Subcommittee on Department Operations, Oversight, and Credit’s hearing on SNAP fraud, the audit scope was expanded to include an evaluation of the adequacy of FNS and state tools used to prevent and detect SNAP fraud, and whether the states were using the tools provided.
United States Department of Agriculture
2016 Presidential Transition
Food and Nutrition Service (FNS)

- Audit Summary: OIG concluded that, given the size and complexity of SNAP, the low rate of data anomalies identified was a notable achievement and the states had made significant progress resolving the questioned recipients identified in their matches. OIG also stated that, since SNAP participation has reached record levels, even incremental improvements in fraud detection and prevention can have a meaningful impact on SNAP program integrity. The report contained nine recommendations.

- Current Status: This audit will be resolved upon the development of an action plan on next steps for the National Accuracy Clearinghouse (NAC) project. The NAC pilot project report was signed by the Secretary and delivered to Congress on May 10, 2016. FNS is preparing a letter to all States detailing next steps. Estimated completion date – October 31, 2016.

- Food and Nutrition Service Financial Statements for Fiscal Year 2012 and 2011 (27401-0002-21)
  - Date Issued: November 23, 2012
  - Audit Objectives: To determine whether: (1) the financial statements present fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, the assets, liabilities, and net position, net cost, changes in net position, and combined budgetary resources; (2) the internal control objectives over financial reporting were met; and (3) the Food and Nutrition Service complied with laws and regulations for those transactions and events that could have a direct and material effect on the comparative financial statements. OIG also determined whether the Management Discussion and Analysis was materially consistent with the information in the comparative financial statements.
  - Audit Summary: The report contains an unqualified opinion on the financial statements, as well as the results of our assessment of the Food and Nutrition Service’s internal controls over financial reporting and compliance with laws and regulations. FNS’ comparative financial statements for fiscal years 2012 and 2011, including the accompanying notes, present fairly, in all material respects, the financial position of FNS, as of September 30, 2012, and 2011, and its net costs, changes in net position, and budgetary resources for the years then ended, in conformity with accounting principles generally accepted.
  - Current Status: Closed

- National School Lunch Program – Food Service Management Company (FSMC) Contracts (27601-0001-23)
  - Date Issued: January 3, 2013

**Audit Objectives:** The objectives of the audit were: (1) assess the effectiveness of any controls implemented by FNS and selected state agencies as a result of previous audits; (2) determine whether SFAs that signed fixed-price-per-meal contracts are receiving the full benefit and value of all donated foods provided to FSMCs, and (3) determine whether SFAs that signed cost-reimbursable contracts with FSMCs are receiving all purchase rebates.

**Audit Summary:** This audit was conducted based on an inquiry from Congresswoman DeLauro. Overall, OIG reported the following: FNS needs to enhance its management oversight and controls of SFAs that contract with FSMCs; FNS needs to improve its monitoring of SFAs’ oversight for FSMC purchase discounts and rebates; FNS did not ensure full credit was given for USDA-donated foods; and FNS needs to improve reviews of state Agency FSMC contracts.

**Current Status:** FNS completed all corrective actions that resulted from the 15 recommendations in the audit report. The procurement tool associated with many of the recommendations was released for implementation nationwide in School Year 2016-2017. The request for final action and closure for the remaining open recommendations (1, 2, 7, 8, 11, 12, 13, and 15) was submitted to OCFO for approval on August 15, 2016.

- **Vendor Management in the Food and Nutrition Service’s Special Supplemental Nutrition Assistance Program for Women, Infants and Children (WIC) (27601-0038-CH)**
  - **Date Issued:** March 29, 2013
  - **Hyperlink to audit:** https://www.usda.gov/oig/webdocs/27601-0038-CH.pdf
  - **Audit Objectives:** The overall objectives of the audit were to evaluate FNS’ implementation of new regulations intended to improve the integrity of vendor management, and to assess the certification of participants as eligible. As part of this, OIG assessed the state agencies’ implementation of vendor compliance investigations; their accountability, control, and security over food instruments; and how they made determinations of participant eligibility.
  - **Audit Summary:** OIG did not identify any material findings associated with participant eligibility. However, OIG reported that FNS needs to strengthen guidance and oversight of state agencies’ vendor monitoring and enforcement activities. FNS does not ensure that all retail vendors disqualified from SNAP are disqualified from WIC. FNS has completed all corrective actions resulting from the nine recommendations in the audit report.
  - **Current Status:** Closed
Overlap and Duplication in the Food and Nutrition Service’s Nutrition Programs (27001-0001-10)
- Date Issued: June 13, 2013
- Audit Objectives: OIG evaluated the potential for duplication and overlap in the five largest FNS nutrition assistance programs, accounting for 99 percent of FNS’ total program budget related to FYs 2012 through 2006.
- Audit Summary: Although this audit did not document a single area of unnecessary overlap or duplication in any of FNS’ programs, OIG recommended that FNS determine and document the requirements for conducting a study and to identify and determine the extent to which overlap and duplication may exist in FNS’ nutritional assistance programs. OIG also recommended that FNS determine whether it had the resources necessary to conduct the assessment of the potential overlap of its nutrition programs or whether additional funding will be necessary to complete the assessment.
- Current Status: Closed

FNS: Controls for Authorizing Supplemental Nutrition Assistance Program Retailers (27601-0001-31)
- Date Issued: July 31, 2013
- Audit Objectives: This audit was initiated by OIG in April 2012 to evaluate FNS’ controls for authorizing SNAP retailers; specifically to assess FNS controls over the retailer authorization process, and to evaluate the Agency’s actions to strengthen its processes to prevent the authorization of previously disqualified owners.
- Audit Summary: This audit report contains 20 recommendations. OIG reports that FNS should comprehensively review its policies and procedures, seek legislative change to retain a portion of retailer penalties; require background checks for retailers; strengthen internal guidance; make improvements to its automated retailer data system; create and strengthen safeguards for high-risk stores; and require more supervisory reviews. FNS should also review the owners identified to determine if they need to be penalized or disqualified from SNAP.
- Current Status: Six of the twenty recommendations remain open, but are in the process of being addressed. Closure of two of the recommendations hinges on the rulemaking process, which pushes the estimated completion date of closure out to October 2017.
• **Food and Nutrition Service Financial Statements for Fiscal Year 2013 – 2012 (27401-0003-21)**
  - **Date Issued:** December 6, 2013
  - **Audit Objectives:** To examine the Food and Nutrition Service’s financial statements for FY 2013 and 2012.
  - **Audit Summary:** The report contains an unqualified opinion on the financial statements, as well as the results of our assessment of the Food and Nutrition Service’s internal controls over financial reporting and compliance with laws and regulations. OIG determined that the agency’s financial statements for the FY 2013 and 2012 present fairly, in all material respects, FNS’ financial position as of September 30, 2013 and 2012, and that they conform with accounting principles generally accepted.
  - **Current Status:** Closed

• **State Agencies’ Food Costs for the Food and Nutrition Service’s Special Supplemental Nutrition Program for Women, Infants and Children (WIC) (27004-0001-22)**
  - **Date Issued:** September 25, 2014
  - **Audit Objectives:** OIG’s goal was to conduct an audit survey of states to evaluate factors that impact the FNS WIC program’s costs, including average food costs and costs per participant. Additionally, OIG wanted to gain an understanding of FNS and state oversight activities in monitoring program costs.
  - **Audit Summary:** OIG found that FNS can strengthen its oversight of state agency cost containment practices and recommended that FNS coordinate with Medicaid. OIG also recommended that FNS should take more effective measures in cost containment policies. The audit report contained six recommendations for FNS. FNS developed a national WIC cost containment strategy that requires state agencies to implement a vendor peer group system, competitive price criteria, and allowable reimbursement levels in a manner that ensures the WIC Program pays authorized vendors competitive prices for supplemental foods. It also requires state agencies to ensure that vendors who derive more than 50 percent of their annual food sales revenue from WIC food instruments do not cause higher food costs for the program than do other vendors. All of these requirements are codified in program regulations found at 7 CFR 246.12.
  - **Current Status:** All recommendations but one are closed. The open recommendation is pending completion of an Economic Research Service
(ERS) study. FNS is working with ERS on its update of the 2005 report, Interstate Variation in WIC Food Package Costs: The Role of Food Prices, Caseload Composition, and Cost-Containment Practices. This study, which examines the degree to which food prices, caseloads, and the implementation of various cost containment measures influence state agencies’ food package costs, was delayed and is now estimated to be completed by the Fall of 2017.

- **Food and Nutrition Service Financial Statements for Fiscal Years 2014 and 2013 (OIG 27401-0004-21)**
  - **Date Issued:** November 14, 2014
  - **Audit Objectives:** To determine whether: 1) the comparative financial statements were presented fairly, in all material respects, in accordance with accepted principles; 2) the internal control objectives over financial reporting were met; 3) FNS complied with laws and regulations for transactions and events that could have a direct and material effect to the financial statements; and 4) the information presented in Management’s Discussion and Analysis was materially consistent with the information in the comparative financial statements.
  - **Audit Summary:** The Food and Nutrition Service received an unqualified opinion from the OIG’s audit of the FNS comparative financial statements.
  - **Current Status:** Closed

- **National School Lunch and School Breakfast Program Error Rates (OIG 27601-0001-41)**
  - **Date Issued:** May 5, 2015
  - **Hyperlink to audit:** [https://www.usda.gov/oig/webdocs/27601-0001-41.pdf](https://www.usda.gov/oig/webdocs/27601-0001-41.pdf)
  - **Audit Objectives:** To evaluate the methods FNS used to lower the error rates for NSLP and SBP. OIG sought to determine if FNS, state agencies and SFAs had adequate controls to: 1) ensure children met the eligibility requirements, and 2) meal claims were supported and accurately reimbursed.
  - **Audit Summary:** OIG recommended that FNS consult with the Office of the General Counsel to determine its regulatory authority to require households to submit income documentation with school meals applications. Based on this determination, FNS should then take the appropriate actions to revise the programs’ documentation requirements. Additionally, OIG recommended that FNS should clarify criteria for identifying questionable applications and provide guidance and training for cafeteria fund management.
  - **Current Status:** Closed
• SNAP Error Rates (OIG 27601-0002-41)
  o Date Issued: September 23, 2015
  o Hyperlink to audit: https://www.usda.gov/oig/webdocs/27601-0002-41.pdf
  o Audit Objectives: To determine if FNS and states have controls in place to ensure the integrity of SNAP error rate determination.
  o Audit Summary: OIG recommended that FNS should consider changing quality control (QC) from a two-tier process reliant on state error rates to a one-tier process in which FNS or a third party reviews cases, and establishes a timeline for making this change, if cost beneficial. OIG also recommended that FNS needs to reiterate policies regarding the proper use of error review committees, QC staff’s variable treatment of error cases, and issue guidance to states on appropriate use of private consultants. Lastly, they recommended that FNS should amend and enforce policies to ensure error rates are accurate and determined if they are in compliance with regulations.
  o Current Status: Open. Management decision agreement reached on all recommendations as of June 30, 2016. Four recommendations are closed and the remaining recommendations are on track to be closed by December 31, 2016.

• Healthy, Hunger-Free Kids Act (HHFKA) of 2010 – Controls Over Food Service Account Revenue (OIG 27601-0001-22)
  o Date Issued: September 28, 2015
  o Audit Objectives: To evaluate the controls that FNS has in place to ensure that SFAs comply with the food service account revenue requirements outlined in Sections 205 and 206 of HHFKA. In addition, OIG sought to evaluate FNS’ compliance with the requirements outlined in Section 307 of that Act regarding indirect food costs.
  o Audit Summary: OIG recommended that FNS needs to redesign controls to provide reasonable assurance that SFAs comply with the paid lunch equity and non-program food revenue requirements of sections 205 and 206, and that their reports are on time and complete. Additionally, they recommended that FNS needs to supply SFAs with updated guidance concerning indirect costs. Lastly, OIG recommended that FNS needs to establish a date for publishing the annual paid lunch price report.
  o Current Status: Open. Action request currently being finalized for submission to the Office of the Chief Financial Officer by October 31, 2016.
United States Department of Agriculture
2016 Presidential Transition
Food and Nutrition Service (FNS)

- **Food and Nutrition Service Financial Statements for Fiscal Years 2015 and 2014 (OIG 27401-0005-21)**
  - **Date Issued:** November 5, 2015
  - **Audit Objectives:** To determine whether: 1) FNS’ comparative financial statements were presented fairly, in all material respects, in accordance with generally accepted accounting principles; 2) FNS met internal control objectives over financial reporting; 3) transactions and events with direct and material effect on the financial statements were compliant with applicable laws and regulations; and 4) the information presented in the Management’s Discussion and Analysis was materially consistent with the information in the comparative financial statements.
  - **Audit Summary:** The Food and Nutrition Service received an unqualified opinion from the OIG’s audit of the FNS comparative financial statements.
  - **Current Status:** Closed

- **SNAP Administrative Costs (OIG 27601-0003-22)**
  - **Date Issued:** September 29, 2016
  - **Hyperlink to audit:** Not yet available
  - **Audit Objectives:** To evaluate FNS’ controls over SNAP administrative costs, with a specific focus on whether states with county-administered programs were effectively and efficiently controlling costs and minimizing variances.
  - **Audit Summary:** Though a final report is pending issuance, it is expected that OIG will recommend the following: 1) that FNS could be more proactive in analyzing and containing variances in SNAP costs-per-case; 2) that FNS regional offices have different procedures for conducting financial reviews and risk assessments; and 3) that weaknesses in state and county financial management controls and a lack of effective FNS oversight led to inaccurate program financial reporting and questioned costs.
  - **Current Status:** Pending publication of final audit report. FNS officials are currently preparing a formal response to OIG’s official draft report that will be included in its entirety as an attachment to OIG’s final report.

- **FNS Controls Over SNAP Benefits for Able-Bodied Adults Without Dependents (ABAWD) (OIG 27601-00032-31)**
  - **Date Issued:** September 29, 2016
  - **Hyperlink to audit:** Not yet available
  - **Audit Objectives:** To determine whether FNS’ oversight of state agency controls is adequate to ensure that only eligible ABAWDs are receiving SNAP benefits.
United States Department of Agriculture
2016 Presidential Transition
Food and Nutrition Service (FNS)

Audit Summary: Though a final report is pending issuance, it is expected that OIG will recommend the following: 1) FNS conduct a study to identify the most troublesome areas for states and develop best practices for implementing the complex ABAWD provisions; 2) FNS review regulations to verify that the agency is consistently implementing laws regarding SNAP age limits; and 3) FNS ensure that valid, complete, and timely information is included in the Management Evaluation System (MEMSNext Generation).

Current Status: Pending publication of final audit report. FNS officials are currently preparing a formal response to OIG’s official draft report that will be included in its entirety as an attachment to OIG’s final report.

III. Congressional Relations and Issues

Overview

FNS issues are a consistent topic of discussion in Congress, not only in the committees of jurisdiction or appropriations, but in the Committee on Ways and Means, Oversight and Government Reform, and the Budget. The Supplemental Nutrition Assistance Program (SNAP) has been the subject of 17 hearings during the 114th Congress before the House Agriculture Committee as part of a top to bottom review of the program. SNAP has been a major discussion point in Speaker Ryan’s Task Force on Poverty, Opportunity, & Upward Mobility (Poverty Task Force) and the Budget Committees “Blueprint” in 2015 and 2016; specifically calls to establish block grants and change Able-Bodied Adults Without Dependents (ABAWD) waivers.

FNS programs are expected to remain a major point of interest in the 115th Congress. In addition to the issues raised below, Congress will be working on the passage of the next Farm Bill and will most likely need to continue work on the reauthorization of Child Nutrition (CN) and Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) programs.

Below are focus topics that have been raised recently and also expected to be raised in the 115th Congress.

Focus Topics: Supplemental Nutrition Assistance Program

- **Block Grant:** The discussion of block granting SNAP has been a consistent theme on Capitol Hill but gained more attention in the 2014 Budget Blueprint by then House Budget Committee Chairman Paul Ryan. The 2016 Budget Resolution as well as the Poverty Task Force created by Speaker Ryan, call for SNAP to be block granted.

- **ABAWDs (Able Bodied Adults Without Dependents) and Work Requirements:** The 1996 welfare reform legislation P.L. 104-193, 110 STAT 2015 limited SNAP benefits for ABAWDs who did not meet the work requirements to three months over a
three year time period. However, states have the option to request waivers of the time limit for areas, or the entire state due to high unemployment.

- **SNAP Quality Control:** The SNAP error rate is a measure of whether SNAP benefit amounts are correct. The error rate is the combination of the rate of payments that are too high (overpayments) as well as the rate of payments that are too low (underpayments), not the difference between the two. Recent findings from USDA reviews indicate that bias is present in some state SNAP quality control processes. Bias means that steps were taken to influence the presence of an error or the amount of an error before state data were submitted to USDA for review. The USDA Office of Inspector General also conducted a review in 2015, and FNS has come to an agreement on all 19 recommendations in that report. As a result of the bias, FNS has withheld performance bonuses to states for 2015, and is doing a complete overhaul of the system in 2016. The Department of Justice is currently investigating states for possible False Claim Act violations. Both the House and Senate Agriculture Committees have requested that USDA provide regular updates on the status of the error rates and the performance bonuses.

- **SNAP Retailer Standards Rule:** The Agricultural Act of 2014 P.L. 113-79, 128 STAT 649, commonly known as the 2014 Farm Bill, requires USDA to put in place new regulations to ensure that retailers that accept SNAP carry both a wider array of healthy food options and more choices within each option. While complex, essentially the proposed rule means that a store that chooses to accept SNAP will have to stock a greater variety and quantity of healthy food choices. A bipartisan, bicameral group of Members of Congress and the National Association of Convenience Stores were strongly opposed to the proposed rule. Appropriations committee staff inserted language in the fiscal year (FY) 2017 House and Senate Agriculture Appropriations bill limiting FNS’ ability to implement the proposed rule as written. FNS anticipates releasing the final rule by the end of calendar year 2016.

- **SNAP Online Purchase Pilots:** The Agricultural Act of 2014 P.L. 113-79, 128 STAT 649 mandated a pilot be conducted to test the feasibility and implications of allowing retail food stores to accept SNAP benefits through online transactions. In September, FNS released a Request for Volunteers to seek retailers to participate in this effort. This will be a small pilot, initially involving up to 5 online retailers in three states. The goal is to ensure that there is a foundational infrastructure to run SNAP transactions online in a safe and secure manner. Retailers will be selected by the end of calendar year 2016.

**Focus Topics: Child Nutrition**

- **School Nutrition Requirement Flexibilities:** FNS updated the nutrition requirements for school meals and established requirements for all foods sold in schools (“Smart Snacks”) to align them with the latest *Dietary Guidelines for Americans*, as required by amendments made by the Healthy, Hunger-Free Kids Act of 2010 P.L. 111-296, 124 STAT 3183. The new requirements increased the availability of fruits, vegetables, whole grains, and fat-free and low-fat fluid milk in school meals, and placed limits for sodium and fats. Recent Congressional appropriation and reauthorization bills included
provisions to delay or alter these requirements, particularly regarding sodium, whole grains, and Smart Snack exemptions.

- **Improper Payments in Child Nutrition (CN) Programs:** Improper payments in the school meal programs are a concern to some in Congress. The most recent report by FNS in FY 2015, estimated an overall improper payment rate of 17.4 percent in National School Lunch Program (NSLP) for school year 2012-2013, down from the 18 percent rate measured in school year 2005-2006.

- **Child Nutrition Reauthorization (CNR):** The Healthy, Hunger-Free Kids Act of 2010 (HHFKA) expired on September 30, 2015, and is currently operating under a continuing resolution. Though reauthorization is not required for much of the programs to continue, both the House Education and the Workforce Committee and the Senate Agriculture Committee have passed versions of CNR in Committee. While the Senate version largely protects the nutrition standards passed in HHFKA, the House version, which has been met with bipartisan opposition, would dilute the nutrition standards, makes cuts to the Community Eligibility Provision which would reduce the availability of free meals for students in high-poverty schools, and block grants the child nutrition programs through capped funding in three states. Neither the House nor Senate versions have seen floor action.

**Committees of Jurisdiction and Interest in FNS Programs:**

- **House Agriculture Committee:** The Committee is responsible for reauthorizing SNAP and Food Distribution programs The Emergency Food Assistance Program (TEFAP), Commodity Supplemental Food Program (CSFP), Food Distribution Program on Indian Reservations (FDPIR) and the Senior Farmer’s Market Nutrition Program (SFMNP)) via the 2014 Farm Bill (e.g. the Agriculture Act of 2014).

  The Committee is a participant in Speaker Ryan’s Poverty Task Force. Current Chairman K. Michael Conaway (R-TX) is expected to step down in 2019 after being term limited. He is very active on FNS issues and is expected to be a strong proponent of passing a Farm Bill while he is Chairman. Current Ranking Member Collin Peterson (D-MN) is a former Chairman and has been a long time member of the Committee. FNS has a very good relationship with both the majority and minority committee staff who have been in place for many years and are knowledgeable on FNS programs under their jurisdiction.

- **House Education and Workforce Committee:** The Committee is responsible for reauthorizing child nutrition programs (National School Lunch Program (NSLP), School Breakfast Program (SBP), Child and Adult Care Food Program (CACFP), Summer Food Service Program (SFSP), Special Milk Program (SMP), and the Fresh Fruit and Vegetable Program (FFVP)), as well as the Special Supplemental Nutrition Program for Women Infants and Children (WIC). The authorizations for SFSP and WIC technically expired in FY 2015.
The Committee has a child nutrition reauthorization bill (H.R. 5003, the Improving Child Nutrition and Education Act of 2016) which was reported out of Committee on May 18, 2016, but has yet to have any House floor action.

Current Chairman John Kline (R-MN) is retiring at the end of the 114th Congress. Current Ranking Member Robert C. “Bobby” Scott (D-VA) who took over after the long-term Ranking Member George Miller (D-CA) retired at the end of the 113th Congress. Committee staff members on the Majority side have been with the Committee for a long time, but the Minority is fairly new. FNS has good working relationships with both sides.

- **House Oversight and Government Reform:** The Committee recently held a hearing in June 2016 on SNAP fraud waste and abuse. Both the Subcommittees on Government Operations and the Interior held the hearing jointly. The hearing looked at issues of SNAP fraud and the role of states related to retailer oversight, which is the responsibility of FNS.

- **House Appropriations:** The Subcommittee on Agriculture Chairman Robert Aderholt (R-AL) and Ranking Member Sam Farr (D-CA), who will be retiring after the 114th Congress both are very active on FNS issues. The Committee has been active on FNS issues by utilizing policy riders on issues of concern that are unable to be resolved by the regular authorization process. Specifically, on child nutrition issues, they limited sodium and whole grain changes to the NSLP and proposed language in the FY 2017 mark-up limiting FNS’ ability to implement the SNAP Retailer Enhancement Proposed rule mandated by the 2014 Farm Bill. The Committee always asks FNS to testify on the President’s budget request for FNS and Committee staff consistently request updates on FNS activities.

- **Senate Agriculture:** Chairman Pat Roberts (R-KS) and Ranking Member Debbie Stabenow (D-MI) are both very active on FNS issues. The Committee is responsible for reauthorizing SNAP and Food Distribution programs (The Emergency Food Assistance Program (TEFAP), Commodity Supplemental Food Program (CSFP), Food Distribution Program on Indian Reservations (FDPIR) and the Senior Farmer’s Market Nutrition Program (SFMNP)) via the Farm Bill. Unlike the House Agriculture Committee, this Committee is also responsible for reauthorizing child nutrition programs (National School Lunch Program (NSLP), School Breakfast Program (SBP), Summer Food Service Program (SFSP), Child and Adult Care Food Program (CACFP), Special Milk Program (SMP), and the Fresh Fruit and Vegetable Program (FFVP)), as well as WIC. The authorization for the child nutrition programs expired in 2015.

The Committee has a child nutrition reauthorization bill (S. 3136, Improving Child Nutrition Integrity and Access Act of 2016) which was reported out of Committee on
July 6, 2016, but has yet to have any Senate floor action.

- **Senate Appropriations:** Subcommittee on Agriculture Chairman Jerry Moran (R-KS) and Ranking Member Jeff Merkley (D-OR) are fairly active on FNS programs. Ranking Member Merkley’s staff is very interested in child nutrition reauthorization, specifically Summer EBT and verification.

The Committee has supported the policy riders that have been added by the House Appropriators. The Committee does not routinely hold hearings on the President’s budget request for FNS; and FNS does not directly receive many requests for information from the Committee staff, although the Office of Congressional Affairs at USDA has received a few.

IV. **Internal and External Stakeholders**

**Important relationships with other Federal Departments or organizations**

Food and Nutrition Service (FNS) regularly partners with Federal departments in order to educate their stakeholders about FNS nutrition programs. SNAP also meets with some of these Federal agencies to align its Employment and Training (E&T) Program with programs offered by their partners. The following is a list of the most mission critical Federal partners:

- **U.S. Department of Agriculture Rural Development (RD), Community Economic Development Division** - to coordinate work with community-based organizations, agricultural cooperatives and producers, and other partner agencies to ensure well-coordinated delivery of aid to persistent poverty regions that face challenges in accessing affordable and healthy food. FNS also partnered with RD in the planning of the 2014 Farm Bill requirements on Healthy Food Financing Initiative. Furthermore, FNS and RD continue to work closely in delivering assistance to place-based priority areas. For instance, Southeastern Kentucky is a StrikeForce area as well as a Rural Promise Zone. In summer 2016, FNS in partnership with CED and other agencies within USDA, worked with local and state officials to create the first-ever “Summer Feeding Site” for children in this region – many of whom experience hunger over the summer because they do not have access to school meals.

- **U.S. Department of Agriculture Agricultural Marketing Service** - in support of USDA Foods, including the Pilot Project for the Procurement of Unprocessed Fruits and Vegetables and other initiatives related to local and regional foods.

- **U.S. Department of Agriculture Know Your Farmer, Know Your Food Taskforce** - in support of Office of Community Food Systems farm to school and other local and regional food related topics such as SNAP at farmers markets.

- **U.S. Department of Agriculture Office of Tribal Relations** - in support of all programs that serve Native Americans
• U.S. Department of Defense - in support of School Meals and Summer Meals
• U.S. Department of Education - in support of School Meals, Summer Meals, and SNAP E&T
• U.S. Department of Health and Human Services/Administration for Children and Families – in support of all school and Summer Meals as well as the Nutrition Services Incentive Program (NSIP)
• U.S. Department of Health and Human Services/Centers for Disease Control and Prevention - in support of SNAP-Ed, a program that provides information on healthy food choices to SNAP participants
• U.S. Department of Housing and Urban Development - in support of Summer Meals
• U.S. Department of Labor/Employment and Training Administration - in support of Summer Meals and SNAP E&T
• U.S. Department of Transportation/Federal Transit Administration - in support of Summer Meals
• Corporation for National and Community Services - FNS has two Interagency Agreements; one for Summer Meals Summer Associates and one for SNAP E&T VISTAs
• White House Office of Science and Technology Policy - in support of Summer Meals
• White House Rural Council - in support of all programs
• Office of Management and Budget - in support of all programs

FNS also partners with the following USDA entities for certain human resource services:

• U.S. Department of Agriculture Food Safety and Inspection Service – in support of human resources services for staff acquisition, position classification, personnel action processing and reporting; and
• U.S. Department of Agriculture National Finance Center – in support of human resources services for employee benefits, retirements, workers’ compensation, personnel security and pay and leave.

The American Federation of Government Employees (AFGE) and the National Treasury Employees Union (NTEU) are the recognized Union representation for all FNS bargaining unit employees. AFGE is the largest federal employee union representing 670,000 federal and D.C. government workers nationwide and overseas. NTEU is the nation’s largest independent union of federal employees, representing 150,000 workers in 31 departments and agencies.

Stakeholder group overview and recent engagements with stakeholder groups

FNS partners with hundreds of organizations, although many of those are engaged only to solve specific issues or to promote our programs. Organizations that play a more active or prominent role generally include:
• **Alliance to End Hunger:** a coalition of organizations, including corporations, non-profits, faith-based organizations, universities and others, all committed to build public and political will to end hunger at home and abroad. Supporters of Federal nutrition assistance, and collaborators to promote Summer Meals.

• **American Commodity Distribution Association (ACDA):** ACDA is a national organization committed to improving the USDA Distribution Food Program on behalf of all stakeholders. Special Nutrition and Safety (SNAS) partners with them to promote USDA Foods and Food Safety Programs in child nutrition settings. FNS recently met with ACDA to plan its participation in their annual conference.

• **American Public Human Services Association (APHSA):** This is a group that represents states. SNAP meets regularly with APHSA on issues that impact state administration of SNAP. For E&T, SNAP works with APHSA to align workforce development initiatives across state workforce and human services agencies. SNAP speaks at their annual conferences and participates in bi-monthly calls with subgroups of APHSA. Most recently, SNAP and APHSA have worked together on an APHSA survey of states regarding the integration of their SNAP and Medicaid eligibility systems. Additionally, SNAP is working with APHSA on changes to the Quality Control (QC) 310 handbook, which provides procedures for conducting QC reviews of SNAP cases.

• **Association of SNAP Nutrition Education Administrators (ASNNA):** ASNNA is a national group of nutrition education administrators. SNAP participates in monthly calls and the ASNNA annual conference. Most recently, they worked together on the SNAP-Ed intervention toolkit, SNAP-Ed Framework, and a joint conference presentation.

• **Catholic Charities:** A network of member agencies that work through a variety of channels to reduce and alleviate poverty, including nutrition assistance. Members are direct service providers, but the organization also does advocacy work. Strong supporters of Federal nutrition assistance, and collaborators to promote Summer Meals.

• **Center on Budget and Policy Priorities (CBPP):** CBPP is a think tank with a long history of interest in FNS programs. SNAP meets with CBPP to discuss SNAP E&T and ABAWDs policy, in particular the perspective of state and local client-facing organizations on those policy areas. Child Nutrition meets monthly with CBPP on Community Eligibility Provision (CEP); most recently to provide technical assistance on CEP take up and implementation.

• **Center of Excellence at Kansas State (COE):** COE provides science-based solutions to problems impacting food safety in Child Nutrition Programs across the United States. SNAS partners with them to promote USDA Foods and Food Safety Programs in child nutrition settings. SNAS and COE meet regularly.

• **Center on Law and Social Policy (CLASP):** CLASP is a think tank that has subject matter experts in SNAP, TANF, and workforce development. SNAP works with CLASP to identify best practices and provide technical assistance to states on the opportunity to align best practices in workforce development and education with SNAP E&T. SNAP and CLASP meet several times a year.

• **Feeding America:** Feeding America is a nationwide network of food banks and is one of the nation’s leading domestic hunger relief organizations. Feeding America and
FNS partner to promote The Emergency Food Assistance Program (TEFAP) and Feeding America promotes Summer Meals. FNS talks to Feeding America at least quarterly.

- **Food Distribution Program on Indian Reservations (FDPIR) Tribal Leaders Workgroup:** This group exists to look at the role of FDPIR in tribal communities. They meet regularly with SNAS to promote collaboration for the betterment of the USDA Foods Program on Indian Reservations.

- **Food Research Action Center (FRAC):** FRAC is a non-profit anti-hunger advocate for FNS programs. SNAP and Child Nutrition participate in their annual Anti-Hunger Policy Conference, hosted by both FRAC and Feeding America.

- **Hunger-Free America:** Hunger Free America is a national nonprofit group building a nonpartisan, grassroots membership movement to enact the policies and programs needed to end domestic hunger and ensure that all Americans have sufficient access to nutritious food. FNS has a contract with Hunger-Free America to run its National Clearinghouse. FNS engages with Hunger-Free America monthly.

- **Institute for Child Nutrition (ICN):** ICN is a national center dedicated to applied research, education and training, and technical assistance for child nutrition programs. They are funded through grants from USDA. Child Nutrition meets with them regularly; most recently they discussed the status of various cooperative agreements including Team Up for Success, Child and Adult Care Food Program (CACFP) meal pattern training, and a USDA/state agency meeting. SNAS also partners with ICN to promote USDA Foods and Food Safety Programs in child nutrition settings.

- **National Association of Farmer’s Market Nutrition Programs:** This is a non-profit agriculture group. SNAP recently engaged them on Electronic Benefits Transfer (EBT) equipment at Farmers Markets. Special Nutrition and Safety (SNAS) also works with this group to promote WIC Farmers Markets. FNS meets with them monthly and assists with the planning of their annual conference.

- **National Commodity Supplemental Food Program Association:** This association provides leadership in program advocacy, accountability, delivery of healthy foods and nutrition education. SNAS meets with them regularly in order to promote the Commodity Supplemental Food Program (CSFP) program and to participate in their annual conference.

- **National Council on Aging:** An organization with a network of partners that provide services and advocate for policy change to improve the health and economic security of older adults. Supporters of Federal nutrition assistance, and collaborators to promote Summer Meals.

- **National Farm to School Network (NFSN):** An information, advocacy and networking hub for communities working to bring local food sourcing and food and agriculture education into school systems and early care and education settings. Child Nutrition and NFSN meet regularly to share information and participate in NFSN national conferences.

- **National Skills Coalition (NSC):** NSC focuses on workforce development and SNAP E&T. SNAP recently worked with NSC to promote job-driven SNAP E&T programs. NSC is hosting a meeting of state advocates to discuss SNAP E&T for SNAP.
• **National WIC Association (NWA):** This national organization is a non-profit education arm and advocacy group focusing on the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) program. They meet regularly with SNAS to promote the program. WIC is participating in their upcoming annual conference.

• **Seattle Jobs Initiative:** SNAP has a contract with this organization to provide technical assistance in the SNAP to Skills project. The project is designed to assist states expand and strengthen their SNAP E&T programs, especially through the use of third-party 50-50 providers. They meet with SNAP each month until the project ends in September 2017.

• **School Nutrition Association (SNA):** SNA is a national organization of school nutrition professionals committed to advancing the quality of school meal programs through education and advocacy. Child Nutrition and SNAS partner with SNA on USDA Foods and Food Safety Programs in child nutrition settings. They meet regularly and participate in SNA’s annual national and legislative conferences.

• **Share Our Strength:** This is a non-profit anti-hunger advocacy organization. Child Nutrition meets with Share Our Strength regularly to discuss ways FNS can increase breakfast participation, promote Child Nutrition programs in Indian country, and improve data collection. FNS also collaborates with Share our Strength to promote Summer Meals.

• **Workforce Data Quality Campaign (WDQC):** WDQC is a group of subject matter experts who provide technical assistance to states to help implement SNAP E&T reporting measures. WDQC participated on a FNS hosted webinar on data issues related to SNAP E&T reporting measures. SNAP and WDQC meet regularly.

V. **Top Issues**

**Hot Topics**

**Agency-Wide**

• Regulatory - remaining rules implementing amendments made by the Healthy, Hunger Free Kids Act of 2010, and 2008 and 2014 Farm Bills

**Supplemental Nutrition Assistance Program (SNAP)**

• Implementation of SNAP Retailer Eligibility Standards Rule
• Implementation of Participant Photos on SNAP Electronic Benefit Transfer (EBT) Cards (“Photo EBT”)
• SNAP Quality Control
• Online SNAP Purchasing Pilots
United States Department of Agriculture
2016 Presidential Transition
Food and Nutrition Service (FNS)

Child Nutrition (CN) Programs

- Child Nutrition Program Integrity Proposed Rule
- Summer Meals for Children
- Sodium Targets, National School Lunch And School Breakfast Programs

Key Regulatory Priorities: Child Nutrition Reauthorization, 2008 and 2014 Farm Bills

Background

- All FNS programs are reauthorized either through the Farm Bill process, which covers SNAP and the food distribution programs, or the Child Nutrition reauthorization process, which covers school meals, other meals programs, and WIC.
  - The Healthy, Hunger-Free Kids Act of 2010 (HHFKA) reauthorized CN programs through FY 2015. Though this reauthorization has now lapsed, the programs continue to operate under their permanent authorities and with the appropriation of funding.

- Many program changes enacted through these reauthorization cycles are implemented based on the requirements of the amending legislation through policy memoranda and other communications in advance of regulatory implementation. Others require extensive research as well as stakeholder input in advance of the issuance of a proposed rule. In both of these circumstances, other FNS and USDA regulatory priorities are at times advanced ahead of these changes. As a result, a number of regulatory actions from prior reauthorizations are still awaiting completion. These include:

From William F. Goodling Child Nutrition Reauthorization Act of 1998:

Final Rule – National School Lunch Program (NSLP), State Administrative Expense (SAE) Funds, Determining Eligibility for Free and Reduced Price Meals and Free Milk in Schools: Reimbursement for Snacks in Afterschool Care Programs

From Child Nutrition and WIC Reauthorization Act of 2004:

1. Final Rule – Direct Certification of Children in SNAP Households and Certification of Homeless, Migrant, and Runaway Children for Free Meals in the NSLP, School Breakfast Program (SBP), and Special Milk Program (SMP)

From Food, Conservation, and Energy Act of 2008:

2. Final Rule – Fresh Fruit and Vegetable Program
3. Final Rule – SNAP: Major System Failures
4. Interim Rule – Suspension of SNAP Benefit Payments to Retailers

From Healthy, Hunger-Free Kids Act of 2010 (HHFKA):

1. Interim or Final Rule – Child Nutrition Program Integrity
2. Final Rule – National School Lunch (NSLP) and School Breakfast Programs (SBP): School Food Service Account Revenue Amendments Related to the HHFKA
3. Final Rule – Child and Adult Care Food Program: Amendments Related to the HHFKA
4. Final Rule – NSLP & SBP: Nutrition Standards for All Foods Sold in School, as Required by HHFKA

From Agricultural Act of 2014:

1. Proposed Rule – Modernizing SNAP Benefit Redemption Systems
5. Final Rule – SNAP: Employment and Training Program Monitoring, Oversight and Reporting Measures
8. Interim Rule – Supplemental Nutrition Assistance Program Promotion
9. Proposed Rule – SNAP: Restaurant Meal Program State Agency Annual Plan and Reporting Requirements, the Use of Benefits for Purchase of Community Supported Agriculture Shares, and the Public Disclosure of Retailer Redemption Data
SNAP Retailer Eligibility Standards Rule

Background

- The Agricultural Act of 2014 included statutory changes that require eligible stores to maintain at least seven different varieties of foods in each staple category with perishable products to be included in at least three of the four staple food categories.
- In February 2016, FNS published a proposed rule that codified the statutorily-required provisions, and made a number of other changes to reflect the intent of Congress that staple foods are those foods used primarily for home preparation and consumption that provide the main sources of nutrition intake for households. The rule also reflected feedback that had been received from a request for information published in August 2013.
- A number of members of Congress and several food industry and food retailer groups raised concerns about potential negative impacts of the proposal on food access for SNAP clients. To ensure a robust set of comments from all affected stakeholders, FNS extended the comment period an additional 30 days.
- The final rule is scheduled to be published by the end of calendar year 2016 with an effective date of one year following publication. The Agency is carefully considering all of the comments that it has received, and will seek to minimize any potential negative impacts consistent with the intent of the law. In addition, a substantial education and technical assistance program for SNAP retailers will be conducted to ensure that authorized retailers are able to comply with the new standards by the effective date.
- Despite any adjustments made in finalizing the rule, stakeholders may continue to raise concerns about the potential negative impacts of the new standards, and see the change in Administration as an opportunity to revisit the policy decisions made in the final rule. These issues could also emerge in discussions about the next Farm Bill.

Action/Decision: Continue implementation of retailer standards rule; communicate with stakeholders and Congressional staff about plans to support implementation and resolve concerns.

Action Date: Immediate for new Administration.
PARTICIPANT PHOTOS ON SNAP ELECTRONIC BENEFIT TRANSFER (EBT) CARDS

(“PHOTO EBT”)

Background

- Federal law allows states the option to require EBT cards to include a photo of one or more household members, but according to statute the state must ensure that all members of the household and their authorized representatives are able to use the card, regardless of whose picture is on the card. The unique Personal Identification Number (PIN) associated with each card establishes authorization for use to purchase food.
- Photo EBT involves complex legal, operational, and civil rights issues. If not well-planned and well-executed, it can adversely affect the ability of eligible applicants and participants to participate in the program.
- It is unclear whether photo EBT cards will reduce SNAP fraud and abuse. The vast majority of households who receive SNAP meet all program requirements and the vast majority of retailers that accept SNAP ensure that benefits are used lawfully to purchase food. USDA has worked and continues to work diligently with states to reduce fraud in SNAP.
- FNS issued guidance on December 29, 2014, to provide clear parameters for states, including establishing procedures that safeguard access for all those authorized to use the card.
- FNS issued a proposed rule on January 6, 2016, to ensure implementation is consistent with all Federal requirements and to ensure a state’s implementation does not inhibit access to SNAP benefits.
- The final rule will be published by the end of calendar year 2016.
- USDA continues to work with states (Maine and Massachusetts implemented; Kansas in pre-planning phase) that have implemented or are considering implementing photo EBT cards to help ensure that any state choosing to implement photo EBT cards adheres to their responsibilities under Federal statute and regulations, and does not adversely impact benefit access for program participants.

Action/Decision: Continue implementation of photo EBT to support the effective date which will likely be in early February; communicate with stakeholders and Congressional staff about plans to support implementation and resolve concerns.

Action Date: Immediate for new Administration.

SNAP QUALITY CONTROL

Background

- The SNAP Quality Control (QC) system measures the accuracy of state eligibility and benefit determinations. Data collected by quality control are also used for program improvement and analysis.
In 2015, USDA began a thorough integrity review of QC in all 53 State Agencies, and is working to improve administration of SNAP using the results of these reviews, as well as guidance from the USDA’s Office of the Inspector General report issued in September 2015. All 53 reviews are complete and reports have been transmitted to the states as of September 30, 2016.

The reviews looked at both intentional and unintentional non-compliance in the QC process, such as states misinterpreting FNS requirements or providing inadequate oversight of their QC review process, reducing or mitigating errors reported, and a lack of cooperation with FNS QC monitoring efforts. If issues were documented during the reviews, states must commit to corrective action plans and implement fully compliant procedures during the FY 2017 review period.

USDA is working internally and with states to ensure that all state QC review processes are fully up to date and consistent with Federal guidelines. In September 2016, FNS issued a revised SNAP quality control handbook and, in October 2016, conducted training for all FNS QC reviewers. State training occurred or will occur in October and November 2016 and will continue through webinars and Q&A documents.

By December 31, 2016, USDA will announce decisions related to the quality control error rate for FY 2015. This announcement was postponed from June 2016 so that these reviews could be completed.

To establish a national QC error rate for FY 2016, FNS staff will work with states to pull a new sample of FY 2016 cases and complete case reviews. State agencies must grant Federal reviewers access to the documentation and state systems necessary to complete these case reviews. States must continue to report FY 2016 case results to FNS as an opportunity to review internal procedures to ensure that all state QC reviewers are operating in accordance with program rules and the QC system for FY 2017 is sound. This review will begin in early 2017. USDA will not issue bonuses or establish state liabilities for FY 2016.

Error rates are not fraud rates. Error rates measure the amount of improper payments occurring in the SNAP eligibility determination process. Most errors stem from unintentional mistakes on the part of the state agency or the household, not intentional actions to violate program rules.

The Department of Justice is currently investigating states for possible False Claims Act violations in connection with payments by FNS and state error rate reporting.

**Action/Decision:** Continue to implement review process for FY 2016 error rates.

**Action Date:** Immediate for new Administration.

**ONLINE SNAP PURCHASING PILOTS**

**Background**

The 2014 Farm Bill mandated a pilot be conducted to test the feasibility and implications of allowing retail food stores to accept SNAP benefits through online transactions. For households to make online purchases, the online purchasing pilot
is required to be secure, private, and easy to use, and to provide similar support to that found for SNAP transactions in a retail store. Benefits cannot be used to pay for fees of any type, such as delivery, service, or convenience fees.

- There is currently one company, Acculynk, which meets the technical requirements for secure online shopping. There has been additional interest from other companies that are exploring secure Personal Identification Number (PIN) technology alternatives, and these others may enter the market with a solution at any time.
- On September 15, 2016, USDA released a Request for Volunteers to seek retailers to participate in this effort. This will be a small pilot, initially involving up to 5 online retailers in three states. The goal is to ensure that the foundational infrastructure necessary for running SNAP transactions online operates in a safe and secure manner. Retailers will be selected by the end of calendar year 2016.
- Selected retailers will also need to complete website and system development work on their sites to account for SNAP requirements. For example, SNAP does not allow sales tax to be charged on eligible food items purchased with SNAP benefits. Managing sales tax, handling manufacturer’s coupons, ensuring delivery fees can be paid for with a form of tender other than SNAP, and managing refunds are some of the items selected retailers will need to consider.

**Action/Decision:** Continue roll out of the online purchasing pilot; respond as needed to firms and other stakeholders with interest in online SNAP purchases.

**Action Date:** Immediate for new Administration. The pilot is expected to begin in late summer 2017. The evaluation report is expected to be delivered to the Secretary by July 2018. By the fall of 2018, it is expected that a decision will be made regarding expansion of online shopping.

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**Child Nutrition Program Integrity Proposed Rule**

**Background**

- The Healthy, Hunger-Free Kids Act of 2010 includes statutory changes to further enhance the integrity of the Child Nutrition (CN) Programs.
- In March 2016, FNS published a proposed rule to codify these changes as well as several recommendations from recently conducted management evaluations and USDA Office of Inspector General (OIG) audits of state agencies operating CN Programs.
- The rule would:
  
  o Establish consistent procedures to permanently remove program operators who intentionally or consistently mismanage CN Programs;
  o Authorize USDA and state agencies to establish assessments in situations where willful, repeated and egregious mismanagement of a program has been committed;
o Improve the financial management of the Child and Adult Care Food Program (CACFP) by increasing state resources, strengthening review timeframes, and other requirements designed to improve oversight of CACFP operators; and

o Strengthen state and school nutrition program requirements and training related to effective award and management of food service management contracts.

• A total of 5,659 comments were received on the proposed rule. An FNS team, in conjunction with a contractor, reviewed and analyzed all comments and is in the process of drafting the final rule. Comments indicated that among the more controversial provisions are proposed assessments for violating program requirements, reciprocal disqualification in all Child Nutrition Programs, and Summer Food Service Program disqualifications.

**Action/Decision:** The final rule is scheduled to be published June 2017. Policy decisions will be needed on key issues in February 2017 in order to finalize drafting and clearance of the rule by this date.

**Action Date:** February 2017

**Summer Meals for Children**

**Background**

• The USDA summer meal programs were designed to reach low-income children who have limited access to meals during the summer. Although 22 million children receive free and reduced-price meals during the 2014-15 school year through the National School Lunch and School Breakfast Programs, only a small fraction of those children participated in summer meals.

• FNS has a long history of working towards increasing the number of children served by the Summer Food Service Program (SFSP). Over the past six years in particular, FNS has made extensive efforts to provide summer meals for the children who most need them. FNS implemented a summer meals expansion effort that included the formation of State Technical Assistance Teams (STAT). These teams have worked in partnership with state and community agencies to increase participation of eligible children in summer meals.

• Through the combined efforts of the STAT approach, summer meals have increased from 164 million meals in 2009 to 191 million in 2015, a 16.5 percent increase. In addition, strategies have been institutionalized to ensure sustainability of the summer meal programs.

• Although progress has been significant, the SFSP statutory limitations make summer site operations difficult in some areas and situations. In an effort to address these limitations, FNS has explored alternative methods of providing food benefits
United States Department of Agriculture
2016 Presidential Transition
Food and Nutrition Service (FNS)

during the summer, most notably through the Summer Electronic Benefit Transfer (EBT) for Children demonstrations.

- Since summer 2011, USDA has supported the Summer EBT demonstration projects to test the impact of providing low-income households with children additional funding through EBT cards to buy food during the summer. Rigorous evaluations of these pilots found that providing additional food benefits in this manner significantly reduced very-low food insecurity by one-third and improved nutrition. Summer EBT is able to reach low income families in areas where there are limited numbers of sites eligible to serve meals through SFSP.

- FNS expects that appropriators will provide over $20 million to continue Summer EBT demonstrations in FY 2017. Decisions will need to be made early in 2017 regarding the states and tribal organizations receiving grants to operate summer EBT projects in summer 2017.

**Action/Decision:** Continue efforts in SFSP and a Summer EBT legislative strategy. Select and inform Summer EBT 2017 grant awardees.

**Decision Date:** Dependent on final appropriations action, but likely before mid-February to ensure effective strategy.

**Timeline**

**Key Upcoming Actions, Events and Decisions**

**January 2017:**

- **Summer EBT Project Awards:** Since summer 2011, USDA has supported the Summer Electronic Benefit Transfer for Children (SEBTC) projects, which can to reach low income families in areas where there are limited numbers of sites eligible to serve summer meals. FNS expects that appropriators will provide over $20 million to continue Summer EBT demonstrations in FY 2017. Decisions will need to be made before mid-February 2017 regarding the states and tribal organizations receiving grants to operate summer EBT projects in summer 2017.

- **National Academy of Medicine (NAM) WIC Food Package Report:** The Healthy, Hunger Free Kids Act of 2010 requires a comprehensive review of the WIC food package at least every ten years to ensure that it conforms to current nutrition science, public health concerns, and cultural eating patterns. In late 2014, FNS contracted with the NAM to convene an expert panel and conduct the next review. The panel’s report could be released as early as January, though it could take several months longer. The report will be highly scrutinized by Congress and other program stakeholders, who will likely be interested to know FNS’ plans to consider regulatory changes in WIC based on the report soon after its release.
- **SNAP Retailer Eligibility Standards Rule**: The final rule which provides for changes to the standards for participating SNAP retailers is scheduled to be published by the end of calendar year 2016 with an effective date of one year following publication. A substantial education and technical assistance program for SNAP retailers will be conducted to ensure that authorized retailers are able to comply with the new standards by the effective date. Plans for this effort will need to begin shortly after the publication of the final rule, potentially as early as January 2017. Some stakeholders may raise concerns about the new standards; the change in Administration may be seen as an opportunity to revisit policy decisions.

- **SNAP Quality Control, Establishment of a National Quality Control (QC) error rate for FY 2016**: FNS will begin working with states to pull a new sample of FY 2016 cases and complete case reviews in order to establish a national QC error rate for FY 2016. This change in approach (from a two tier to a one tier review) is being instituted for FY 2016 based on changes that needed to be incorporated into the QC system to assure a sound QC system; there will be no State error rates for FY 2016, only the national error rate. These reviews will require significant state cooperation, Federal access to case documentation and state systems. The 2016 national error rate will be announced in June, 2017.

**February 2017:**

- **CN Program Integrity Final Rule**: The Healthy, Hunger-Free Kids Act of 2010 included statutory changes to further enhance the integrity of the Child Nutrition (CN) Programs. In March 2016, FNS published a proposed rule to codify these changes as well as several recommendations from recently conducted management evaluations and USDA Office of Inspector General (OIG) audits of state agencies operating CN Programs. Policy decisions will be needed on key issues in February 2017 in order to finalize drafting and clearance of the rule by June 2017.

**March 2017: None**

**April 2017:**

- **FNCS Park Office Center Lease Re-Competition**: The lease for Park Office Center, the location of FNCS’ National Office, in Alexandria, VA expires in May 2017. A General Services Administration (GSA)-led competition to replace that lease is currently underway. Results of that competition are expected to be known in the second quarter of FY 2017. Costs associated with execution of a new lease are estimated to be approximately $17 million. While funding to support those costs is essentially dependent on full year FY 2017 appropriations action, some potential alternative funding options have been identified. No later than April 2017, FNCS will need to assess its financial situation and finalize its funding strategy.
May 2017: Announcement of Farm to School Grant Awards: Each year, USDA awards up to $5 million in competitive grants to assist eligible entities (school districts, state and local agencies, Tribal nations, agricultural producers, and non-profit organizations) in implementing farm to school programs that improve access to local foods in eligible schools. They can support training, operations, planning, purchasing equipment, developing school gardens, developing partnerships, and implementing farm to school programs. Applications for the FY 2017 grants are due in December 2016; announcement of awards is scheduled for May 2017.

June 2017: None

Appendix A: Acronyms

ABAWD Able Bodied Adult without Dependents (ABAWD)
ACF Administration for Children and Families
ACH Automated Clearinghouse
ACO Automated Control Office
ADP Automated Data Processing
ADP/CIS Automation of Data Processing/Computerization of Information Systems
ADR Alternative Dispute Resolution
ANSI American National Standards Institute
APD Advance Planning Document
APD OSC APD Oversight Committee (OSC)
APDU Advance Planning Document Update
ATM Automated Teller Machines
AV Antivirus
BPR Business Process Reengineering
BRD Benefit Redemption Division
CACFP Child and Adult Care Food Program
CAP Cost Allocation Plan
CBA Cost-Benefit Analysis
CD Communications Division
CDC Centers for Disease Control and Prevention
CEP Community Eligibility Provision
CFR Code of Federal Regulations
CIO Chief Information Officer
CIS Computer Information Systems
CMMI Capability Maturity Model® Integration
CMOS/ Complementary metal oxide semiconductor (CMOS)/Programmable Read-Only
CMTS Chefs Move to Schools
CNA Child Nutrition Act
CNP Child Nutrition Programs
PROM Memory (PROM) is the memory portion of the chip that contains the basic input/output instructions (BIOS) for a personal computer
CMS Centers for Medicare and Medicaid Services
COTS Commercial-Off-the-Self
CSCAP Central Service Cost Allocation Plan
CSFP Commodity Supplemental Food Program
CSREEES Cooperative State Research, Education and Extension Service
DCA Division of Cost Allocation
D-SNAP Disaster Supplemental Nutrition Assistance Program
ISA Defense Information Systems Agency
E&T Employment and Training
EAR Emergency Acquisition Request
EBA Electronic Benefit Account
EBT Electronic Benefits Transfer
eDRS Electronic Disqualified Recipient System (SNAP)
EGA External and Governmental Affairs Division
EPLS Excluded Parties List System
EPS Electronic Payment System
ESD Electronic Services Delivery
FAR Federal Acquisition Regulation
FDPIR Food Distribution Program on Indian Reservations
FFP Federal Financial Participation
FINI Food Insecurity and Nutrition Incentive Grants
FM Financial Management
FMFIA Federal Managers’ Financial Integrity Act
FMMI Financial Management Modernization Initiative
FMNP WIC Farmers’ Market Nutrition Program
FMR Financial Management Review
FNA Food and Nutrition Act
FNS Food and Nutrition Service of the USDA
FOIA Freedom of Information Act
FReD WIC Functional Requirements Document
FRD Functional Requirements Document
FSA Food Stamp Act
FSIS Food Safety and Inspection Service
FSP Food Stamp Program
FFVP Fresh Fruit and Vegetable Program
FY Fiscal Year
FFY Federal Fiscal Year
GA General Assistance
HHFKA Healthy Hunger Free Kids Act of 2010
HHS Department of Health and Human Services
HIPAA Health Insurance Portability and Accountability Act of 1996
HQ Headquarters
HUSSC Healthier U.S. Schools Challenge
IAPD Implementation Advance Planning Document
IAPDU Implementation Advance Planning Document Update
ICN Institute for Child Nutrition
IFB Invitation for Bids
IMP Integrated Master Plan
IMS Integrated Master Schedule
IRS Internal Revenue Service
ISO International Organization for Standardization
IS Information System(s)
IT Information Technology
ITO Indian Tribal Organization
IV&V Independent Validation and Verification
LEA Local Education Agency
M&O Maintenance and Operations (also known as Operations and Maintenance)
MARO Mid-Atlantic Regional Office
ME Management Evaluation
MIS Management Information Systems (a commonly used term for ADP)
MPRO Mountain Plains Regional Office
MPSC Mountain Plains States’ Consortium (a WIC SAM consortium)
MWRO Midwest Regional Office
NAC National Accuracy Clearinghouse (SNAP)
NAP Nutrition Assistance Program
NDNH National Directory of New Hires
NERO Northeast Regional Office
NIFA National Institute of Food and Agriculture
NIST National Institute of Standards and Technology
NSA Nutrition Services and Administration (the regular Federal WIC grant covering a State’s administrative expenses)
NSLA National School Lunch Act
NSLP National School Lunch Program
OA Operational Adjustment (the limited Federal funding allocated each year in the WIC Program for special projects such as computer systems)
OBPA Office of Budget, Policy and Analysis
OCCO Office of Chief Communications Officer
OCFS Office of Community Food Systems
OCSE Office of Child Support Enforcement
OET Office of Employment and Training (SNAP)
OFPP Office of Federal Procurement Policy
OFS Office of Food Safety
OIG Office of Inspector General
OMB Office of Management and Budget
OPS Office of Policy Support
OS Operating System
OSC APD Oversight Committee (the FNS Headquarters-level group that must approve APDs that exceed a defined threshold)
PAAD Program Accountability and Administration Division (SNAP)
PAN Primary Account Number
United States Department of Agriculture
2016 Presidential Transition
Food and Nutrition Service (FNS)

PAPD Planning Advance Planning Document
PAPDU Planning Advance Planning Document Update
PC Personal Computer
PDD Program Development Division (SNAP)
PIN Personal Identification Number
PIR Post-Implementation Review
PM Program Management
PMI® Project Management Institute
PMP Project Management Professional
POS Point of Sale
PRWORA Personal Responsibility and Work Opportunity Reconciliation Act of 1996
PTIG Process and Technology Improvement Grant (SNAP)
PWS Performance Work Statement
QA Quality Assurance
QASP Quality Assurance Surveillance Plan
QC Quality Control
RA Regional Administrator
RFA Request for Application
RFI Request for Information
RFP Request for Proposals
RFQ Request for Quotation
RFV Request for Volunteers
RO Regional Office of FNS (7 around the nation)
RPMD Retailer Policy and Management Division (SNAP)
RUP Rational Unified Process
SAM State Agency Model
SAVE Systematic Alien Verification for Entitlements
SBP School Breakfast Program
SDLC Systems Development Life Cycle or system life cycle
SEI Software Engineering Institute
SERO Southeast Regional Office
SFMNP Senior Farmers’ Market Nutrition Program
SFA School Food Authority
SFSP Summer Food Service Program
SLA Service Level Agreements
SLEB State Law Enforcement Bureau
SMP Special Milk Program
SNAP Supplemental Nutrition Assistance Program
SNAP Ed Supplemental Nutrition Assistance Program Nutrition Education
SNAS Supplemental Nutrition and Safety Programs
SOO Statement of Objectives
SOW Statement of Work
SPIRIT Successful Partners in Reaching Innovative Technology (a WIC SAM consortium)
SSA Social Security Administration
SSO State Systems Office
STAR State Technical Assistance Review
SWRO Southwest Regional Office
TANF Temporary Assistance for Needy Families
TEFAP The Emergency Food Assistance Program
UAT User Acceptance Testing
USDA United States Department of Agriculture
WBS Work Breakdown Structure
WBSCM Web-Based Supply Chain Management System
WIC Special Supplemental Nutrition Program for Women, Infants, and Children
WORM Write-once-read-many
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<thead>
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<th>Section</th>
<th>Tab</th>
</tr>
</thead>
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<tr>
<td>MARKETING AND REGULATORY PROGRAMS</td>
<td>1</td>
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<tr>
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<td>2</td>
</tr>
<tr>
<td>ANIMAL AND PLANT HEALTH INSPECTION SERVICE</td>
<td>3</td>
</tr>
<tr>
<td>GRAIN INSPECTION, PACKERS, AND STOCKYARDS ADMINISTRATION</td>
<td>4</td>
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</table>
MISSION AREA BRIEFING MATERIAL

The Mission Area template contains the following sections:

I. **Organizational Overview**

   Mission Area Fact Sheet
   Organizational Chart
   Biographies for Career and Political Staff in Key Leadership Positions
   Overview of Agency Programs and Operations
   Budget and Staffing Summary

II. **Top Issues/Hot Topics**

   Timeline
   Mission Area Issues
   GAO and OIG Audits
AGENCY BRIEFING MATERIAL

Each Agency template contains the following sections:

I. **Organizational Overview**

   - Agency Fact Sheet
   - Agency’s Mission/Strategic Plan
   - Key Mission Delivery Performance Measures
   - Organization’s History
   - Organizational Chart
   - Biographies of Career Staff in Key Leadership Positions
   - Biographies of Political Staff in Key Leadership Positions
   - Organizational Budget and Financial Management
   - Enterprise Workforce Data

II. **Policies and Regulations**

   - Statutory Authorities
   - Important Policies and Regulations
   - Overview of the Policy/Regulation Review Process
   - GAO and OIG Audits

III. **Congressional Relations and Issues**

   - Overview

IV. **Internal and External Stakeholders**

   - Important Relationships with Other Federal Departments or Organizations
   - Stakeholder Group Overview
   - Recent Engagements with Stakeholder Groups

V. **Top Issues**

   - Hot Topics
   - Timeline

**Appendix A: Acronyms**
WHO WE ARE: OUR MISSION AREA

The mission of the Marketing and Regulatory Programs (MRP) is to facilitate and expand the domestic and international marketing of U.S. agricultural products, to help protect the agricultural sector from plant and animal health threats, and to ensure humane care and treatment of regulated animals. MRP agencies are active participants in setting national and international standards. MRP is composed of the Agricultural Marketing Service, the Animal and Plant Health Inspection Service, and the Grain Inspection, Packers, and Stockyards Administration.

WHO WE ARE: OUR WORKFORCE

- AMS – 2,074 permanent employees
- APHIS – 5,771 permanent employees, and 2,838 temporary employees
- GIPSA – 643 permanent employees

WHO WE SERVE: OUR CONSTITUENTS

MRP programs provide the basic infrastructure to improve agricultural market competitiveness for the overall benefit of consumers and producers of American agriculture. MRP efforts also ensure agricultural exports remains high – fiscal year 2015 was the third-highest year on record with $139.7 billion in farm exports.

KEY UPCOMING DECISIONS

- Establishment of a mandatory national bioengineered food disclosure standard; a study on consumer access to electronic disclosures must also be completed within one year.
- Whether APHIS should finalize new regulations under the Horse Protection Act to provide additional protections against soring?
- Whether APHIS should approve imports of Argentine lemons and EU apples/pears?
- Whether to proceed and how with a comprehensive revision of APHIS’ biotechnology regulations in light of scientific advances since they were established in 1987? How do we address diverse stakeholder interests in regulation of biotechnology?

BUDGET HIGHLIGHTS FY 2016

- AMS – total budget authority of $2.75 billion of which $723.7 million is non-federal marketing order assessments.
- APHIS – total budget authority of $1.36 billion. 15 percent is generated through Agricultural Quarantine Inspection User Fees.
- GIPSA – total budget authority of $98.0 million. 56 percent is generated through Inspection & Weighing Mandatory User Fees.
I. Organizational Overview

Organizational Chart

United States Department of Agriculture
2016 Presidential Transition
Marketing and Regulatory Programs (MRP)

In addition, the Office of the Under Secretary includes one political position serving as Confidential Assistant to the Under Secretary. The office also includes two administrative support positions which are Program Analyst and Staff Assistant.

The MRP Mission Area, at full staff, composed of at minimum 7 full-time employees, with office space to support an additional 2 employees as needed (ie, as detailees to assist in special projects). Political appointments include: Under Secretary; Two Deputy Under Secretaries; Chief of Staff; and Confidential Assistant.

In addition to political appointees, there are two front-office career staff, with the titles of Program Analyst and Staff Assistant. In addition, MRP may bring in detailees from the agencies to assist in special priority projects.
Biographies for career staff in key leadership positions

Kevin Shea  
APHIS Administrator  
202-799-7000, Kevin.A.Shea@aphis.usda.gov

Kevin Shea was appointed Administrator of the U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) on June 18, 2013, after serving as Acting Administrator since June 2012. As Administrator, Mr. Shea carries out the agency's broad mission of protecting and promoting American agriculture, regulating genetically engineered organisms, administering the Animal Welfare Act and carrying out wildlife damage management activities. In addition to his regular duties, Mr. Shea serves on the Secretary's Executive Resources Board and the Secretary's Management Council.

Before becoming Administrator, Mr. Shea served as Associate Administrator since September 2004, ensuring the smooth functioning of the Agency and championing APHIS' unprecedented business process improvement efforts. Starting in 2000, Mr. Shea served as Deputy Administrator for Policy and Program Development, providing leadership for the overall planning and direction of policies, programs and activities at APHIS, as well as being responsible for the Agency's budget, regulation development and environmental compliance programs. From 1992 to 2000 he served as APHIS' Director of Budget and Accounting. Earlier in his career he worked as a budget analyst, Chief of the Program Analysis Branch, and Chief of the Policy Analysis and Development Staff. He also spent one year practicing law in the litigation department of Frank, Bernstein, Conaway and Goldman in Baltimore, MD. Mr. Shea graduated from DeMatha Catholic High School in Hyattsville, MD and the University of Maryland in College Park. He earned a law degree, summa cum laude, from the University of Baltimore School of Law.

A native Washingtonian, Mr. Shea now resides in Crofton, MD.

Biographies for political staff in key leadership positions

Elvis Cordova  
Acting Under Secretary for Marketing and Regulatory Programs  
202-720-0395, Elvis.Cordova@osec.usda.gov

Mr. Cordova is the Deputy Under Secretary for the Marketing and Regulatory Programs Mission Area at the U.S. Department of Agriculture where he helps to oversee the Agricultural Marketing Service, the Animal and Plant Health Inspection Service, and the Grain Inspection, Packers and Stockyards Administration. He previously served as the Chief of Staff for the Research, Education & Economics Mission Area at USDA where he helped to oversee the Agricultural Research Service, the Economic Research Service, the National Agricultural Statistical Service, and the National Institute of Food and Agriculture.
Before joining USDA, he served as a Presidential Management Fellow at the Farm Credit Administration and the U.S. Department of Energy where he worked on issues encompassing alternative energy, economic development, financial services, and international & public affairs. Mr. Cordova has also held the position of Vice President of Public Relations at Tzolkin Media Inc., a D.C. based start-up company that developed online entertainment content for the Latino youth market. Prior to joining Tzolkin Media, he was the Director for Latin American programs at the Self Reliance Foundation where he managed the organization's civil society building projects, which focused on teaching social media technology to journalists and radio producers throughout Latin America. Before relocating to Washington D.C., he lived in Argentina and Brazil where he conducted research on economic and trade development. During his time in New York City, he worked at the United Nations as a consultant where he researched state capacity building strategies aimed at enhancing trade development in emerging markets. He also worked as a management planning analyst for the New York City Department of Parks and Recreation.

Mr. Cordova began his career as a financial analyst at the Harvard Management Company in Boston, Massachusetts.

Mr. Cordova, a recipient of the Woodrow Wilson Graduate Fellowship, holds a Master’s Degree in Public Administration from the Wagner Graduate School of Public Service at New York University and a Bachelor’s Degree in Criminal Justice from Northeastern University. He also holds various professional and academic certificates from Georgetown University, Harvard University, University of California at Berkeley, Universidad de Sevilla in Spain, Universidad de Buenos Aires in Argentina, Ecole Nationale des Travaux Publics de l’Etat in France, and Pontificia Universidade Catolica in Brazil. His languages include Spanish, Portuguese, and French. Mr. Cordova recently served as a member of the Executive Board of the Washington D.C. Chapter of the National Society of Hispanic MBAs.

Ben Thomas
Deputy Under Secretary for Marketing and Regulatory Programs
202-260-8322, Ben.Thomas@osec.usda.gov

Ben Thomas is the Deputy Under Secretary for the Marketing and Regulatory Programs Mission Area at the U.S. Department of Agriculture where he helps oversee the Agricultural Marketing Service, the Animal and Plant Health Inspection Service, and the Grain Inspection, Packers and Stockyards Administration. Most recently, he served as the Chief of Staff for the Farm and Foreign Agricultural Services Mission Area, which encompasses the Farm Service Agency, Foreign Agricultural Service, and Risk Management Agency. In that role, he oversaw the department’s international activities and worked to implement provisions of the 2014 Farm Bill.

Prior to joining USDA, Ben served as Legislative Assistant and Counsel to two Members of the Senate Agriculture Committee, helping write the 2014 Farm Bill. He also provided counsel on trade, telecommunications, nutrition, the environment, rural development, and more. Prior to his Senate experience, Ben served in various policy positions at the Farm Service Agency and Risk Management Agency, and as a Law Clerk to the Chairman of the Federal Trade Commission.

Ben graduated from Austin College in Sherman, Texas with a Bachelor of Arts degree. He
received his Juris Doctor from Washington University in St. Louis, Missouri, and his LL.M in Agricultural and Food Law from the University of Arkansas in Fayetteville.

Ben was raised on a cotton and peanut farm near Morton, Texas, where his family still farms.

David Howard  
Chief of Staff and Acting Deputy Under Secretary for Marketing and Regulatory Programs  
202-720-5759, David.howard@osec.usda.gov

David Howard is the Chief of Staff and is also serving as Acting Deputy Under Secretary for the Marketing and Regulatory Programs Mission Area (MRP) at the U.S. Department of Agriculture, where he helps oversee the Agricultural Marketing Service, the Animal and Plant Health Inspection Service, and the Grain Inspection, Packers and Stockyards Administration. David also serves as the main conduit between the MRP mission area and the Office of the Secretary, including the Office of Congressional Relations and the Office of Communications. Before joining MRP, David covered the Rural Development and Natural Resources and Environment portfolios in the Department’s Office of Congressional Relations.

Prior to joining USDA, David worked for Senator Tom Harkin from 2007 – 2013 in various roles. David received a B.A. in political science from the University of Northern Iowa in 2007. He hails from the small town of Marble Rock, Iowa.

Elanor Starmer, AMS Administrator  
202-720-5115, elanor.starmer@ams.usda.gov

Ms. Elanor Starmer is USDA’s AMS Administrator. Ms. Starmer joined USDA in 2011, first to support the Deputy Secretary and then as a Senior Advisor to Secretary Tom Vilsack. She also served as the National Coordinator and Advisor for Local and Regional Food Systems at USDA. In this role, she guided Department-wide efforts to strengthen local and regional food systems.
and lead the Know Your Farmer, Know Your Food initiative. She acted as liaison to U.S. Food and Drug Administration on the Food Safety Modernization Act (FSMA) and developed Department-wide strategy to support industry on FSMA implementation.

Prior to joining USDA in 2011, Elanor worked on agriculture, food and development policy issues for over a decade with nonprofits in Washington, DC, Minnesota, and California. She also consulted with the Organization of American States' agriculture policy arm in El Salvador. Originally from a small farming community in New Hampshire, Ms. Starmer has an MS in Agriculture Science and Policy from Tufts University's Friedman School; an MA in Development Economics from the Fletcher School of Law and Diplomacy; and a BA from Brown University. [b][6]

Larry Mitchell
GIPSA Administrator
202-720-0219, Larry.Mitchell@usda.gov

Larry Mitchell was appointed Administrator of the United States Department of Agriculture (USDA), Grain Inspection, Packers and Stockyards Administration (GIPSA) on June 3, 2012. He is responsible for a variety of programs that facilitate the marketing of livestock, poultry, meat, cereals, oilseeds, and related agricultural products, and to promote fair and competitive trading practices for the overall benefit of consumers and American agriculture. GIPSA's programs directly and significantly impact two key sectors of American agriculture - the livestock and grain markets. The markets serviced by GIPSA represent a total economic value of approximately $170 billion annually with exports contributing over $28.7 billion to the U.S. economy.

Before joining GIPSA, Mr. Mitchell served as the Associate Director of the Office of Advocacy and Outreach at USDA and previously served as Deputy Administrator for Farm Programs of the Farm Service Agency (FSA) of USDA and Deputy Vice President at Commodity Credit Corporation in the 1990s.

In the interim, Mr. Mitchell served in the private and nonprofit sectors as President of K Street Research, Inc. and as Chief Executive Officer of the American Corn Growers Association. Prior to serving at USDA in the 1990s, Mitchell held the position of Vice President of Government Relations for the National Farmers Union in Washington, D.C., Director of Federal and State Relation for the American Agriculture Movement, Editor of the AAM Reporter and as an independent consultant and writer on American farm issues. Before coming to Washington in 1989, Mr. Mitchell was a grain and cotton farmer in Texas. Mr. Mitchell earned a Bachelor’s degree from Tarleton State University in Plant and Soil Science.

Overview of Agency Programs and Operations

The economic vitality and quality of life in rural America and the U.S. economy at large depends on a competitive, efficient, and productive agricultural system. U.S. agricultural producers are not simply farmers and ranchers; they are often small business owners trying to survive and support their families and rural communities in a challenging global, technologically advanced,
and competitive business environment. In an era of market consolidation and intense competition, these producers rely on fair and open access to markets and control over their decisions to thrive. Agricultural producers also need to safeguard animal and plant resources against the introduction of foreign agricultural pests and diseases.

The mission of the Marketing and Regulatory Programs (MRP) is to facilitate and expand the domestic and international marketing of U.S. agricultural products, to help protect the agricultural sector from plant and animal health threats, and to ensure humane care and treatment of regulated animals. Because these programs provide the basic infrastructure to improve agricultural market competitiveness for the overall benefit of consumers and producers of American agriculture, this mission area contributes to all of USDA’s Strategic Goals. As a result of many efforts within MRP and other mission areas, the U.S. achieved $139.7 billion in farm exports in fiscal year 2015, the third-best year on record. Notably, the Animal and Plant Health Inspection Service (APHIS) continued efforts to eliminate trade barriers and ensure that trade decisions are based on science. The grain inspection and weighing work of the Grain Inspection, Packers and Stockyards Administration (GIPSA) and the work of the Agricultural Marketing Service (AMS) also contributed to the high level of exports seen in fiscal year 2015. As a direct result of the work of the MRP agencies and their sister agencies, USDA resolved more than 150 trade-related issues involving U.S. agricultural exports valued at $2.4 billion.

Through GIPSA, MRP also conducts oversight activities to protect livestock, meat, and poultry producers from unfair competition and unfair business practices, and partners with the Department of Justice to help prevent anti-competitive behaviors for regulated entities in the livestock, meat, and poultry industries. In addition, MRP assists producers in management and domestic marketing by providing market trend analysis and business and marketing tools through the work of the AMS. MRP also helps increase the competitiveness of the agricultural sector by working to protect the Nation’s agriculture from pests and diseases, thereby increasing the efficiency of production.

MRP’s efforts over the years have made a lasting impact on markets important to small and mid-sized producers. Through the National Organic Program, AMS has provided critical support needed to help fuel double-digit growth in the organic consumer market. In 2015, the retail market for organic products was valued at $43.3 billion by the Organic Trade Association and continues to grow. AMS has worked to expand market access for organic farms and businesses. Today, the industry encompasses a record 22,818 certified organic businesses.

**Agriculture Marketing Service (AMS)**

**Quality Grading and Inspections.**

USDA quality grade marks are usually seen on beef, lamb, chicken, turkey, butter, and eggs. For many other products, such as fresh and processed fruits and vegetables, the grade mark isn't always visible on the retail product. In these commodities, the grading service is used by wholesalers, and the final retail packaging may not include the grade mark. However, quality grades are widely used—even if they are not prominently displayed—as a "language" among
traders. They make business transactions easier whether they are local or made over long distances.

Consumers, as well as those involved in the marketing of agricultural products, benefit from the greater efficiency permitted by the availability and application of grade standards. AMS currently grades cotton, fresh fruits and vegetables, processed fruits and vegetables, poultry, eggs, livestock and meat, dairy products, and tobacco.

**Auditing and Accreditation**

AMS provides audit and accreditation programs based on International Organization for Standardization (ISO) Standards and/or Hazard Analysis and Critical Control Point (HACCP) Principles and Guidelines. These programs provide producers and suppliers of agricultural products the opportunity to assure customers of their ability to provide consistent quality products or services. AMS verifies their documented programs through independent, third-party audits. AMS audit and accreditation programs are voluntary and paid through hourly user-fees.

AMS is recognized nationally and internationally as a competent and reliable provider of audit and accreditation services. AMS utilizes the International Organization for Standardization (ISO) 19011:2011 guidelines for quality and/or environmental management systems auditing as the format to evaluate program documentation, to ensure consistent auditing practices, and to promote international recognition of audit results.

**Organic Certification and Accreditation**

- **Organic Certification** allows a farm or processing facility to sell, label, and represent their products as organic. Any organic operation in violation of the USDA organic regulations is subject to enforcement actions, which can include financial penalties or suspension/revocation of their organic certificate.
- **Organic Accreditation** authorizes private, foreign, or State entities to certify farms or processing facilities. Certifying agents are accredited by the USDA and are located throughout the United States and around the world. Certifying agents are responsible for ensuring that the USDA organic products meet or exceed all organic standards.

**Local Food Research & Development**

- **Farmers Markets and Direct-to-Consumer Marketing**: conducts regular data collection and analysis of farmers market operations and other direct-to-consumer marketing outlets (Community Supported Agriculture, food hubs, on-farm markets) to help market managers, planners, and researchers better understand the impact of these outlets on food access and local economic development, and help the public easily find sources of fresh, local food.
- **Food Value Chains and Food Hubs**: studies “food value chains”, an innovative business model in which agricultural producers, processors, buyers, and other supply chain members form collaborative, transparent partnerships that intentionally attempt to combine financial success with social benefit. “Food hubs”, a subset of these innovative enterprises, work to
ramp up the availability of local food in wholesale marketing channels by offering affordable aggregation, distribution and marketing services to small and mid-sized producers

- **Wholesale Markets and Facility Design:** provides targeted site assessment and design services for food market planners, managers and community stakeholders to improve the efficiency of permanent food market facilities.

- **USDA Farmers Market:** The Department’s own “living laboratory” for farmers market operations, the farmers market at USDA headquarters has been running strong for 17 years and counting on a seasonal basis, and currently operates throughout the year in both outdoor and indoor locations. Posted here are schedules of upcoming market days and special programs/events for USDA headquarters along with materials that provide transferable lessons about market management, layout and organizational self-assessment for use by farmers market stakeholders across the country.

- **AMS Grant Programs:** AMS administers four grant programs to help farmers and ranchers market the food they produce, including programs that further farmers markets, specialty crops such as fruit and vegetables, local food marketing, and cost-share programs to help farmers become organic.

**Know Your Farmer, Know Your Food Initiative**

The Know Your Farmer, Know Your Food (KYF2) initiative is a USDA-wide initiative (not an appropriated program) to strengthen local and regional food systems and strengthen the critical connection between farmers and consumers. The initiative facilitates cross-cutting efforts at USDA that seek to use existing USDA programs to break down structural barriers that have inhibited local food systems from thriving.

**Import/Export Certificates**

**Imports**

- Specialty Crops: The AMS Specialty Crops Program administers Marketing Orders and Section 8e Import regulations that apply quality standards to certain perishable fruits and vegetables entering the United States. These standards ensure that consumers have access to high-quality products and ensure that the American produce industry and imports are competing on a level playing field.

- Shell Eggs: Additionally, AMS routinely inspects egg imports for compliance with U.S. quality standards, including storage and transportation temperature requirements.

**Exports**

AMS certification and verification programs support American exporters by ensuring that products meet specific export requirements for countries around the world, including in the European Union, Asia, and South America.
To further facilitate domestic and international movement of U.S. agricultural products, AMS works to develop centralized electronic trade document solutions, including the Electronic Document Exchange (eTDE) System and the International Trade Data System (ITDS). These electronic systems give authorized product owners, buyers, carriers, brokers, and government port agents access to critical information around the clock and around the world--making the certification and verification process even faster and easier.

**Lab Testing & Approval**

AMS provides lab testing and approval services to facilitate domestic and international marketing of food and agricultural commodities.

- **Lab Testing:** AMS’ National Science Laboratories (NSL) is a fee-for-service lab network utilized by both industry and government. Through laboratories located in Gastonia, NC; Blakely and Dawson, GA; and Winter Haven, FL, NSL provides chemical, microbiological, and bio-molecular analyses on food and agricultural commodities. NSL provides testing service for AMS commodity programs, other USDA agencies, Federal and State agencies, US Military, research institutions, and private sector food and agricultural industries.

- **Lab Approval:** AMS approves, or accredits, labs to perform testing services in support of domestic and international trade. At the request of industry, other Federal agencies, or foreign governments, AMS develops and administers laboratory approval programs to verify that the analysis of food and agricultural products meet country or customer-specified requirements.

**Market Research & Analysis**

AMS has a long history of providing tools and services that help create opportunities for American farmers and businesses. One of the tools we provide—free of charge—is in-depth market information and analysis.

Price, volume, values, weather impacts, supply, and demand—the market and all of the economic factors surrounding it can be complex to track and understand. From the smallest farmer to the largest grocery store chain, all of American agriculture is impacted by the trends and prices within the marketplace. Having the right information at the right time is key to achieving success.

**Grants & Opportunities**

The U.S. Department of Agriculture’s (USDA) Agricultural Marketing Service (AMS) works to improve domestic and international opportunities for U.S. growers and producers. AMS works with State and local agricultural departments to provide support to rural America and the Nation’s agricultural sector.
AMS funding supports a variety of programs, including organic certification cost-share programs and efforts to expand farmers markets and other local food sources. This funding is one of the ways that USDA invests in the future of rural America and the nation’s agricultural sector.

- **The Farmers Market and Local Food Promotion Program**

  Farmers Market and Local Food Promotion Program grants are available annually to support local and regional food systems through two competitive programs: the Farmers Market Promotion Program (FMPP) and the Local Food Promotion Program (LFPP). FMPP grants fund farmer-to-consumer direct marketing projects such as farmers markets, community-supported agriculture programs, roadside stands, and agritourism.

  LFPP grants fund local and regional food business enterprises that serve as intermediaries to process, distribute, aggregate, and store locally or regionally produced food products. Projects also provide technical assistance and outreach, including planning grants for local food businesses.

- **Federal State Marketing Improvement Program**

  FSMIP provides matching grant funds to conduct applied research projects that explore new market opportunities for U.S. food and agricultural products and improve the efficiency and performance of the U.S. agricultural marketing system.

  These grants are awarded on a competitive basis to State departments of agriculture, forestry, natural resources, or energy, as well as other State agencies such as experiment stations, universities, and colleges.

- **Sheep Production and Marketing Grant Program**

  The Sheep Production and Marketing Grant Program is designed to strengthen and enhance the production and marketing of sheep and sheep products in the United States. The program will create new opportunities by improving infrastructure, developing business and resources, and supporting innovative approaches to address long-term needs. Projects will be funded through the National Sheep Industry Improvement Center.

- **Specialty Crop Block Grant Program**

  The SCBGP focuses on projects that enhance the competitiveness of specialty crops, including fruits, vegetables, tree nuts, cut flowers, and other horticulture products. Projects cover issues from food safety to business planning. The block grants are designed to increase the long-term success of producers and broaden the market for specialty crops.

  Many of the projects help market locally grown foods and help increase opportunities for specialty crop farmers. SCBGP also offers funds to States to support research and marketing projects that help increase crop yields and to conduct research to mitigate the crop damage.
Transportation Research & Analysis

Our Transportation Services Division (TSD) serves as the definitive source for economic analysis of agricultural transportation from farm to market. TSD experts support domestic and international agribusinesses by providing market reports, economic analysis, transportation disruption reports, technical assistance, and outreach to various industry stakeholders.

Tracking developments in truck, rail, barge, and ocean transportation, TSD provides information and analysis on the four major modes of moving food from farm to table, port to market.

Plant Variety Protection

The Plant Variety Protection Office (PVPO) provides intellectual property protection to breeders of new varieties of seeds and tubers. Implementing the Plant Variety Protection Act (PVPA), we examine new applications and grant certificates that protect varieties for 20 years (25 years for vines and trees). Our certificates are recognized worldwide and allow faster filing of foreign PVP applications. Certificate owners have exclusive rights to market and sell their varieties, manage the use of their varieties by other breeders, and enjoy legal protection of their work.

Research & Promotion

Research & Promotion (R&P) programs, authorized by Congress, are requested, funded, and driven by industry. The programs establish a framework to pool resources to develop new markets, strengthen existing markets, and conduct important research and promotion activities. AMS provides oversight, ensuring fiscal responsibility, program efficiency, and fair treatment of participating stakeholders. AMS oversees more than 20 research and promotion boards that empower farmers, ranchers, and agricultural businesses.

Pesticide Data Program

The Pesticide Data Program (PDP) is a national pesticide residue monitoring program and produces the most comprehensive pesticide residue database in the U.S. PDP administers the sampling, testing, and reporting of pesticide residues on agricultural commodities in the U.S. food supply, with an emphasis on those commodities highly consumed by infants and children. The program is implemented through cooperation with State agriculture departments and other Federal agencies.

Cooperation with Cuba

USDA entered into a Memorandum of Understanding with the Republic of Cuba, in which the Ministry of Agriculture calls for cooperation on mutually determined activities in the fields of agriculture. AMS’ role with respect to the MOU is to conduct technical exchanges with subject matter experts regarding production, post-harvest handling, and certification processes.
USDA announced that it will allow the 22 industry-funded research and promotion programs and 18 specialty crop marketing organizations with research authorities to conduct authorized research and information exchange activities with Cuba. Authorized activities are limited to information exchanges with Cuban government and industry officials and to health, science, nutrition, and limited consumer-oriented research. Promotional and advertising campaigns or materials are prohibited. USDA’s oversight role includes review of all activities and travel related to Cuba to ensure consistency with USDA policy and all other federal statutes and regulations. All requests are vetted through AMS’s Office of General Counsel and the USDA Deputy Counsel, before being referred to the FAS, as necessary.

Beginning Farmers

AMS also participates in the cross Department Agency Priority Goal for New and Beginning Farmers. Through outreach, education, and added data collection, AMS aims to support 10 percent of the projects funded by the Farmers Market Promotion Program (FMPP) and Local Food Promotion Program (LFPP) to benefit beginning farmers and ranchers. Both of these programs have a statutory priority to support projects that benefit communities that (1) are located in areas of concentrated poverty with limited access to fresh locally or regionally grown foods; and (2) have not received benefits from the Program in the recent past. Taking these priorities into consideration, AMS also promotes outreach and education for projects that benefit beginning farmers and ranchers as a part of their overall mission. Data on beginning farmers and ranchers in such projects has not been gathered in previous years, but beginning with FY 15 grant awards, AMS will receive voluntary information from its awardees regarding project beneficiaries. In FY 2014 FMPP awarded 183 projects for $14 million; and LFPP awarded 191 projects for $12 million. Using the number of projects awarded in FY 14 and amount of funds available for FY 15 ($13 million), AMS estimates the following for projects that benefit beginning farmers and ranchers:

<table>
<thead>
<tr>
<th>Year</th>
<th># of FMPP Projects Benefitting Beginning Farmers and Ranchers</th>
<th>FMPP Dollars ($) Benefitting Beginning Farmers and Ranchers</th>
<th># of LFPP Projects Benefitting Beginning Farmers and Ranchers</th>
<th>LFPP Dollars ($) Benefitting Beginning Farmers and Ranchers</th>
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<td>22</td>
<td>1.3 M</td>
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Animal and Plant Health Inspection Service (APHIS)

The Animal and Plant Health Inspection Service (APHIS) was reestablished by the Secretary of Agriculture on March 14, 1977, pursuant to authority contained in 5 U.S.C. 301 and Reorganization Plan No. 2 of 1953 (5 U.S.C. app.). APHIS was established to conduct regulatory and control programs to protect and improve animal and plant health for the benefit of
agriculture and the environment. In cooperation with State governments, industry stakeholders, and other Federal agencies, APHIS works to prevent the entry and establishment of foreign animal and plant pests. APHIS also regulates certain genetically engineered organisms and works to support healthy international agricultural trade and exports of U.S. agricultural products. In addition, the agency enforces regulations to ensure the humane treatment of certain animals and carries out research and operational activities to reduce crop and livestock depredation caused by birds, rodents, and predators.

**Biotechnology Regulatory Services**

Biotechnology regulatory officials are responsible for regulating the importation, movement, and field release of genetically engineered plants and certain other genetically engineered organisms that may post a risk to plant health.

Biotechnology regulations are designed to ensure that genetically engineered organisms, such as herbicide-tolerant or drought-resistant crops, are as safe for agriculture and the environment as traditionally bred crop varieties. In regulating biotechnology, APHIS works in concert with the Environmental Protection Agency and the Food and Drug Administration, agencies that also play important roles in protecting agriculture, a safe food supply, and the environment. APHIS’ involvement begins when a person or organization wishes to import, move across a State line, or field-test a genetically engineered plant. These activities are subject to the Agency’s permitting and notification system.

**Plant Protection and Quarantine**

Plant protection officials are responsible for programs to control or eradicate damaging foreign plant pests and diseases. These programs are carried out in cooperation with the States involved, other Federal agencies, farmers, and private organizations. Pest control programs use a single tool or a combination of pest control techniques, both chemical and nonchemical, which are both effective and safe. Plant protection officials develop Federal regulations and policies that prohibit or restrict the entry into the United States of foreign pests and plants, plant products, and other materials that may harbor pests, diseases, or noxious weeds. They also manage programs for overseas preclearance—agricultural inspection—of commodities, passengers, and U.S. military activities. These efforts help protect the health and value of U.S. agricultural production and natural resources.

**Veterinary Services**

Animal health officials are responsible for programs to protect and improve the health, quality, and marketability of U.S. animals and animal products. The programs are carried out through cooperative links with States, foreign governments, livestock producers, and other Federal agencies.

APHIS officials conduct exclusion and quarantine activities for animal pests and diseases, carry out eradication and control programs for certain diseases, provide laboratory diagnostic services, and conduct animal health monitoring and surveillance. They also certify as to the health status of animals and animal products being exported to other countries and respond to animal disease incursions or epidemics that threaten the health status of U.S. livestock and poultry. Because
human health is closely linked to veterinary health, APHIS animal health officials cooperate with other agencies and organizations to effectively manage the intersection between wildlife, veterinary, and human health issues. APHIS also administers a Federal law intended to ensure that all veterinary biological products used in the diagnosis, prevention, and treatment of animal disease are safe, pure, potent, and effective.

**Animal Care**

APHIS administers the Animal Welfare Act, which establishes standards for the humane care and handling of certain warm-blooded animals bought, sold, and transported in commerce and used or intended for use as pets at the wholesale level or used or intended for use in exhibitions or for research purposes. The agency also enforces the Horse Protection Act of 1970, which prohibits the soring of horses at shows and sales.

**International Services**

APHIS activities in the international arena include conducting cooperative plant and animal pest and disease control, eradication, and surveillance programs in foreign countries. These programs provide a first line of defense for the United States against threats such as screwworm Mediterranean fruit fly, and other exotic pests and diseases. APHIS also provides international representation concerning sanitary and phytosanitary technical trade issues and conducts capacity building activities to help develop the animal and plant health competencies and infrastructure of international counterparts.

**Wildlife Services**

Wildlife services officials provide assistance, upon request, to States, counties, local communities, and agricultural producer groups to reduce crop and livestock depredations caused by birds, rodents, and predators. Using methods and techniques that are biologically sound, environmentally acceptable, and economically feasible, they educate and advise farmers and ranchers on proper uses of control methods and techniques; suppress serious nuisances and threats to public health and safety caused by birds, rodents, and other wildlife in urban and rural communities; and work with airport managers to reduce risks of bird strikes. Wildlife services officials also assist in the recovery of endangered and threatened species and monitor wildlife across the country for diseases to help protect animal and human health. In addition, they conduct research into predator-prey relationships, new control methods such as wildlife contraception, and more efficient and safe uses of existing methods such as toxicants, repellants and attractants, biological controls, scare devices, and habitat alteration.

**Grain Inspection, Packers and Stockyards Administration (GIPSA)**

**Federal Grain Inspection Service**

Across America, U.S. grain, rice, and other commodities flow from farm to elevator to destinations around the world. GIPSA’s Federal Grain Inspection Service (FGIS) helps move our Nation’s harvest into the marketplace by providing farmers, handlers, processors, exporters, and international buyers with sampling, inspection, process verification, weighing and stowage
examination services that accurately and consistently describe the quality and quantity of the commodities being bought and sold.

**Packers and Stockyards Program**
The Agency's Packers and Stockyards Program (P&SP) promotes fair business practices and competitive environments to market livestock, meat, and poultry. Through its oversight activities under the Packers and Stockyards (P&S) Act, including monitoring programs, reviews, and investigations, P&SP fosters fair competition, and provides payment protection. It also guards against deceptive and fraudulent trade practices that affect the movement and price of meat animals and their products. P&SP’s work protects consumers and members of the livestock, meat, and poultry industries. P&SP’s major enforcement areas are payment protection, unfair, deceptive, and fraudulent practices, and competition.
### United States Department of Agriculture
#### 2016 Presidential Transition
Marketing and Regulatory Programs (MRP)

## Budget and Staffing Summary

### MRP Mission Area

**Budget Authority FY 2009- FY 2016 (Dollars in Thousands)**

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**Summary by Agency:**

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<td>GIPSA</td>
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APHIS Discretionary Funding

The FY 2011 Full-Year Continuing Resolution removed $27 million from APHIS’ appropriation related to approximately 45 Congressionally directed projects. Without funding, APHIS permanently discontinued many of the specific projects.

Congress provided $20 million in 2-year funding through a general provision in the FY 2014 appropriation for the Multi-Agency Coordination (MAC) Group for Huanglongbing (HLB), or citrus greening. HLB is a devastating disease that threatens U.S. citrus production, valued at $3.1 billion in 2013. Congress provided an additional $5.5 million in the FY 2016 appropriation for the HLB MAC that is available until the end of FY 2017.

The Plant Protection Act and the Animal Health Protection Act grant the Secretary of Agriculture authority to transfer funds to APHIS for use in controlling outbreaks of insects, plant diseases, and animal and poultry diseases. Although the Secretary is authorized to transfer funds from any USDA agency or corporation, the funds are typically transferred from the Commodity Credit Corporation (CCC). Each year, APHIS’ appropriation also emphasizes this authority. In FY 2015, APHIS received approximately $1 billion in emergency funds transferred from the CCC to address the largest animal outbreak in history – that of notifiable avian influenza.

Also, in FY 2015 the Department decentralized its General Services Administration (GSA) rent account. The appropriated budget included a new line item totaling $42.5 million to cover APHIS’ portion of this account.

APHIS’ Mandatory Funding

Congress originally created a program in the 2008 Farm Bill to prevent the introduction or spread of plant pests and diseases that threaten U.S. agriculture and the environment. There was a significant funding increase for this purpose between FY 2009 and FY 2010. The House and Senate Agriculture Committees renewed their support for the program in the 2014 Farm Bill, making the program permanent and expanding funding.

APHIS’ Supplemental Funding

APHIS received a transfer from the Department of Health and Human Services’ Centers for Disease Control and Prevention to extend surveillance and diagnostic capabilities associated with influenza viruses in domestic swine in response to the Novel H1N1 2009 Virus outbreak. APHIS’ efforts assisted in determining whether the novel H1N1 virus influenza or other strains of interest are present in the U.S. swine population.
II. **Top Issues/Hot Topics**

**Timeline**

**AMS**

**The USDA Foods Business Management Improvement (BMI)**

<table>
<thead>
<tr>
<th>Actions/Decisions</th>
<th>Date</th>
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<tbody>
<tr>
<td>Brief Agency executives on BMI business case and implementation plan</td>
<td>April, 2017</td>
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<tr>
<td>Agency executives approve BMI business case and implementation plan</td>
<td>May, 2017</td>
</tr>
<tr>
<td>Agency staff implement prioritized “quick wins” with USDA Foods Stakeholders</td>
<td>June, 2017</td>
</tr>
<tr>
<td>Agency staff prioritize WBSCM change projects and tool development to implement new operation procedures</td>
<td>June, 2017</td>
</tr>
<tr>
<td>Agency staff develop plans and notional schedules to implement solutions in FY17 &amp; FY18</td>
<td>June, 2017</td>
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**USDA Certified Transitional Program**

<table>
<thead>
<tr>
<th>Actions/Decisions</th>
<th>Date</th>
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<tbody>
<tr>
<td>Legal analysis of program options</td>
<td>October – November 2016</td>
</tr>
<tr>
<td>Tentative implementation planning for partial program, based on legal analysis</td>
<td>December 2016</td>
</tr>
<tr>
<td>Tentative program rollout based on steps above</td>
<td>January 2017</td>
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**Livestock, Poultry and Seed Programs**

<table>
<thead>
<tr>
<th>Actions/Decisions</th>
<th>Date</th>
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<tr>
<td>GMO Disclosure: Request for Proposal Announcement for the Electronic or Digital Disclosure Study required by statute</td>
<td>October 2016</td>
</tr>
<tr>
<td>Georgia Dock Report: Launch new solution to enhance poultry reporting</td>
<td>October 2016</td>
</tr>
<tr>
<td>Catfish Grading: Determine a course of action about developing a standard and voluntary grading program for catfish, based on comments received on a July 14, 2016, <em>Federal Register</em> notice and industry feedback. The comment period closed September 12, 2015.</td>
<td>November 2016</td>
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United States Department of Agriculture  
2016 Presidential Transition  
Marketing and Regulatory Programs (MRP)

<table>
<thead>
<tr>
<th>GMO Disclosure: Award of Contract for Electronic or Digital Disclosure Study</th>
<th>December 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revisions to Beef Standards (Adding Dentition to Determine Maturity Grouping): Determine whether to proceed with specific changes to the beef standards after evaluating comments received from an August 24, 2016, notice in the Federal Register. The notice asked for feedback on a petition from industry stakeholders. The comment period closes October 24, 2016.</td>
<td>December 2016</td>
</tr>
<tr>
<td>GMO Disclosure: Public comment on Electronic or Digital Disclosure Study</td>
<td>March 2017</td>
</tr>
<tr>
<td>GMO Disclosure: USDA review of Electronic or Digital Disclosure Study for July 2017 publication</td>
<td>June 2017</td>
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</table>

**APHIS**

**Regulatory Actions**

A regulation is a legally binding rule developed by an agency. For that reason, rulemaking is a thorough, time consuming, and often complicated process that provides opportunity for the public to provide input on regulations before they are finalized. The process is governed by the Administrative Procedures Act and several Executive Orders. Rulemaking can take from several months to several years. Factors affecting the timeline include the complexity of the issues involved; the availability of data needed for economic, risk, or environmental analyses; the extent of public participation in the rulemaking, and the number and nature of comments received; the priority of the rulemaking relative to other Agency rulemakings under development at the same time; and whether the rule requires review by the Office of Management and Budget. Some also require consultations with State and local government, and Indian Tribes.

From January through June 2017, APHIS will continue the rulemaking process for the proposed regulatory actions listed below whose comment periods closed and for which we published no final regulatory decision prior to the end of fiscal year (FY) 2016. APHIS will update its rulemaking priorities following any published update to the Current Unified Agenda of Regulatory and Deregulatory Actions, including:

- the proposed rule for amending the horse protection regulations (published 7/26/16; comments due 10/26/16);
- the proposed rule for the importation of live sheep, goats, and certain other non-bovine ruminants, and products derived from sheep and goats, with regard to transmissible spongiform encephalopathies such as bovine spongiform encephalopathy (BSE) and scrapie (published 7/8/16; comments due 9/16/16);
the proposed rule to update our National Environmental Policy Act regulations (published 7/20/16; comments due 10/19/16);
the proposed rule for establishing de minimis exemptions from the Animal Welfare Act (published 8/4/16; comments due 11/2/16);
the proposed rule for the importation of lemons from Argentina (published 5/10/16; comments due 8/10/16);
the proposed rule for marine mammals (published 2/3/16; comments due 5/4/16)
the proposed rule for the select agents program (published 1/19/16; comments due 3/21/16);
the proposed rule for brucellosis and tuberculosis (TB) (published 12/16/15; comments due 5/16/16);
the proposed rule to establish performance standards for importation and interstate movement of fruits and vegetables (Q56 expansion) (published 9/9/14; comments due 11/10/14; comment period reopened 12/04/14; comments due 1/09/15; comment period reopened 2/06/15; comments due 3/10/15);
the proposed rule for scrapie (published 9/10/15; comments due 11/9/15; comment period reopened 11/16/15; comments due 12/09/2015);
the proposed rule for the forfeiture regulations (published 5/21/2013; comments due 7/22/13); and,
the interim rule to specify conditions for payment of indemnity claims for highly pathogenic avian influenza (HPAI) (published and effective 2/9/16; comments due 4/11/16).

(See Important Policies and Regulations for additional information about many of these proposed rules.)

APHIS will also continue to address petitions to deregulate genetically engineered plants, including:

- a petition from Scotts and Monsanto to deregulate creeping bentgrass genetically engineered for resistance to the herbicide glyphosate (notice published 1/08/2016; comments due 3/8/16; notice of environmental impact statement published 9/30/2016; comments due 11/14/16).
- a petition from ArborGen Inc. to deregulate freeze tolerant eucalyptus lines designated 427 and 435, which have been genetically engineered to be more tolerant of cold conditions (notice published 2/27/2013; comments due 4/29/2013; draft environmental impact statement and Endangered Species Act findings submitted to the Department of the Interior, Fish and Wildlife Service 4/2015).

January 2017

Pet Bird Home Quarantine Business Process Improvement (BPI)
In January 2017, APHIS expects to move into phase 2 of its Pet Bird Home Quarantine BPI, which will focus on increasing the effectiveness of the process for bringing certain pet birds into
the United States and permitting them to be quarantined at home rather than a Federal quarantine facility. This change will allow APHIS to improve communication with importers before and after the birds arrive in the United States and improve the Agency’s oversight of the birds from pre-export through import, quarantine, and release. In FY 2017, APHIS plans to share data regarding the improvements with stakeholders.

**New APHIS Inspection Facility in Eagle Pass, TX**
APHIS inspects cattle entering the United States from Mexico at several locations along the United States-Mexico border to ensure they are free of specific diseases and pests that could harm domestic livestock and impact trade. The current APHIS livestock inspection facility in Eagle Pass, TX, is not suitable for long-term use for several reasons, including concern for employee safety due to violence in the region. APHIS is working to lease/build new space in Eagle Pass while maintaining operations in the current space. The lease is anticipated to be in place by the end of 2016 with construction beginning in early 2017 and a goal for occupancy by the end of FY 2017. Industry is very interested in, and has been asking questions about, the new facility. APHIS anticipates moving facilities will have only minimal operational impact to stakeholders.

**Expansion of the Systems Approach Program for the Export of Hass Avocado from Mexico into the United States**
APHIS, in collaboration with its Mexican counterpart, SENASICA, and avocado industry representatives, will sign an operational work plan that includes measures for the inclusion of avocado-producing areas in Mexico into the avocado import program. This program facilitates the safe importation of this commodity into the United States.

**Announce Projects Approved for Funding Through Farm Bill Section 10007**
APHIS plans to announce the projects that will receive $62.5 million in overall funding in 2017 through the Farm Bill’s Section 10007. Section 10007 funding is split between two programs: the Plant Pest and Disease Management and Disaster Prevention Program, and the National Clean Plant Network (NCPN). Of the overall funding distributed, at least $5 million will go to NCPN. APHIS – with input from stakeholders – chooses projects that are best aligned with the Agency’s specific goals for preventing the introduction or spread of plant pests and diseases that threaten U.S. agriculture and the environment. A variety of entities, including State departments of agriculture, academic partners, non-profit organizations, and other Federal agencies carry out these 10007 projects.

**Broad Offsetting Collection Activities (Audit # 100332)**
The U.S. Government Accountability Office (GAO) is reviewing the different types of collection authorities that regulatory agencies use and how those agencies balance autonomy and Congressional oversight. The tentative due date for the report is January 31, 2017.

**Safety of Imported Beef from Countries with Foot-and-Mouth Disease (Audit #100294)**
GAO is reviewing USDA’s processes to ensure that beef from foreign sources is disease-free and safe for import into the United States. This includes a review of how USDA determines the potential risk to U.S. agriculture from beef imported from countries with a recent history of foot-and-mouth disease, the methods USDA uses to verify animal health data received from foreign
agricultural authorities seeking approval to export beef to the United States, and how USDA decides what specific conditions foreign entities should meet before their beef products may be imported. The tentative due date for the report is January 31, 2017.

February 2017

Certification of a Second Irradiation Facility in Vietnam for the Treatment of Commodities Intended for Export to the United States
APHIS, in partnership with the Vietnam National Plant Protection Organization, will finalize the certification process to approve a second irradiation facility in Hanoi, Vietnam. Under the purview of a preclearance program, local producers will be able to treat their fruit closer to growing areas and expedite the export inspection and certification process of commodities to be shipped to the United States.

March 2017

Completion of Recommendations from Reviews of Fast-Track Action Committee on Select Agent Regulations (FTAC-SAR) and Federal Experts Security Advisory Panel (FESAP)
APHIS and the Centers for Disease Control and Prevention (CDC) manage the Federal Select Agent Program (FSAP). The program oversees the possession, use and transfer of biological select agents and toxins that have the potential to pose a severe threat to public, animal or plant health or to animal or plant products. FSAP is leading implementation for 19 recommendations stemming from White House-driven reviews of the FTAC-SAR and FESAP. APHIS expects to complete any remaining recommendations by early 2017.

Implementation of an Offshore Certification Program for the Importation of Ornamental Cuttings into the United States
APHIS has partnered with the U.S. greenhouse industry to develop a voluntary certification program for overseas (i.e., offshore) facilities that produce ornamental cuttings to be exported to the United States. This means that APHIS will audit and certify the offshore facilities to produce the cuttings. This will standardize facility operating procedures, streamline inspections, and provide APHIS with additional safeguards against the entry of plant pests and pathogens on ornamental cuttings. APHIS and industry will pilot this program in fiscal year 2017, beginning as early as March if agreeable to industry, using the plant inspection stations in Atlanta, Georgia and Miami, Florida.

Highly Pathogenic Avian Influenza (Audit # 100668)
USDA’s Office of the Inspector General is reviewing any threats the highly pathogenic avian influenza virus may pose to public health, agriculture, or the economy in the United States; steps the Federal Government is taking to address these threats; and what gaps remain for addressing any future threats. The tentative due date for the report is March 31, 2017.
April 2017

Implementation of Suspension and Debarment Tools in the U.S. Department of Agriculture
USDA’s Office of the Inspector General is reviewing USDA’s controls to ensure agencies initiate and refer USDA program violators for Suspension and Debarment actions. The tentative due date for the report is April 30, 2017.

May 2017

N/A

June 2017

Publication: Results of Infectious Salmon Anemia Virus (ISAV) Surveillance
The APHIS aquaculture program supports producers, promotes good farming practices, and monitors for disease in aquaculture. In 2012, in response to unofficial ISAV findings in British Columbia, APHIS, multiple State and Federal agencies, and Tribal entities launched a surveillance program to detect if ISAV is present in wild and farm-raised salmon in the Pacific Northwest. Infectious salmon anemia is a serious viral disease that affects farmed Atlantic salmon in several areas of the world, and its presence in British Columbia would have raised concerns about the potential impact to wild fish populations and commercial aquaculture in Alaska and Washington. The surveillance effort concluded in FY 2016 with 4,000 animals sampled and tested and no evidence of the virus found. APHIS and its collaborative partners plan to publish the surveillance findings by June 2017.

Wild Bird Surveillance for Highly Pathogenic Avian Influenza (HPAI)
APHIS coordinates the U.S. interagency surveillance efforts for HPAI in wild birds. The goals of this effort are to maximize our ability to detect avian influenza viruses in wild waterfowl in the United States, detect virus spread to new areas, provide a flexible surveillance framework to monitor wild dabbling duck populations for influenza reassortants and introductions of new viruses, and estimate the prevalence of new influenzas once detected. Between July 2016 and June 2017, APHIS and its State and Federal partners will collect about 30,000 samples from migratory waterfowl in 47 States and test them for HPAI. Progress on this sampling effort will be posted weekly on the APHIS avian influenza web page.

GIPSA

Packers and Stockyards Program
Assuming that the Farmer Fair Practices Rules are published in the Federal Register in November or December 2016, with a 60-day comment period, the new administration will have to first determine whether to extend the comment period. That is anticipated before mid-February, 2017. Once the comment period closes, the program will have to review comments and decide how to proceed on the proposed rules.
The President recently signed P.L. 114-237, which amended the Packers and Stockyards Act to define market agency to include livestock sales conducted online through video or other electronic methods and to allow packers, market agencies, and dealers to pay for livestock by wire, electronic fund transfer, or any other method determined appropriate. The new administration will need to review existing regulations and decide how to proceed with rules to implement the amendments to the Packers and Stockyards Act.

**Federal Grain Inspection Service**
No key decisions or program actions are anticipated in the first six months of the new administration, through June 30, 2017.

**Mission Area Issues**

**AMS**

**Labeling of Bioengineered Food**
On July 29, 2016, President Obama signed into a law a mandatory national bioengineered food disclosure standard (Public Law 114-216). AMS is the USDA Agency responsible for implementing the labeling requirements. AMS has published the new law on its website and provided an opportunity for the public to provide comments and ask questions on the new law via phone and email. The new law requires AMS to conduct a study identifying technical challenges for consumers to access an electronic or digital disclosure. On September 1, AMS published a Request for Information seeking input from vendors and general stakeholders on the study design, which closed on September 15. On September 14, AMS Administrator Starmer delivered to all AMS Deputy Administrators a policy memorandum affirming the new law’s consistency with the National Organic Program (NOP) and ensuring that rulemaking on the new law will not impact the NOP.

**Next Steps:** AMS is using the comments received on the RFI to develop the solicitation for vendor proposals for the study on the electronic or digital disclosure. However, posting of the solicitation is contingent on funding. AMS is continuing to analyze the requirements of the law, establish funding for staffing and study requirements, determine potential interactions with existing AMS programs, and work within the regulatory process to publish an advanced notice of public rulemaking in the Federal Register.

**U.S. District Court Decision on Resolute Forest Products, Inc.**
On April 15, 2015, Resolute Forest Products filed a motion for summary judgment claiming that the Softwood Lumber Research and Promotion Order is unconstitutional. USDA has been involved in ongoing deliberation since the initial filing. On May 17, 2016, the U.S. District Court found that USDA’s Softwood Lumber Order was unlawful as promulgated. At a June 1, 2016, hearing held to discuss remedies, the court ordered: (1) USDA and the Softwood Lumber Board are prohibited from collecting further assessments from Resolute under the current Order; (2) USDA and the Board must maintain a balance of funds of not less than $1.1 million under the
current Order; and, (3) USDA and Department of Justice (DOJ) shall file a brief supporting USDA’s position that the $1.1 million is assessments paid by Resolute should not be refunded in its entirety. A brief developed by AMS and DOJ for the court was filed on June 30, 2016. Resolute filed its response on July 20, 2016; USDA/DOJ’s reply was filed by the extended due date of August 24, 2016. Subsequent to the briefs being filed, the judge ordered the parties to submit briefs on issues regarding sovereign immunity and the authority of USDA to require the Board to refund assessments to Resolute. The deadlines for USDA and Resolute to submit their briefs are October 18, 2016 and November 1, 2016, respectively. On June 30, 2016, AMS posted external Q&As about the case per the industry’s request.

AMS published a notice on July 20, 2016, notifying industry that a continuance referendum originally scheduled for August 20 will not be held. On July 13, 2016, AMS met with the Office of the Chief Economist (OCE) to discuss analyses necessary for upcoming rulemaking on the de minimis provisions of the order. On August 30, 2016, an interim rule was published in the Federal Register revising the time frame for the continuance referenda under the Softwood Lumber Order. The rule revises the time frame from 5 years (2016) to no later than 7 years (2018). Comments are due by October 31, 2016. On September 1, 2016, Resolute filed a notice of supplemental authority to emphasize its previous arguments about the order in the context of USDA’s August 2016 interim rule. On September 14, 2016, AMS and DOJ decided to file a response to Resolute’s notice of supplemental authority. Our response will clarify the status of the rulemaking and any subsequent referenda on the order.

**R-CALF USA v. USDA/Vilsack**

On May 2, 2016, R-CALF USA filed suit in Federal District Court in Montana against Secretary Vilsack arguing that the Beef Checkoff Program should be promoting only U.S. beef. The complaint argues that the Checkoff Program denies R-CALF USA members in Montana their First Amendment rights since they are required to pay into the Montana chapter of the Checkoff program without a say in the marketing strategy. AMS will soon issue a rule regarding the redirection of beef Checkoff funds so producers have the option of directing their full assessment under the Beef Checkoff go entirely to the National Board. According to R-CALF’s legal challenge, the activities of the National Board are considered constitutionally sound by the Supreme Court, while the activities of the State Beef Councils are not. Thus, by giving producers the option to direct their monies to the National Board, R-CALF’s purported violations of First Amendment rights should be addressed.

On June 7, AMS asked if the Montana Beef Council would comply if a producer requested that they redirect assessments to the Cattlemen’s Beef Board. The Montana Beef Council responded that any redirection request, accompanied by appropriate and timely documentation, would be considered independently and that all state and Federal laws would be considered when making board decisions. The redirection rule was published on July 15, 2016, with a 60-day comment period that closed on September 13, 2016. USDA filed a motion to dismiss the case on August 4, 2016. On August 24, 2016, R-CALF responded to the motion to dismiss. On September 12, 2016, R-CALF also filed a motion for a temporary restraining order (TRO) to prevent USDA from allowing the Montana Beef Council from retaining half of the assessments. On 9/28/16, USDA filed opposition to the TRO and reply in support of its summary judgment motion. On
September 20, 2016, the Court issued an Order for a hearing to take place on October 25, 2016, at 2 p.m. regarding USDA’s Motion to Dismiss and Plaintiffs Motions to Summary Judgement and their Motion for a Temporary Restraining Order.

**American Egg Board**
The Chief Executive Officer of Hampton Creek, Inc., San Francisco, CA (Hampton Creek) complained that the American Egg Board (AEB) exceeded its mandate by funding a campaign to halt the growth of Hampton Creek. An internal AMS review of the allegations has been completed and was released publicly on October 7, 2016.

**The USDA Farmers Market**
Located on the corner of 12th and Independence Avenue, SW, the USDA Farmers Market is the Department’s own “living laboratory” for farmers’ market operations across the country. The market supports the local economy, increases marketing opportunities for farmers and small businesses, provides access to an assortment of local and regionally sourced products, and increases access to healthy, affordable food in the District of Columbia’s Ward 2. In its 21st year of operation, the USDA Farmers Market has experienced tremendous growth and has become a “go to” destination for federal employees and Washington, DC, visitors on Fridays during the spring and summer.

The daytime market hosts approximately 30 produce, prepared food, and cut flower vendors, and the nighttime market hosts approximately 24 vendors. The farmers market upholds the principles of “sourcing locally.” For prepared food vendors to participate in the market, they must demonstrate that the foods they are preparing are using ingredients sourced from local producers. It also conducts a weekly fruit and vegetable education program where shoppers can attend short 10-minute classes and get a "VegUcation" - learning how to pick, prepare and store a particular fruit or vegetable that is in season in the United States.

**Additional Pending Issues**

**Peoples Republic of China Government Officials to Visit U.S. Beef Production**
China Ministry of Agriculture officials conducted an assessment of the U.S. beef industry from September 11-19, 2016, to determine whether boxed beef products can be traceable to the ranch of origin. FAS, AMS, FSIS, and APHIS accompanied the delegation during the assessment. The opening meeting in Denver, CO, included the USDA agencies and various members of industry. The group continued to Nebraska to review two cow/calf ranch operations, one feedlot, and two slaughter facilities. Industry demonstrated its ability to trace the boxed beef to cattle arriving from slaughter, and the cattle to ranch of origin, through AMS’ program for source and age verification, which would eventually be a part of an Export Verification, developed for China. The delegation then traveled to the State of Washington, where APHIS briefed the delegation on how the single incidence of BSE in December 2003 was handled to ensure that BSE is still a negligible risk in the United States according to OIE standards.
On September 22, 2016, China officially lifted its 13-year ban on U.S. beef.

**Notice Seeking Comments on U.S. Standards for Grades of Catfish and Catfish Products**

On July 14, 2016, AMS published a Notice in the Federal Register seeking comments, data, research, and other information to help the Agency carry out the 2014 Farm Bill mandate to establish a voluntary fee-based grading program for catfish and catfish products. AMS is coordinating with the Department of Commerce’s National Marine Fisheries Service (NMFS), which has a program for quality evaluation of product, grading, and certification of fish (including catfish), shellfish, and fish products. We received four comments during the comment period, which ended on September 12, 2016 AMS will conduct two workshops to share information with stakeholders and gain more input to assist in developing grade standards and establishing a USDA grading program for catfish.

**Petition to Revise U.S. Beef Standards to Allow Alternate Means of Age Determination in Carcass Beef**

On April 13, 2016, AMS received a petition from several industry stakeholders asking the Agency to make changes to allow for dentition as a means of age determination and eligibility for carcass grading. AMS published a Notice in the Federal Register on August 24, 2016, seeking public comments on the changes proposed in the petition. Comments were due by October 24, 2016. Based on an analysis of the comments received, AMS will decide whether to proceed with specific changes to the standards.

**Japan to Audit U.S. Beef Production**

Japan government officials have set a tentative date of November 7-18, 2016, to visit the United States to audit U.S. beef producers exporting to Japan. Japan is awaiting additional questionnaires from beef producers, and evaluating responses from AMS on the JBS Souderton issue before audit sites are selected and the trip is finalized.

- **JBS Souderton Suspended from Export Verification Programs** - In April 2016, AMS suspended and delisted JBS Souderton from the Export Verification (EV) program because of issues related to the shipment of non-conforming beef products to Korea through Chicago Meat Authority. AMS completed “for cause” audits at all JBS facilities in late May, and subsequent corrective actions and required training in July. AMS provided a summary of the audit findings to Japan in late July and continues to address Japan’s questions about the findings and corrective actions. On August 22, AMS provided info to Japan regarding mislabeled packages from JBS Souderton, which shipped to Japan but did not enter commerce. Japan notified importing companies that it suspended imports of product from JBS Souderton. FAS will keep AMS apprised of any developments.

**Development of Industry Standard Definition for “Cage-Free” Eggs**

On September 21, 2016, Secretary Vilsack hosted a meeting with key representatives of the grocery and food retail sectors and the U.S. shell egg industry to discuss strategies for meeting the 2026 deadline established by volume food buyers for transitioning to cage-free supplies. All
parties agreed that the starting point was for industry to develop a standard definition of the term “cage-free.” The United Egg Producers (UEP) is leading the effort; AMS offered to play a support role and facilitate discussions.

A meeting is tentatively planned for October 27, 2016, in Washington, DC, at which interested egg producers and members of the food retailing sectors will begin developing an agreed-upon definition. Once that definition is developed, UEP and the group will then engage consumer and animal rights organizations.

**Cornucopia Institute v. USDA/Secretary Vilsack**
On April 19, the Cornucopia Institute filed a complaint with the U.S. District Court for the Western District of Wisconsin on behalf of two organic producers. The complaint charges that USDA violated the Organic Foods Production Act (OFPA) in appointing members to the NOSB who did not meet OFPA qualifications. AMS continues to provide OGC and DOJ with information to support the case as requested.

**National Organic Program Freedom of Information Act (FOIA) Lawsuits**
The Cornucopia Institute filed eight lawsuits over AMS handling of FOIA requests related to National Organic Program records. AMS continues to coordinate with General Law on case-specific actions, and NOP has awarded a contract to support expanding FOIA needs.

**Process Verified Program (PVP)**
LPS provided independent verification and transparency to issues of increasing importance to consumers by partnering with industry to develop several groundbreaking consumer marketing programs. These include a non-GE/GMO USDA Process Verified Program (PVP) for consumer-facing products and the McDonald’s Responsible Antibiotic Use PVP for chicken, which launched publicly during the Summer Olympics, 5 months earlier than originally planned; the School Food Focus (SFF) Certified Responsible Antibiotic Use PVP for chicken; and a non-GE/GMO USDA Process Verified Program (PVP) for grain. In total, PVPs verify antibiotic-related claims for nearly 15 percent of the U.S. broiler industry, with an additional 12 percent committed by the end of the calendar year. LPS relaunched the PVP after completing all action items related to the OIG audit of the PVP, developing consistent procedures to maintain public and customer confidence in AMS third-party verification services. LPS and AMS Public Affairs developed a comprehensive communications plan to inform customers of the program changes through publishing three PVP blogs and an infographic, updating PVP Web site information, reformatting the PVP listing to highlight process points, partnering with external stakeholders to highlight the PVP in practice, and rolling out PVP updates on the GovDelivery platform.

**Transition of Layer Industry to “Cage-Free” Eggs**
On September 21, 2016, the Secretary of Agriculture and AMS hosted a meeting with leaders in the retail, manufacturing, and foodservice sectors and U.S. egg producers to discuss the challenges in transitioning egg production from conventional caged systems to “cage-free.” The meeting provided USDA an opportunity to show support for the industry and commit its assistance in addressing several of the major hurdles ahead.
A major outcome of the meeting was that all the participants agreed that a clear and commonly accepted definition for “cage-free” was necessary for all parties to have confidence in moving forward. Participants agreed that efforts to develop a common definition should be led by industry, with support from AMS. The participants also agreed that animal rights and consumer groups should be involved in future discussions, with as much direct communication between these organizations and the industry and food sector as possible. The next meeting has been scheduled for November 30, 2016, and will be convened by the United Egg Producers.

Center for Food Safety, et al. v. Vilsack, et al/Green Waste: A second complaint, filed on April 14, 2015, relates to Guidance Document – NOP 5016 (Allowance of Green Waste in Organic Production Systems). On June 20, 2016, the U.S. District Court Judge for the Northern District of California ruled that NOP 5016 must be vacated by August 22, 2016. AMS did so, withdrawing NOP 5016 on August 22 as directed. A Notice to Trade was sent on August 18 to update the organic community. AMS is currently drafting a proposed rule to replace the guidance with a regulatory rule change, with the opportunity for public comment. The work plan was designated as significant by OMB on August 31.

On September 19, 2016, USDA and the plaintiffs executed a settlement agreement for legal fees authorized under the Equal Access to Justice Act.

Livestock Mandatory Reporting (LMR) Study
The Agriculture Reauthorizations Act of 2015 specified that USDA complete, by March 1, 2018, a study through AMS and the Office of the Chief Economist, and in consultation with the livestock and meat industry, to analyze current livestock marketing practices; identify future legislative or regulatory recommendations; analyze price and supply information reporting services of USDA related to cattle, swine, and lamb; and, address any other issues that the Secretary considers appropriate. AMS commissioned a baseline “as is” study of the livestock and meat industry and LMR, which was completed August 2016, to help inform this comprehensive review. To gather feedback from industry stakeholders, AMS will bring members of the industry together in a series of structured stakeholder meetings to openly discuss the marketing methods and current challenges with reporting livestock and meat markets to reach consensus on what each commodity area would like changed in the next reauthorization of LMR. All meetings will be facilitated by the Federal Mediation and Conciliation Service (FMCS). The goal of these meetings is to reach consensus on what each commodity area would like changed in the next reauthorization of LMR. This industry consensus report will provide information for Congress to consider to facilitate an orderly reauthorization of LMR in 2020. The first stakeholder meeting will be held on November 15-16, 2016, in Washington, DC.

Humane Society of the United States vs. Vilsack
In September 2012, the Humane Society of the United States (HSUS) filed suit in the Federal District Court of the District of Columbia against the Secretary of Agriculture under the Administrative Procedure Act (APA) challenging the approval of the National Pork Board’s (Board) purchase of four trademarks including the “Pork, The Other White Meat” (PTOWM) slogan from the National Pork Producers Council (NPPC). On August 14, 2015, HSUS won its appeal for standing. The case is still pending with each party submitting records to the Court. The decision will be based upon the administrative records filed on June 29, 2016. On August
24, 2016, USDA filed additional materials to supplement USDA’s administrative record that was originally filed with the court on June 29, 2016.

**USDA Certified Transitional Program**
AMS is reviewing the Organic Trade Association’s Transitional Certification standard, which was submitted on May 20. The standard would allow AMS to approve Accredited Certifying Agents to verify processes and practices used by producers during the 3-year transition period required by the National Organic Program regulations when moving from conventional to organic production. On September 27, AMS met with OTA to outline the issues, primarily with the label. AMS continues to work with OGC.

**Global Food Safety Initiative**
In recent years, international entities, such as the Global Food Safety Initiative (GFSI), have worked to build equivalence and convergence among the various effective food safety management systems in an effort to eliminate redundancy in the audit process for buyers and producers, and to improve the operational efficiency of the food safety certification sector. Major U.S. corporations, namely Walmart, McDonalds, Cargill, Kroger and Wegmans, sit on the GFSI Board of Directors.

AMS is working closely with GFSI to obtain equivalency under the new GFSI Standard Equivalency Process for Government Entities. This accreditation will allow AMS’ audit program to serve as a single, accredited certification body that can meet buyers’ multiple requirements for audits.

**Pesticide Data Program—Glyphosate**
Glyphosate is an herbicide used to control weeds used in soybeans, corn, cotton, wheat, pasture/hay, orchards/grapes, and fruit and vegetables. In the past, the Pesticide Data Program (PDP), a national pesticide residue monitoring program that produces the most comprehensive pesticide residue database in the U.S., did not routinely test glyphosate because it was not widely used on many of the fruit and vegetables and other products tested and requires a specialized method of analysis. PDP is implemented through cooperation with State agriculture departments and other Federal agencies and selections for testing are made based on EPA’s data needs.

Glyphosate has been a popular topic in agricultural/consumer news. Currently, FDA is testing corn and soybean grains for glyphosate residues. The FDA glyphosate residues testing will provide results to help determine if EPA needs additional data. When FDA results become available, USDA will consult with EPA to ensure we continue to provide quality data to meet EPA’s data needs.
Overarching Issues

1. Increasing Exports

Issue: The years 2011-2015 were the best for agricultural exports in U.S. history. However, many countries maintain barriers to U.S. agricultural exports related to animal and plant health concerns (sanitary and phytosanitary, or SPS, issues). Many of these barriers are not justified by science and impede U.S. agricultural export growth.

Public Policy Reason for APHIS Involvement: APHIS experts work with foreign counterparts to negotiate science-based import and export requirements, eliminate unjustified SPS barriers to trade, and advocate on behalf of U.S. agriculture in international forums such as the World Trade Organization, the World Organisation for Animal Health, and the International Plant Protection Convention. APHIS also helps exporters whose products have been detained in foreign ports. In addition, APHIS supports the free flow of exports by certifying that U.S. agricultural products meet importing countries' entry requirements.

APHIS’ Statutory/Regulatory Scope: In accordance with the Animal Health Protection Act, the Plant Protection Act, and related regulations, APHIS regulates the export of live animals and facilitates the export of animal products, plants, and plant products. APHIS supports these exports through its Veterinary Services (VS), Plant Protection and Quarantine (PPQ), International Services (IS), and Biotechnology Regulatory Services programs. Serving as the United States’ veterinary medical and plant protection authorities, respectively, VS and PPQ negotiate conditions for U.S. exports (with support from IS) and develop risk mitigations necessary to prevent the spread of pests and diseases.

Items in Controversy: [b](5) Deliberative Process Privilege

Industry, Consumer, and Congressional Interest: In addition to relying on APHIS to resolve immediate trade issues involving exports, a wide range of exporters—including poultry, beef, and specialty crop producers—have asked APHIS to help expand their access to markets abroad. Congress requested reports on the status of foreign market access requests submitted by U.S. producers, companies, and others in the fiscal year (FY) 2016 Appropriations Act and FY 2017 House Appropriations Bill. As of October, the report in response to the FY 2016 Appropriations Act is in USDA clearance.
Executive Branch Position to Date: APHIS was a party to negotiations with 11 other Pacific Rim nations for the Trans-Pacific Partnership, concluded earlier this year. It is currently involved in negotiations for the Trans-Atlantic Trade and Investment Partnership with the EU. APHIS also holds annual meetings with representatives of major export sectors to determine issues of concern and how APHIS can assist. In FY 2015, APHIS resolved 171 trade-related issues valued at $2.5 billion; it also successfully obtained the release of 293 individual shipments valued at more than $25 million.

APHIS received increased funding in the last two appropriations acts ($2 million in FY 2015 and $1 million in FY 2016) to support resolution of issues affecting U.S. exports. The Agency is using this funding to support exports by, among other things, training and assigning more personnel to key positions domestically or in emerging markets, which have the largest potential growth for U.S. exporters but also present difficulties caused by technical and regulatory issues. APHIS is also using this funding to provide greater oversight of how growers and packers are implementing the export requirements of foreign countries, to ensure export products may enter foreign markets safely and efficiently.

APHIS has long worked to streamline the export process through continual advancements in its Web-based Phytosanitary Certificate Issuance and Tracking system, which handles all phases of the phytosanitary certificate application and issuance process. In response to an Executive Order to streamline the import and export process for America’s businesses, APHIS is also coordinating with other Federal agencies to implement the International Trade Data System. This system will allow businesses to electronically submit data required by U.S. Customs and Border Protection and partner government agencies to import or export cargo through a single “window.”

Potential Alternative Approaches: [b](5) Deliberative Process Privilege

2. Border Security

Issue: Beginning in 2010, violence in Mexico at or near the U.S. border—mostly due to drug trafficking organizations—reached levels that required APHIS to periodically modify or suspend operations in some areas to ensure employee safety. APHIS takes these actions in concert with the U.S. Department of State (DOS), which has authority to determine whether U.S. Government (USG) personnel can operate in Mexico.

The violence tends to be transitory and operational actions APHIS takes are usually short-term, though there are exceptions. One involves APHIS’ movement of cattle inspection facilities from Mexico to four locations on the U.S. side of the border in Texas (Pharr, Del Rio, Eagle Pass, and Laredo). Border issues have also affected APHIS’ long-term pest and disease reduction-efforts with Mexico on bovine tuberculosis (TB), fruit fly, and cotton pest suppression programs, among
others. With respect to TB, security concerns have reduced APHIS’ ability to evaluate the TB program status of cattle coming from certain areas of Mexico. As a result, APHIS is unable to consider changing U.S. entry requirements for those cattle if the disease prevalence has changed—e.g., strengthening or reducing import restrictions as appropriate.

APHIS has nearly 600 employees along the U.S. border with Mexico working in a variety of programs to safeguard U.S. agriculture and to facilitate trade. Nearly half are Foreign Service national employees of APHIS who live and work in Mexico; the rest are U.S. residents whose work frequently requires them to cross into Mexico. DOS has prohibited USG personnel from working in areas of Mexico due to gun battles, executions, kidnappings, and carjackings. At times, APHIS employees have witnessed these activities, been directly threatened, and, on one occasion, robbed and carjacked.

**Public Policy Reason for APHIS Involvement:** APHIS’ work in Mexico helps facilitate trade and ensures that products exported from Mexico to the United States do not pose a disease or pest risk to U.S. agriculture.

**APHIS’ Statutory/Regulatory Scope:** APHIS’ programmatic activities in Mexico are carried out under the authority of the Animal Health Protection Act and the Plant Protection Act. However, DOS has ultimate authority over USG personnel in Mexico. APHIS security staff work with DOS’ Regional Security Officers and—as appropriate—the Department of Homeland Security (DHS) to assess security situations prior to a DOS determination.

**Items in Controversy:**

**Industry, Consumer, and Congressional Interest:** APHIS’ work in Mexico benefits agricultural importers and exporters in the United States who do business with counterparts in Mexico. Programmatic work in Mexico also helps safeguard U.S. citrus production in southern Texas, and much of Mexican fruit fly eradication efforts are undertaken in coordination with Mexico’s Secretary of Agriculture, Livestock Rural Development, Fisheries, and Food. Trapping for Mexican fruit flies along the northern Tamaulipas border is severely limited due to security issues. The citrus industry is concerned that if violence were to disrupt APHIS’ use of aerial release and sterile insect technique efforts to suppress fruit flies in Northern Mexico on a long-term basis, citrus production in south Texas could be impacted. In another case, the United States temporarily halted the import of Mexican avocados, when security concerns prevented APHIS from conducting inspections and certifying facilities to ensure the avocados met U.S. import requirements.

Several Congressional representatives have inquired about APHIS modifications or suspensions of activities along the border when they have impacted members of their districts, particularly in Texas. House Committee staff have informally inquired about border security issues in recent
years and their impact on some APHIS programs, especially the cotton pests programs. The House included language in the fiscal year 2016 appropriation directing APHIS to work with the U.S. cotton industry to develop a plan of action to protect the United States from boll weevil re-infestation. While APHIS is working with Mexican counterparts on the final stage of eradicating the cotton pest, security issues have affected this work because APHIS counterparts in Mexico cannot perform program activities such as conducting trapping and cotton treatment.

Executive Branch Position to Date: Employee safety and security is paramount and APHIS’ top priority. APHIS has developed strategies for ensuring a secure working environment for its employees, while protecting plant and animal health and allowing for safe trade. APHIS will continue to pursue such strategies as needed and will continue to work with DOS and DHS on evaluating potentially unsafe situations.

Potential Alternative Approaches: [b][s]Deliberative Process Privilege[/b][s]

Animal Care

1. Horse Protection Act (HPA)

Issue: The HPA, passed by Congress in 1970 and enforced by APHIS, prohibits the showing, sale, auction, exhibition, or transport of sored horses. The HPA has dual purposes: eliminating the inhumane practice of soring and restoring fair competition within the walking horse industry. Soring is a cruel and inhumane practice that aims to accentuate a horse’s gait through the application of chemicals, mechanical agents, or training methods. Soring is primarily used in the training of Tennessee Walking Horses, racking horses and related breeds to gain an advantage for persons showing sored horses.

Currently, the horse industry trains and oversees horse show inspectors. A 2010 report from the Office of the Inspector General (OIG) found that this industry-led inspection process creates a conflict of interest that allows the inhumane practice of soring to continue. APHIS veterinary medical officers conduct unannounced inspections at roughly 18 percent of horse shows annually to evaluate industry-hired inspectors and to visually and physically inspect horses to determine compliance with the HPA. OIG found that, for the shows they reviewed, industry-hired inspectors issued 49 percent of their total violations at the six percent of shows APHIS officials also attended, indicating inconsistent application of the HPA. In July 2016, APHIS published a proposed rule (Docket No. APHIS-2011-0009) that would bring responsibility for training and licensing horse show inspectors directly under the control of APHIS, and implement prohibitions on equipment correlated to the presence of soring.

Public Policy Reason for APHIS Involvement: Eliminating the practice of soring is one of the original missions of the Agency and remains a top priority.
APHIS’ Statutory/Regulatory Scope: 1976 amendments to the HPA authorized the appointment of “qualified persons” to detect soreness in horses and led to the establishment of the Designated Qualified Person (DQP) program. The DQP program allows horse show management to obtain services from a DQP—who is licensed by a Horse Industry Organization—to detect horses that are sored. The HPA also authorizes APHIS to issue rules and regulations it deems necessary to carry out the provisions of the Act.

Items in Controversy: APHIS has faced legal challenges and Congressional questions about the consistency of APHIS inspections at HPA-covered events to detect soreness in horses, and the process for disqualifying horses from competition based on inspection findings. This issue has proven contentious enough to, in some cases, result in personal threats to Agency officials by horse show participants.

Industry, Consumer, and Congressional Interest: Several Representatives and Senators, along with members of the performance horse segment of the industry that continue to use pads and action devices during horse shows, exhibitions, sales, and auctions, oppose the proposed rule. Several other Representatives and Senators, together with the American Veterinary Medical Association, the American Association of Equine Practitioners, and the animal protection community, support the proposed changes.

Executive Branch Position to Date: The Administration published the proposed rule to bring responsibility for training and licensing horse show inspectors directly under the control of APHIS, and eliminate the use of stacked pads and chains and other “action devices,” as well as foreign substances. The proposed rule aligns with OIG’s recommendations that APHIS play a larger role in training and overseeing horse protection inspectors. APHIS extended the comment period on the proposed rule 30 days to October 26, 2016.

Potential Alternative Approaches: (b)(5) Deliberative Process Privilege

2. Inspection of Agricultural Research Service’s Research Facilities

Issue: In January 2015, the New York Times published a lengthy investigative piece alleging significant animal welfare violations at the U.S. Meat Animal Research Center (MARC), a U.S. Department of Agriculture (USDA) Agricultural Research Service (ARS) facility in Nebraska that works to improve livestock health and production.

In response to the article’s allegations, the Secretary directed ARS and APHIS to implement a plan to ensure that APHIS inspects ARS facilities that use animals for agriculture or production research. Additionally, the U.S. House of Representatives placed a directive in the fiscal year (FY) 2016 omnibus appropriation, instructing ARS to enter into an agreement with APHIS. Under the terms of the agreement, APHIS would conduct animal welfare inspections—as it does
for non-governmental entities regulated under the Animal Welfare Act (AWA)—at ARS facilities that use animals in agriculture or production research to ensure compliance with the AWA.

The AWA sets standards for the humane care and treatment of most warm-blooded animals exhibited to the public, bred for commercial sale, used in medical research, or transported commercially. Regulated facilities must provide their animals with, among other things, adequate housing, sanitation, nutrition, water, and veterinary care. Because the AWA generally exempts agriculture research from regulatory oversight, when evaluating ARS’ compliance with the AWA, APHIS will rely on both the AWA regulations and standards as well as the standards of care for farm animals used in research, as set forth in the Federation of Animal Science Societies’ Guide for the Care and Use of Agricultural Animals in Agricultural Research and Teaching (commonly referred to as the Ag Guide).

The House directive further stipulated that more than $57 million of ARS’ appropriation would not be obligated until the Secretary certified to Congress that ARS had updated its animal care policies and all ARS animal research facilities had established fully functioning Institutional Animal Care and Use Committees (IACUC). In compliance with the directive, APHIS and ARS signed a memorandum of understanding under which APHIS would conduct animal welfare inspections at ARS facilities and make the results of those inspections publically available on its website.

In August 2015, APHIS inspectors initiated pre-compliance site visits at ARS facilities to evaluate the welfare of animals at each facility and work with ARS officials on building an effective inspection program that will ensure the facilities are in full compliance with the AWA. The pre-compliance visits were completed in early October 2016. Based on ARS’ progress in meeting AWA requirements at its research facilities, the House appropriations committee released ARS’ remaining appropriation in the summer of 2016. Starting in November 2016, APHIS officials will begin conducting unannounced animal welfare inspections at 37 ARS locations engaged in agricultural research activities.

**Public Policy Reason for APHIS Involvement:** As the agency charged with enforcement of the AWA, APHIS was asked to fulfill Congress’s directive to oversee certain aspects of animal welfare at ARS research facilities.

**APHIS’ Statutory/Regulatory Scope:** APHIS is authorized under the AWA to conduct unannounced inspections of research facilities that use certain animal species. However, facilities that use only livestock or poultry for research to improve livestock health and production are exempt from AWA regulation. Prior to the House’s directive, all Federal Government research facilities were also exempt from registering with APHIS, as each agency has the responsibility to ensure that any of its facilities that conduct research on AWA-protected animals remain in compliance with the AWA. Federal animal research facilities have long been required to have animal oversight committees similar in composition and function to the IACUCs required at other research facilities.
Items in Controversy: The New York Times article alleged that a significant number of serious animal abuses were occurring at the MARC. Prior to the House directive, no Federal animal research facility was ever required to register with APHIS, although APHIS offers courtesy registration and inspections to Federal facilities upon request.

Industry, Consumer, and Congressional Interest: The New York Times article spurred other media to pick up the story, triggering concern about the alleged animal abuses at the MARC facility. The House Appropriations Committee, especially its Democratic staff, has expressed strong interest in the issue. At a February 2015 House Agriculture Committee hearing, Representative Brad Ashford (D-NE) asked the Secretary for an update on actions taken. In addition to requiring ARS to work with APHIS on the inspection process, the 2016 omnibus appropriations bill included language requiring ARS to share inspection reports with the Committee. Senator Corey Booker (D-NJ) and Representative Earl Blumenauer (D-OR) introduced companion bills in February 2015 that would amend the AWA to require inspections at Federal research facilities that conduct livestock research. However, the legislation did not advance.

Executive Branch Position to Date: APHIS and ARS have complied with the House of Representatives’ directives. During its inspections of ARS facilities, APHIS evaluates compliance based on AWA and Ag Guide standards.

The IACUC at each ARS facility has the responsibility to closely monitor the care and treatment of animals and ensure that research protocols are properly carried out and documented. If, during an inspection, APHIS identifies a direct noncompliance (one currently having a serious or severe adverse effect on the health and well-being of the animal) with the AWA or Ag Guide, the facility’s IACUC will suspend the research activity until corrective action has been taken, and then report that action to APHIS.

3. Animal Welfare Act

Issue: APHIS administers the Animal Welfare Act (AWA) and its associated regulations, which set standards for the humane care and treatment of most warm-blooded animals exhibited to the public, bred for commercial sale, used in medical research, or transported commercially. Facilities using regulated animals for these purposes must provide their animals with, among other things, adequate housing, sanitation, nutrition, water, and veterinary care. The AWA also prohibits most animal fighting ventures. Every year, APHIS conducts roughly 10,000 unannounced inspections of facilities licensed or registered under the AWA, ensuring the health and welfare of more than 2 million animals. Sanctions for alleged violations of the AWA and its implementing regulations include license suspensions and revocations, civil penalties, cease and desist orders, and misdemeanor criminal penalties (for alleged violations of statutory provisions). APHIS operates a Center for Animal Welfare that provides training to employees and stakeholders and serves as the USDA national science and technology resource in support of the AWA. APHIS received $28 million from Congress in fiscal year (FY) 2015 and $28.4 million in FY 2016 for AWA-related activities.
Public Policy Reason for APHIS Involvement: Congress directed the Secretary of Agriculture to enforce the provisions of the Animal Welfare Act. APHIS’ extensive animal health capabilities and regulatory experience position it particularly well to oversee certain aspects of animal welfare.

APHIS’ Statutory/Regulatory Scope: The AWA does not cover all animals used in all activities. Farm animals used for food or fiber (fur, hide, etc.), coldblooded species (amphibians and reptiles), horses not used for research, fish, invertebrates (crustaceans, insects, etc.), or rats of the genus Rattus and mice of the genus Mus bred for use in research are not covered. Birds are covered under the AWA but we have not yet established specific regulatory standards for them.

Items in Controversy: APHIS has faced intense scrutiny and legal challenges from AWA licensees, animal protection groups, and concerned citizens, as well as Congressional inquiries, about its inspection activities at regulated facilities and sanctions levied for AWA violations. Certain issues—such as the welfare of elephants and big cats in circuses and zoos, dogs sold by breeders and dealers, orcas in exhibition, and primates used in laboratory research—are focal points for public attention and attract local and national press coverage.

Industry, Consumer, and Congressional Interest: APHIS receives a large volume of inquiries expressing concerns about the welfare of regulated animals. Although most industry partners work closely with APHIS to ensure they meet AWA standards, certain breeders and exhibitors consistently remain out of compliance with AWA standards; we have sanctioned them. Spurred by constituent and interest-group activism, Congressional offices regularly contact APHIS about its AWA-related activities. Some believe that APHIS is too intrusive or unfair in enforcement matters while others argue that APHIS does too little.

Executive Branch Position to Date: APHIS has undertaken significant actions in the past several years in response to Office of the Inspector General audits, congressional interest, and concerns from the general public, as well as internally generated initiatives. In 2013, APHIS finalized a rule amending the AWA to require dealers selling animals sight unseen over the Internet to be licensed. As with many animal welfare issues, this action generated intense congressional and public interest both for and against the rule. The following year, the Agency finalized a rule required by the 2008 Farm Bill to prohibit imports of most dogs into the United States for resale, research, or veterinary treatment unless the dogs are vaccinated, healthy, and at least 6 months old. In response to provisions in the FY 2016 Consolidated Appropriations Act, APHIS also stopped issuing or renewing AWA licenses for Class B “random” dealers selling animals from various sources, some believed to be illegitimate. In early 2016, the Agency published for public comment a proposed rule amending the AWA to further support the humane handling, care and treatment of marine mammals such as orcas in captivity; the comments are under review. APHIS also issued a policy promoting humane handling of newborn and infant exotic cats, such as tigers and lions, which risked illness and even death as a result of direct contact with the public, and held three public listening sessions on broader issues involving the handling of dangerous animals. In addition, APHIS has published a proposed “de minimis” rule authorized by the 2014 Farm Bill exempting certain businesses that are small or infrequently
exhibit certain animals—as well as owners of household pets that are exhibited occasionally and meet other criteria—from AWA license/oversight requirements. Public comments are due in early November 2016. Beginning that month, APHIS will perform regular inspections of animals at 37 USDA Agricultural Research Service research facilities to ensure AWA compliance.

To ensure fair and effective AWA enforcement, APHIS regularly reviews its internal processes, including its civil penalty guidelines, and reaches out to licensees and registrants to enhance their understanding of their obligations under the AWA. Further, although the AWA does not apply to privately owned pets, APHIS supports pets during emergencies. After Hurricane Katrina (2005), APHIS created an Emergency Programs division to work with the Federal Emergency Management Agency, States, and others to safeguard public safety and animal welfare by supporting collaborative capacity building in animal emergency management. Examples demonstrating the effectiveness of this effort include the Colorado airlift of over 800 animals accompanying owners evacuated from flood zones (2013) and recent Louisiana flooding (2016) where pets/animals were evacuated with their owners from flooded areas and sheltered.

Potential Alternative Approaches: [b](5) Deliberative Process Privilege

4. Public Contact with Dangerous Animals

Issue: APHIS is considering revising the Animal Welfare Act (AWA) regulations governing handling and public contact of dangerous animals. APHIS’ main focus is ensuring the welfare of animals while striving to develop and enact the most appropriate measures to protect animals from any potential harm that can result from being handled by humans. Some members of the public, animal interest groups and the regulated community have strong and divergent views on the subject.

Public Policy Reason for APHIS Involvement: Congress directed the Secretary of Agriculture to enforce the provisions of the Animal Welfare Act. APHIS’ extensive animal health capabilities and regulatory experience position it particularly well to oversee certain aspects of animal welfare.

APHIS’ Statutory/Regulatory Scope: The Animal Welfare Act and its associated regulations require the enforcement by USDA (APHIS) of federally established standards of care and treatment for certain warm-blooded animals bred for commercial sale, used in research, transported commercially or exhibited to the public. This docket applies to the latter category.
Items in Controversy: APHIS receives many public complaints related to the handling of animals, including handling resulting in injuries to animals and the public. During follow-up inspections, APHIS often documents evidence of noncompliance with AWA handling regulations.

Industry, Consumer, and Congressional Interest: More than 70 AWA-licensed exhibitors allow public contact with dangerous animals. APHIS has issued internal and external guidance interpreting the handling regulations, particularly as they relate to the handling of large felids (big cats). On average, APHIS initiates 45 investigations each year related to the handling of animals, including cases that resulted in significant injuries to, and the deaths of, animals and members of the public. Within the past decade, approximately 74 percent of those cases involved exhibitors of animals.

Executive Branch Position to Date: When APHIS promulgated current handling regulations, APHIS stated “exhibitors do not have the right to allow contact between public and dangerous animals,” but the regulatory text itself is less clear on this point. In 2000, APHIS published a handling policy in the Federal Register for public comment, and, in 2004, withdrew this policy from consideration noting “any clarification of the regulations should take place through rulemaking.” Thereafter, in 2007, a licensed exhibitor sued APHIS in Federal District Court alleging APHIS’ interpretation of the handling regulations to restrict contact between juvenile and adult large felids (big cats) and the public was arbitrary and capricious. Although the District Court found APHIS’ interpretation of the regulations was not unreasonable (and the Fourth Circuit Court of Appeals affirmed this decision), APHIS is repeatedly challenged during both inspections and administrative enforcement proceedings regarding this interpretation, and exhibitors often seek to circumvent the handling regulations.

On August 5, 2013, APHIS published in the Federal Register for comment a petition filed by the Humane Society of the United States on behalf of a broader coalition of stakeholders to prohibit public contact with big cats, bears, and nonhuman primates. The published petition (Docket No. APHIS-2012-0107) received more than 15,000 public comments. Officials reviewed all comments and found overall support for the basis of the petition. As a result, APHIS published a notice on June 24, 2016, reopening the comment period for the petition to explore the possibility of revising the Animal Welfare Act (AWA) regulations governing handling of and public contact with dangerous animals. APHIS also hosted a series of listening sessions that allowed participants to provide oral comments and hear responses on handling regulations. Archived audio recordings and written transcripts of these sessions can be found at: https://www.aphis.usda.gov/aphis/ourfocus/animalwelfare/handling-dangerous-animals-feedback-page. APHIS officials are carefully reviewing the more than 6,000 comments they received on or prior to the August 31, 2016, closing of the reopened comment period, and they will evaluate and address all feedback before proceeding with any decisionmaking on this matter.

Additionally, on April 4, 2016, APHIS notified all affected USDA license holders of their regulatory responsibilities under the AWA to ensure that newborn and infant nondomestic cats 28 days of age or younger are provided preventive and responsive veterinary care and adequate housing and nutrition, and to ensure that these animals are handled safely and protected from
harm. Licensees must handle these animals in a manner that does not expose them to any form of public contact, including public feeding and handling. The guidance document is located at https://www.aphis.usda.gov/publications/animal_welfare/2016/tech-neonatal-nondomestic-cats.pdf.

Potential Alternative Approaches: [b](5) Deliberative Process Privilege

Biotechnology Regulatory Services

1. Proposed 340 Regulations

Issue: USDA uses science-based regulatory systems to allow for the safe development, use, and trade of products derived from new agricultural technologies. USDA continues to regulate the importation, interstate movement, and field-testing of newly developed genetically engineered (GE) organisms that qualify as "regulated articles" to ensure they do not pose a threat to plant health before they can be commercialized. These science-based evaluations facilitate the safe introduction of new agricultural production options and enhance public and international confidence in these products. As a part of this effort, the Animal and Plant Health Inspection Service (APHIS) will publish a proposed rule to revise its regulations regarding the regulation of GE organisms.

Public Policy Reason for APHIS Involvement: APHIS’ mission is to protect plants from plant pests and noxious weeds, and is conducted under the authority of the PPA. There’s a critical need to make the current regulations more relevant in light of significant scientific advances and the risk assessment experience gained over the years. APHIS plans to better align its regulations with its statutory authority, align its regulatory oversight with risks to plant health, and ensure its regulatory program is more consistent with the current status of the science of genetic engineering.

APHIS’ Statutory/Regulatory Scope: When current biotechnology regulations were codified in 1987, the PPA had not yet been passed and the existing regulations were written pursuant to the Federal Plant Pest Act of 1957. The Plant Protection Act of 2000 gives APHIS authority to regulate organisms that are plant pests, noxious weeds, or both, and pose a risk to plant health. Amongst other changes, the proposed revisions will more closely align our regulations with the PPA to allow APHIS to regulate GE organisms that may pose a plant pest or noxious weed risk.

Items in Controversy: In March 2015, USDA withdrew a 2008 proposed rule to change the regulations. The 2008 proposed revisions were extensive and included significant changes to the scope of the regulations and the mechanics of APHIS’ regulatory oversight. APHIS received more than 88,300 comments on the 2008 proposed rule, indicating the proposed scope and many of the provisions of the rule were unclear, needed additional rigor, were far-reaching and overly restrictive. APHIS received concerns regarding what future criteria might be used to determine what organisms would fall under APHIS regulatory jurisdiction. Concerns regarding oversight
of crops that produce pharmaceutical and industrial compounds and increased regulatory burden are just a few examples of the complex issues raised by commenters. Therefore, APHIS withdrew the 2008 proposed rule and sought additional input from stakeholders.

In 2015, following the withdrawal of the 2008 proposed rule, APHIS reached out to the public for input with a series of webinars and through a public comment period to start a fresh dialogue with stakeholders on future proposed rulemaking. We received more than 220,000 comments. After considering those comments, on February 5, 2015, APHIS published a Notice of Intent (NOI) to prepare a programmatic environmental impact statement (EIS), as required for any significant rule change. The Agency is thoroughly considering all public input submitted during the 75-day public comment period on the NOI as we develop the draft programmatic EIS and the new proposed rule.

The goal of the proposed regulation is to consider a broader range of potential harms, prevent potential gaps in oversight, improve clarity and transparency of risk assessments, and regulate by specifically identifying and including all GE organisms that may pose plant pest or noxious weed risks. Although APHIS will be conducting initial reviews of certain types of GE organisms that are not now subject to review, overall the proposed rule will lead to substantial regulatory relief that fosters innovation through a more efficient, risk-based system. APHIS will stay within the statutory authority of the PPA, and the public will have ample opportunity to comment on the proposed rule and the draft programmatic EIS. Based on the comments already received on the NOI, APHIS has modified the alternatives considered in its draft programmatic EIS.

Revising the current regulations will help ensure the appropriate oversight by the regulatory system and increase transparency, while continuing to provide a framework that fosters innovation to address some of society’s most pressing challenges.

**Industry, Consumer, and Congressional Interest:** Biotechnology itself is a controversial subject, with strong convictions both from those who oppose it and those who support it. Industry organizations currently regulated by APHIS are generally supportive of the concept of revising the regulations to reflect scientific advances and to better align regulation with risk. Some special interest groups/NGOs oppose genetic engineering in general and tend to resist any change they perceive as resulting in less regulation. Congressman Aderholt (R-AL) of the House Agriculture Appropriations Subcommittee has historically been interested in APHIS’ biotechnology and regulatory efforts.

**Executive Branch Position to Date:** APHIS has been communicating about a new rule throughout the Executive Branch for nearly two years, and has strong support from the Executive Office of the President, as well as our Coordinated Framework partners in Health and Human Services’ Food and Drug Administration and the Environmental Protection Agency, and from other USDA agencies. In September 2016, APHIS sent the proposed rule to the Office of Management and Budget for its review as part of the formal rulemaking process. When that review process is complete, APHIS intends to publish the proposed rule for public comment.
Potential Alternative Approaches: [b](5) Deliberative Process Privilege

2. **Coordinated Framework**

**Issue:** The White House Office of Science and Technology Policy (OSTP) is leading a process to modernize the Federal regulatory system for products of biotechnology. This is to ensure that Federal regulatory agencies with jurisdiction over biotechnology products keep pace with rapidly changing science, without creating barriers to future innovation and competitiveness. The Executive Office of the President released two documents on September 16, 2016 as part of that effort.

**Public Policy Reason for APHIS Involvement:** The Coordinated Framework for the Regulation of Biotechnology (CF) describes the comprehensive Federal regulatory policy for ensuring the safety of biotechnology products and is comprised of the regulatory authorities and review efforts of the Food and Drug Administration (FDA), the Environmental Protection Agency (EPA), and the USDA. Advances in science and technology have dramatically altered the biotechnology landscape, enabling the development of products not envisioned when the CF was published. In addition, the complexity of the array of regulations and guidance documents developed by the three primary Federal agencies can make it difficult for the public to understand how the safety of biotechnology products is evaluated. Navigating the regulatory process for these products can be challenging, especially for small companies.

**APHIS’ Statutory/Regulatory Scope:** USDA’s authority to regulate genetically engineered (GE) plants falls under the Plant Protection Act (PPA). Under the PPA, APHIS regulates certain GE organisms that may be plant pests and pose a risk to plant health. The update of the CF is especially timely for USDA as it considers options for revising its regulations for the field-testing and development of new GE organisms. APHIS plans to better align its regulations with its statutory authority, better align its regulatory oversight with risks to plant health, and ensure its regulatory program is more consistent with the evolving science of genetic engineering. These activities support the goals of the OSTP in its effort to modernize the Federal regulatory system for products of biotechnologies.

**Items in Controversy:** The current regulatory system for the products of biotechnology effectively protects health and the environment. However, in some cases, unnecessary costs and burdens associated with regulatory uncertainty about agency jurisdiction, and lack of predictability of timeframes for review, for example, have grown. Updating the CF and laying the foundation for future updates is intended to help ensure the appropriate oversight by the regulatory system and increase transparency, while continuing to provide a framework for advancing innovation to address some of society’s most pressing challenges.

**Industry, Consumer, and Congressional Interest:** Biotechnology itself is a controversial subject, with strong convictions both from those who oppose it, and those who support it.
Chairman Aderholt (R-AL) of the House Agriculture Appropriations Subcommittee has historically been interested in APHIS’ biotechnology and regulatory efforts.

**Executive Branch Position to Date:** APHIS, FDA, and EPA have been working closely with the Executive Office of the President (EOP) to modernize the CF.

On July 2, 2015, the EOP directed FDA, EPA, and USDA to update the CF by clarifying current roles and responsibilities, to develop a long-term strategy to ensure that the Federal biotechnology regulatory system is prepared for the future products of biotechnology, and to commission an expert analysis of the future landscape of biotechnology products to support these efforts. For the last 14 months, these agencies have analyzed Federal regulation of biotechnology products, reviewed more than 900 comments submitted in response to a Request for Information, and conducted three public meetings in different regions of the country, with presentations, case studies, and break-out “listening sessions.”

EOP released two products of this effort: the *Update to the Coordinated Framework for the Regulation of Biotechnology*, and the *National Strategy for Modernizing the Regulatory System for Biotechnology Products*.

The *Update to the Coordinated Framework for the Regulation of Biotechnology* offers the public a complete picture of the regulatory structure that provides oversight for the products of modern biotechnology, and present clarifying information about agency roles, responsibilities, and coordination. On September 22, 2016, the OSTP published a notice in the Federal Register asking for public comments on the proposed update to the CF. Comments will be accepted through November 1.

The *National Strategy for Modernizing the Regulatory System for Biotechnology Products* sets forth a 5-year vision for ensuring that the Federal regulatory system is equipped to assess efficiently the risks, if any, associated with future products of biotechnology while supporting innovation, protecting health and the environment, maintaining public confidence in the regulatory process, increasing transparency and predictability, and reducing unnecessary costs and burdens.

FDA, EPA, and USDA have also commissioned a report by the National Academies of Sciences, Engineering, and Medicine, titled “*Future Biotechnology Products and Opportunities to Enhance Capabilities of the Biotechnology Regulatory System.*” The report is expected to be released at the end of 2016 and will be used by the agencies to: 1) gain a better understanding of future products and how they fit within the U.S. regulatory system; 2) consider any necessary updates to scientific assessments; 3) consider any necessary updates to regulatory processes or procedures; and 4) enhance communication with stakeholders.

3. **Significant Biotechnology Issues**

**Issue:** The Federal government has been regulating genetically engineered (GE) organisms since 1987. As part of the regulatory process, APHIS ensures that developers, growers, and
others take important steps to prevent unauthorized releases of GE organisms. However, there remain several significant issues, including the coexistence of GE crops with non-GE and organic crops, herbicide resistant weeds, the labeling of GE products and new and emerging technologies used to modify plant genes that require further consideration by both APHIS and other Federal agencies.

**Public Policy Reason for APHIS Involvement:** The biotechnology industry—valued worldwide at $280 billion—creates products that can improve medical care and increase agricultural production. While American farmers and consumers can benefit from the products, it is important to ensure that they do not pose a risk to America’s agricultural and natural resources. APHIS works to ensure new GE crops will not pose plant health risks when released into the environment.

**APHIS’ Statutory/Regulatory Scope:** The Plant Protection Act gives APHIS authority to regulate certain GE organisms that might pose a risk to plant health. APHIS regulates the introduction—meaning the importation, interstate movement, and field-testing—of certain organisms derived through biotechnology that may pose a plant pest risk.

**Items in Controversy:**

- **Coexistence:** USDA’s policy has been to support all forms of agriculture, including GE, non-GE and organic, and to strengthen coexistence among these agricultural production systems. In order to maintain the integrity of differentiated markets, farmers employ a variety of practices to prevent the accidental comingling of GE crops with other crops. When comingling does happen, some stakeholders have the strong opinion that the companies who patent, promote, and profit from GE products should be responsible for covering the losses associated with the impacted crops and for taking measures to prevent this from occurring in the future. Currently, there is no compensation mechanism for farmers impacted by unintended presence of GE in non-GE production. USDA is working with an Advisory Council (AC21) to identify measures that can promote and strengthen coexistence. These include:
  - Engaging stakeholders and seeking public input on how to foster communication and collaboration to strengthen coexistence.
  - Funding or conducting research relevant to crop stewardship and gene flow risk mitigation under USDA’s Biotechnology Risk Assessment Grants program.
  - Development of an approach for examining seed purity of holdings in the USDA/Agriculture Research Service National Plant Germplasm System.

- **Herbicide Resistant Weeds:** The Environmental Protection Agency (EPA) is currently the only Federal agency with authority to implement weed resistance management through the Federal Insecticide, Fungicide, and Rodenticide Act. APHIS’ role in this effort is to promote the use of best management practices during GE field trials, especially for field trials of herbicide resistant crops. APHIS is collaborating USDA’s Natural Resources Conservation Service, the Office of Pest
Management Policy, the EPA, and the Weed Science Society of America to better understand impediments to the adoption of weed management strategies and to identify ways to encourage producers to adopt diverse tactics for weed management, including herbicide control.

- **Labeling:** APHIS has no direct role in the labeling of GE products. The Food and Drug Administration has issued labeling guidance for companies who wish to voluntarily label their products, and several food companies are doing so. Additionally, States have considered laws to mandate labeling for food products. In July 2016, Congress passed a disclosure law that requires most food packages to carry a text label, symbol or electronic code to indicate whether the food contains biotech material. The President signed the bill on August 1, 2016; this law preempts any state laws. The authority provided by the July 2016 law was delegated to the Agricultural Marketing Service.

- **Gene Editing Technology:** Several methods of gene editing (Zinc Fingers, TALENs and CRISPRs) are now being used to modify crops. For example, in 2015, APHIS responded to two inquiries regarding the need for regulation for products developed with CRISPRs. For both products, a white button mushroom developed by Penn State, and waxy corn developed by DuPont Pioneer, the only change to the plant genome was a deletion. APHIS determined that neither product falls under APHIS regulations because no genetic material from plant pests was inserted into the final genomes. APHIS also concluded that neither plant presents a risk to plant health as weeds. However, APHIS regulates GE plants produced using genome editing techniques if plant pest DNA is inserted in the final product or otherwise poses a risk to plant health.

**Industry, Consumer, and Congressional Interest:** There are a wide variety of viewpoints on these issues - some stakeholders believe that GE products are too dangerous and need more regulation (or should be banned), while others believe that APHIS should expedite the deregulation of products. Consumers are very supportive of product labeling. In 2015, Congressman Bishop (D-GA) asked about coexistence, and Congresswoman Pingree (D-ME) asked about “superweeds” as part of the House Agriculture Appropriations hearing. Congresswoman Pingree also states that consumers want to know what is in their food (labeling) and growers do not want their crops contaminated.

**Executive Branch Position to Date:** APHIS supports all forms of agriculture. We hear the concerns of all types of farmers and where able, are providing dedicated resources to address public concerns.
International Services

1. **Engagement with Cuba**

**Issue:** The decision to extend diplomatic relations to Cuba has already led to greater movement of people; ultimately, it may also entail increased U.S. agricultural exports and the lifting of the current U.S. embargo on Cuban imports. Given decades of limited contact, however, relatively little is known about the current state of Cuban agriculture, including its plant and animal pests and diseases. On the first official USDA visit to Cuba since 1961, focused on strengthening bilateral agricultural engagement, Secretary Vilsack recommended that Cuba complete detailed pest risk analyses to start the decisionmaking process for exports when the embargo is lifted. If trade restrictions are lifted and the United States allows imports from Cuba, domestic producers may be concerned about the introduction of potentially harmful plant and animal pests and diseases under APHIS’ purview, including screwworm and classical swine fever—both eradicated in the United States—and possibly fruit flies and other threats.

**Public Policy Reason for APHIS Involvement:** APHIS safeguards U.S. agricultural and natural resources against the entry, establishment, and spread of significant pests and diseases, while facilitating the safe and fair trade of agricultural products.

**APHIS’ Statutory/Regulatory Scope:** In accordance with the Plant Protection Act and the Animal Health Protection Act, APHIS safeguards U.S. agriculture from potentially harmful plant and animal pests and diseases that may be present in Cuba.

**Items in Controversy:** APHIS’ Cuban counterparts wish to begin exporting agricultural products to the United States. Similarly, many U.S. agricultural industries and States are interested in opening or expanding markets for U.S. products—particularly rice, wheat, soybeans, pork, poultry, and corn—to Cuba.

**Industry, Consumer, and Congressional Interest:** In 2015, the United States exported $148 million worth of agricultural products to Cuba. U.S. poultry and soybean producers account for a large share of these exports and have a vested interest in expanded trade relations. Other industry groups, including the American Farm Bureau Federation, the American Feed Industry Association, the International Dairy Foods Association, the National Farmers Union, and the U.S. Grains Council have also expressed significant interest in a more open Cuban market. During the November 2015 USDA visit to Havana, Secretary Vilsack was accompanied by APHIS Administrator Kevin Shea, U.S. Senator Jeff Merkley (D-Oregon), and U.S. Representatives Terri Sewell (D-Alabama), Suzan DelBene (D-Washington), and Kurt Schrader (D-Oregon).

**Executive Branch Position to Date:** For many years, APHIS has sought to stay current on potential Cuban agricultural risks through its offices in Puerto Rico, the Dominican Republic, Haiti, and Trinidad and Tobago. APHIS has also participated in regional initiatives such as CaribVET and the Caribbean Plant Health Directors Forum, which facilitates information exchange between APHIS and Cuban regulatory counterparts. APHIS has supported U.S.
exporters through such successful actions as working with Cuban counterparts to lift bans on U.S. poultry imports related to highly pathogenic avian influenza and ensuring Cuban recognition of the United States as a country at negligible risk for bovine spongiform encephalopathy.

Along with the signing of a Memorandum of Understanding establishing bilateral cooperation in the U.S. and Cuban agricultural and forestry sectors,APHIS has been involved in workplan negotiations to develop relationships with Cuban animal and plant health counterparts and address risks from established pests and diseases in Cuba.

APHIS recently sent an employee on detail to Cuba to facilitate information exchanges between APHIS plant and animal health experts and their Cuban counterparts.

Potential Alternative Approaches:

**Plant Protection and Quarantine**

1. **Argentine Lemon Imports**

**Issue:** Argentina has requested that APHIS amend its regulations to allow the importation of lemons from the northwest region of that country into the United States. APHIS approved market access for Argentine lemons in 2000, but in October 2001 the U.S. citrus industry filed a lawsuit opposing this decision and APHIS stopped importations.

In 2013, Argentina requested consultations with the United States through the World Trade Organization (WTO) regarding market access for Argentine lemons. In response, in April 2014 APHIS completed a pest risk analysis, and in June 2015 conducted a site visit. In May 2016 APHIS used this information to publish a proposed rule (Docket No. APHIS-2014-0092-0001) that would allow the importation of lemons from Northwest Argentina under a systems approach. The systems approach would require a series of safeguards to effectively mitigate pest risk.

In September 2016, after an extended comment period that ended on August 10, 2016, APHIS conducted another site visit during peak growing season to verify that Argentina had implemented the proposed mitigation measures. The Agency then shared its findings with industry and other stakeholders that its site visit confirmed that Argentina has a system of safeguards in place to mitigate any pest risk. If the Office of Management and Budget (OMB) designates the rule not significant, APHIS intends to publish a final rule by December 2016. If it is deemed significant, publication would likely be 3 to 4 months later.
United States Department of Agriculture
2016 Presidential Transition
Marketing and Regulatory Programs (MRP)

Public Policy Reason for APHIS Involvement: APHIS safeguards U.S. agriculture and natural resources against the entry, establishment, and spread of significant pests, while facilitating the safe and fair trade of agricultural products.

APHIS’ Statutory/Regulatory Scope: APHIS regulates the importation of fruits and under the Plant Protection Act and our regulations in “Subpart—Fruits and Vegetables” (7 CFR 319.56-1 through 319.56-74).

Items in Controversy: Argentina began consultations through the WTO and, if the rule is not finalized, would likely proceed with the dispute. If this rule is finalized, the U.S. citrus industry may again attempt to block imports through legal action, as it did 2001.

Industry, Consumer, and Congressional Interest: There is both support for and opposition to the rule. There is congressional support from representatives of States with large ports who believe there would be an economic benefit to granting market access. Industry and legislators from citrus-growing States strongly oppose the rule. Congresswoman Rosa DeLaura (D-CT) also expressed concerns that the United States would make regulatory concessions due to WTO involvement.

Executive Branch Position to Date: APHIS has determined the systems approach will mitigate pest risk; the current administration believes the rule is necessary to strengthen the trade relationship with Argentina and avoid issues with the WTO.

Potential Alternative Approaches: [b](5) Deliberative Process Privilege

2. European Union (EU) Apple and Pear Imports

Issue: The EU requested that APHIS amend its regulations to replace the current preclearance program with a systems approach for the importation of apples and pears from certain member countries: Belgium, Germany, France, Italy, Poland, Portugal, Spain, and the Netherlands. Under the current preclearance program, we require producers in the exporting countries to contribute to a trust fund to cover the cost of APHIS inspection in the exporting country, as well as any risk mitigation measures. The systems approach, which combines a series of risk mitigation measures, would eliminate this preclearance inspection protocol and rely on individual countries’ National Plant Protection Organization to ensure that producers carry out required risk mitigation activities in fields and packing houses. APHIS plans to conduct an annual audit of the systems approach and works with the Department of Homeland Security’s Customs and Border Protection to carry out inspections of arriving apple shipments to ensure compliance with the U.S. import requirements.

In 2015, APHIS published a risk management document that outlined risk mitigation measures necessary to address previously identified pest risks. These measures are essentially the same as
those used in the current preclearance program. APHIS published a proposed rule (Docket No. APHIS-2015-0073-0001) in January, 2016 reflecting the change to a systems approach.

**Public Policy Reason for APHIS Involvement:** APHIS safeguards U.S. agriculture and natural resources against the entry, establishment, and spread of significant pests, while facilitating the safe and fair trade of agricultural products.

**APHIS’ Statutory/Regulatory Scope:** APHIS regulates the importation of fruits and under the Plant Protection Act and our regulations in “Subpart—Fruits and Vegetables” (7 CFR 319.56-1 through 319.56-74).

**Items in Controversy:** Poland was a late addition to the list of countries seeking market access. However, unlike the other countries on the list, APHIS has not completed a separate pest risk assessment for Poland because that country’s pests were previously identified and analyzed in published materials.

**Industry, Consumer, and Congressional Interest:** Industry and some legislators have expressed concern about pest risk generally and specifically with regard to Poland. In March 2012, the EU banned the import of U.S. apples based on their reduced tolerance level for a chemical used by U.S. producers to mitigate disease risk. U.S. stakeholders are concerned about the resulting trade imbalance.

**Executive Branch Position to Date:** APHIS determined the systems approach will mitigate the risk of pest introductions and that imports would not pose a threat of pest introduction. APHIS is proceeding with decision making at this time.

**Potential Alternative Approaches:** [b](5) Deliberative Process Privilege

### 3. Potatoes to Mexico

**Issue:** The U.S. potato industry has long wanted market access for U.S. fresh, table-stock potatoes to all of Mexico, but efforts toward this goal have met a series of ongoing roadblocks. In 2003, APHIS and Mexico’s Ministry of Agriculture, Livestock, Rural Development, Fish, and Food (SAGARPA) signed an operational work plan that allowed immediate access for U.S. fresh, table-stock potatoes to Mexican markets within a 26-kilometer border zone. Provisions in the work plan also anticipated that expansion of market access for U.S. table-stock potatoes to all of Mexico would be phased in over time. Exports of U.S. seed potatoes for planting were excluded from this agreement.

In the spring of 2014, APHIS published a new regulation to authorize Mexico to export fresh table-stock potatoes to the United States, and SAGARPA issued new regulations allowing the long-awaited access for U.S. table-stock potatoes to all States in Mexico. APHIS and
SAGARPA then signed new work plans to harmonize the two countries’ mutual trade in potatoes. Beginning on May 19, 2014, U.S. exporters shipped about 15.5 million pounds of product into Mexico’s expanded markets. However, after just a few weeks of expanded access, a Mexican court issued an injunction suspending SAGARPA’s new potato regulations in response to a series of lawsuits filed by the National Confederation of Potato Producers. Under the injunction, U.S. potato exporters were allowed continued access to the original 26-kilometer border area. Mexican exporters to date have not shipped any fresh potatoes to the United States.

On May 26, 2016, SAGARPA officially cancelled its 2014 regulation, and on June 6, 2016 provided APHIS with a new work plan for comment, which both APHIS and U.S. industry considered to be too restrictive. APHIS provided its comments to SAGARPA on June 10, 2016. On July 15, 2016, Mexican President Peña Nieto issued a presidential order authorizing the market expansion for U.S. fresh table-stock potatoes to all Mexico as a temporary measure until SAGARPA could publish new regulations for the import of U.S. table-stock potatoes. However, on July 20, a Mexican court issued yet another injunction that suspended President Nieto’s executive order.

U.S. industry representatives have estimated that U.S. table-stock potato exports could increase from the approximately $40 million worth of fresh potatoes currently exported to the 26-kilometer border zone to $150 million or more if U.S. exporters had market access to all of Mexico for table-stock potatoes.

**Public Policy Reason for APHIS Involvement:** APHIS safeguards U.S. agriculture and natural resources against the entry, establishment, and spread of significant pests, while facilitating the safe and fair trade of agricultural products.

**APHIS’ Statutory/Regulatory Scope:** Under the Plant Protection Act, APHIS has authority to establish import regulations to safeguard U.S. agriculture. As the recognized National Plant Protection Organization for the United States, APHIS is authorized to represent overall U.S. agricultural interests in bilateral trade negotiations concerning the import and export of agricultural commodities. As a signatory of the International Plant Protection Convention (IPPC), APHIS plays a key leadership role in protecting the world’s plant resources from pests and diseases. APHIS’ membership in the IPPC fosters international relationships on behalf of our stakeholders to support new market access, market expansion, and market retention for U.S. exports.

**Items in Controversy:** The plaintiffs representing Mexico’s potato producers claim that imported U.S. table-stock potatoes, although labeled for consumption only, would put Mexico’s agriculture at risk from as many as 60 quarantine pests and diseases because the potatoes could be diverted for agricultural production in Mexico. One of the bilaterally agreed-upon phytosanitary mitigations in the 2014 work plan required U.S. potato shipments to be pretreated with an anti-sprouting solution that would minimize any risk of the potatoes being diverted for agricultural purposes. Under the IPPC to which both the United States and Mexico are signatories, the intended use of a commodity must be taken into account when establishing any phytosanitary restrictions on a commodity.
Industry, Consumer, and Congressional Interest: The U.S. potato industry supports the Federal Government’s efforts to press at all levels for a resolution that would allow full access to Mexico’s fresh potato market. APHIS has not received any Congressional inquiries on this issue since 2011.

Executive Branch Position to Date: Although the Office of the U.S. Trade Representative has closely monitored this situation, the resolution of this matter remains within Mexico’s court system.

Potential Alternative Approaches: [b][5] Deliberative Process Privilege

4. Fruit Flies/Sterile Fruit Fly Facilities

Issue: U.S. agriculture is at risk from exotic fruit flies that could enter the United States across our southern border as well as through infested host plants, fruits, and vegetables that unintentionally or illegally enter the country. Southern Texas faces a continuous threat from introductions of Mexican fruit fly (Mexfly), and Florida and California experience frequent introductions of Mediterranean fruit fly (Medfly) and Oriental fruit fly (OFF). Medfly, OFF, Malaysian fruit fly, and melon fly are established in Hawaii and continually threaten the mainland. Because the larvae of these exotic species can feed on more than 400 host plants and render fruit inedible, they are among the most destructive pests of fruits and vegetables around the world. The establishment of any of these species within the continental United States would cause significant economic losses from the damage to host commodities, the costs associated with implementing control measures, and the loss of export markets.

To prevent the introduction and establishment of exotic fruit flies, APHIS employs a proven strategy involving surveillance trapping, quarantine restrictions, port of entry inspections, and mating disruption using sterile insect technique. Use of the sterile insect technique (SIT) has remained a key component of its cooperative exotic fruit fly control programs for over 30 years. SIT involves the mass-rearing of sterilized exotic fruit flies. When released, sterile male fruit flies mate with wild females, which disrupts natural breeding and the production of progeny because the female’s eggs remain unfertilized. Through continuous releases, this form of mating disruption significantly reduces wild fly populations and aids eradication.

USDA maintains cooperative programs with the governments of Mexico, Guatemala, and Belize, which employ SIT and other mitigation strategies to diminish the populations of exotic fruit flies in those countries. These cooperative efforts reduce destruction of fruit, improve local food production, and decrease the pest risk to the United States.
APHIS also operates domestic SIT facilities in California, Florida, and Texas. The California and Florida facilities currently receive sterile Medfly pupae from the facility in Guatemala, and the Texas facility receives some supplemental Mexfly pupae from Guatemala. The domestic facilities rear and release hundreds of millions of sterile Mexflies and sterile male Medflies each week for ongoing preventive release efforts and domestic outbreak eradication campaigns against these two pests. However, APHIS and State cooperative fruit-fly program managers have completed comprehensive evaluations of all of the domestic SIT facilities and determined that these facilities were all beyond their useful lifespan, have inefficiencies that lead to production losses, and—in some cases—pose health and safety concerns for workers. New domestic facilities would also allow for a significant increase in the quantities of sterile Medflies and Mexflies produced, which could enable the United States to become self-sustaining in sterile fruit-fly production and provide a reserve capacity for mitigating any future outbreaks required to protect U.S. agricultural resources. Because the landowners of the Florida facility have opted not to renew the lease that will expire in 2017, work to replace that facility has already begun.

Public Policy Reason for APHIS Involvement: APHIS’ efforts, in cooperation with State officials and industry stakeholders, to prevent exotic fruit flies from becoming established in the United States directly protects approximately $5 billion in citrus and tree fruit production.

Although one of the long-term goals of APHIS’ Fruit Fly Exclusion and Detection Program is to eradicate Medfly throughout Guatemala, the more realistic aim—given current resources and available technology—is to prevent Medfly’s northward movement into Mexico and the United States.

APHIS’ Statutory/Regulatory Scope: The Plant Protection Act authorizes APHIS to take action against plant pests that cause damage to agricultural assets, to prevent such pests from entering and establishing in the United States, and to cooperate with other countries in taking such actions.

Items in Controversy: Due to violence and security issues in areas surrounding the northern border of Mexico, Mexfly surveillance and SIT preventive-release activities in these regions have significantly decreased and in some cases stopped. This has significantly increased the Mexfly threat to Texas. Because all of the domestic SIT facilities in Florida, Texas, and California are in a serious state of physical decline and need to be replaced, APHIS will need additional funding to replace all of those facilities and ensure production of sufficient quantities of sterile fruit flies to protect vulnerable agricultural areas of the United States.

Industry, Consumer, and Congressional Interest: Susceptible producers in the South and Southwest, and in the citrus industry in particular, strongly support APHIS’ safeguarding efforts and fruit fly eradication campaigns. Industry, most notably Texas Citrus, has asked Congressman Vela (D-TX) and others to seek Congressional funding for upgrades to SIT facilities that produce and release sterile fruit flies in Florida, California, and Texas. Congressman Rooney (R-FL) has questioned APHIS’ capacity to produce sufficient quantities of sterile Mexfly.
Executive Branch Position to Date: APHIS’ total appropriation for its domestic and international exotic fruit fly eradication and control efforts totaled $59.6 million in fiscal year 2016. Through this funding, APHIS maintains a cooperative, nationwide trapping and surveillance program, which serves as an early warning system for pest introductions. In addition, USDA continues to prioritize cooperative programs with foreign governments. APHIS’ efforts also include mounting domestic quarantine eradication campaigns in response to exotic fruit fly introductions. During the past two years, unprecedented numbers of exotic fruit fly introductions have occurred in Florida, Texas, and California. All Medfly and OFF infestations in the mainland United States have now been eradicated, but five of the eight Mexfly quarantines established in southern Texas during the year remain in place.

The House Appropriations Committee included $30 million for APHIS in the FY 2017 Agriculture Appropriations.

Potential Alternative Approaches: [b][5] Deliberative Process Privilege

5. Citrus Health Programs

Issue: The presence in the United States of exotic citrus diseases, especially citrus canker and Huanglongbing (HLB, aka citrus greening)—which is spread by the Asian citrus psyllid (ACP)—hampers the ability of commercial citrus industries to produce, harvest, process, domestically move, and internationally export healthy fruit and clean plant stock. APHIS supports citrus health-related activities through its Citrus Health Response Program (CHRP) and its leadership in USDA’s HLB-Multiagency Coordination (MAC) Group.

APHIS has established Federal quarantines for citrus canker, HLB, and ACP in parallel with quarantines already imposed at the State level.

- The entire State of Florida, as well as portions of Louisiana and Texas, are quarantined for citrus canker.
- The entire States of Florida and Georgia, as well as portions of Louisiana, Texas, and California, are quarantined for HLB. All of Guam, Puerto Rico, the U.S. Virgin Islands, and the Northern Mariana Islands are also quarantined for HLB. The biology of HLB does not lend itself to early detection or eradication.
- The entire States of Florida, Georgia, Alabama, Mississippi, Louisiana, Arizona, and Texas, as well as portions of South Carolina, Nevada, and California, are quarantined for ACP. All of Guam, the Northern Mariana Islands, and American Samoa are also quarantined for ACP.
United States Department of Agriculture
2016 Presidential Transition
Marketing and Regulatory Programs (MRP)

Public Policy Reason for APHIS Involvement: The United States ranks third overall in citrus production globally, and the packinghouse-door value of U.S. citrus production in 2015 was more than $3 billion. In addition, approximately 100,000 U.S. jobs are generated from the harvesting, packing, processing, transportation, and retail sale of fresh and processed citrus fruit and citrus nursery stock production.

APHIS’ Statutory/Regulatory Scope: Section 412(a) of the Plant Protection Act of June 20, 2000, as amended, 7 U.S.C. 7701, provides APHIS with broad authority to prohibit or restrict the movement in interstate commerce of any plant, plant part, article, or means of conveyance if necessary to prevent the introduction or dissemination of a plant pest, including citrus pests/diseases.

Items in Controversy: Although tree removal is the best way to stop the spread of HLB and citrus canker, there has been some resistance to removing trees, especially from residential citrus owners. Additionally, trees infected by HLB can take years to develop symptoms, further fostering opposition to tree removal. Industry is pushing for early detection technologies, but regulatory applicability of these technologies has not been established. There has also been some resistance to spray programs to control ACP populations. Each citrus-producing State—in particular Florida and California—has different priorities, diverse approaches to disease management, and wants a larger share of CHRP funding.

Industry, Consumer, and Congressional Interest: The citrus industry is a strong supporter of CHRP. Congressman Rooney (R-FL) represents a citrus-growing district and submitted questions for the record about the proposed decrease in Federal cost-share for CHRP during budget hearings. In July 2016, Congressman Denham (R-CA) inquired about funding sources to help California combat HLB. Congress provided $20 million in 2-year funding for FY 2014/15 to help establish the HLB MAC Group, and provided an additional $5.5 million in two-year funding for its continuation in FY 2016/17.

Executive Branch Position to Date: Secretary Vilsack established the HLB-MAC in December 2013 as a means to coordinate the response of Federal, State, and industry in order to reduce the impact of HLB on the U.S. citrus industry. The HLB-MAC’s mission is to provide producers with the practical tools and solutions they need in the near-term to allow them to remain economically viable until longer-term solutions are developed. The HLB-MAC’s priority projects include field-testing antimicrobials and mitigations such as thermotherapy, establishing model groves, and enhancing biological controls for ACP.

CHRP’s mission is to compile best practices to sustain the U.S. citrus industry, maintain grower's continued access to export markets, and safeguard citrus-growing States against a variety of citrus diseases and pests. CHRP provides guidelines for nursery stock product compliance and fruit inspection, treatment, and certification, and funds operational activities, such as surveillance and monitoring, packing house inspections, and release of biocontrol agents to suppress ACP.
6. **Agricultural Quarantine Inspection (AQI) User Fees**

**Issue:** In October 2015, APHIS published a final rule in the *Federal Register* to update the AQI user fee rates. The Agency had two goals: 1) ensuring that collections for each fee type covers the costs associated with that fee and did not over-charge or under-charge by fee type and 2) increasing overall revenue to cover program costs adequately and maintain a reasonable reserve. APHIS lowered two of the existing fees (international airline passengers and commercial rail cars) and raised four fees (commercial aircraft, commercial vessels, and trucks—for both individual crossings and decals). Additionally, APHIS added new fees for international cruise ship passengers and for monitoring treatments of imported commodities such as fruits and vegetables. [See table below for a comparison of old and new fees.]

**Public Policy Reason for APHIS Involvement:** Through the AQI program, APHIS and the Department of Homeland Security’s Customs and Border Protection (CBP) safeguard U.S. agricultural and natural resources from the introduction of invasive pests and diseases associated with the movement of people and goods around the world. APHIS collects user fees for AQI services conducted at ports of entry in connection with the arrival of imports, means of conveyance, and passenger baggage. These services are designed to prevent the entry of foreign pests and diseases that could harm U.S. agricultural or natural resources. APHIS had last updated AQI user fees in December 2004. Since then, there has been an 82 percent increase in the value of imported goods, a 42 percent increase in international passengers, and CBP has added hundreds of inspectors and invested in X-ray machines and other technology, as well as canine teams. Prior to the 2015 revisions, AQI user fee collections had not kept pace with the costs of the program. CBP’s personnel costs in particular had increased significantly since the last time the fees were updated due to grade increases in journey-man level inspector positions and increases in the number of inspection personnel.

**APHIS’ Statutory/Regulatory Scope:** The Food, Agriculture, Conservation, and Trade (FACT) Act of 1990 authorized USDA to implement user fees to cover AQI costs associated with international arrivals. APHIS continues to receive appropriated funds for AQI inspections of passenger baggage and cargo traveling from Hawaii and Puerto Rico to the mainland United States to prevent pest and disease introductions from these locations. Following the establishment of DHS in 2003 (based on the Homeland Security Act of 2002), the inspection function at ports of entry (with the exception of inspections of imported plants) transferred to CBP. DHS also has appropriated funds to cover inspections of pedestrians and bus passengers entering the United States, among other things. APHIS continues to collect AQI user fees and transfers a portion of the AQI collections to CBP to cover that Agency’s costs. APHIS continues to assess risks associated with imports, set import regulations and inspection policies, inspect imported plant shipments, train CBP agricultural specialists and detector dog teams, monitor fumigations and other treatments of imported commodities, and provide the scientific support...
necessary for the program, among other things. This account is subject to the sequestration of mandatory funds each year.

**Items in Controversy:** The industries affected by the increased fees as well as those affected by the newly implemented fees have objected to the new rates. The Air Transit Association filed a lawsuit on May 13, 2016, objecting to the new rate for commercial aircraft, which increased from $70.75 to $225.00. The complaint alleges that APHIS’ final rule updating the AQI fees does not comply with several provisions of the FACT Act, which requires that the fees associated with each fee type cover the costs of services for that fee type and not cross-subsidize inspection activities for other classes of fee payers. It states that APHIS did not provide adequate information demonstrating the $225 fee was necessary to cover costs of inspecting aircraft and states that the commercial aircraft fee itself is not authorized by the FACT Act, among other items. With assistance from APHIS, the U.S. Department of Justice filed an answer to the complaint and filed the administrative record. Plaintiffs’ motion for summary judgment is due in March, 2017.

The bulk of the collections under the new rates began mid-year in FY 2016, and APHIS is still evaluating collection levels under the new fees. We anticipate FY 2016 collections will total approximately $675 million. While this reflects a substantial increase from the previous year, the initial projection was approximately $727 million. APHIS will continue to evaluate AQI collections and determine whether they are adequate to maintain the program. [See table below showing AQI collections and spending.]

**Industry, Consumer, and Congressional Interest:** While agricultural stakeholder groups support the AQI program, AQI fee payers—particularly the airline and commercial trucking industries—objected to the new rates. When APHIS published the proposed rule, members of Congress requested and APHIS agreed that the public comment period be extended by 60 days.

**Executive Branch Position to Date:** When developing the new rates, APHIS contracted with an independent firm to review the AQI user fee schedule to determine what adjustments were needed to ensure fees are commensurate with the cost of the AQI program. The company conducted an extensive analysis, and—based on its recommendation—APHIS implemented activity based costing models to help track costs related to the various fee types. APHIS conducted significant outreach to affected industries, including holding six stakeholder engagements throughout the process of developing a proposed rule. APHIS carefully considered the public comments on the proposed rule and the feedback received through the various stakeholder meetings, calls, and webinars, and made several adjustments in the final rule in response to information provided by stakeholders. One of the changes involves phasing in a new fee—treatment monitoring services—over 5 years and lowering the full fee from the proposed $375 rate (which included costs built in for overtime pay for employees) to $237 (however, reimbursable overtime would be charged for services provided outside of normal business hours).
7. **Farm Bill Section 10007**

**Issue:** APHIS is charged with implementing Section 10007 of the 2014 Farm Bill (Agricultural Act of 2014) to prevent the introduction or spread of plant pests and diseases that threaten U.S. agriculture and the environment. Section 10007 contains the Plant Pest and Disease Management and Disaster Prevention program with projects organized around six goal areas: enhancing plant pest/disease analysis and survey; targeting domestic inspection activities at vulnerable points in the safeguarding continuum; increasing identification capacity and enhancing and strengthening pest detection technology; safeguarding nursery production; conducting outreach and education; and enhancing mitigation and rapid response capabilities. It also contains the National Clean Plant Network (NCPN) with a focus on supporting clean plant center networking, diagnostics, therapeutics, and foundation plantings. Through these programs, APHIS provides funding to a variety of entities, including State departments of agriculture, academic partners, non-profit organizations, and other Federal agencies. APHIS accepted suggestions for FY 2017 projects for the Plant Pest and Disease Management and Disaster Prevention Program from July 11, 2016, through August 19, 2016. A panel of USDA, State, and
industry representatives are evaluating these projects on specific goal areas that represent critical needs and opportunities to strengthen, prevent, detect, and mitigate invasive pests and diseases. APHIS is accepting suggestions for the National Clean Plant Network from August 17, 2016, through October 26, 2016.

**Public Policy Reason for APHIS Involvement:** APHIS safeguards U.S. plant health against introductions of foreign pests and diseases through a variety of exclusion, early detection, and mitigation programs. The Farm Bill program enhances APHIS’ efforts to detect new plant pests and diseases and provides a source of funds for rapid response to small-scale outbreaks of plant pests and diseases. Through the NCPN, the program also provides sources of disease-free, high-value nursery stock to growers, enabling them to import desirable varieties of items such as grapevines, stone fruit trees, and berries (among others) from other countries without posing disease risks to existing agricultural production. The program also produces clean materials from domestic stock. APHIS continually evaluates pest and disease threats to U.S. agriculture and engages in regular communication with stakeholders and government partners, providing the Agency with knowledge of the most pressing plant health issues.

**APHIS’ Statutory/Regulatory Scope:** Section 10007 of the 2014 Farm Bill combined two programs previously authorized in the 2008 Farm Bill – formerly Sections 10201 for the Plant Pest and Disease Management and Disaster Prevention Program and Section 10202 for the NCPN. The 2014 Farm Bill provided permanent authorization for the annual transfer of funds from USDA’s Commodity Credit Corporation at the rate of $62.5 million in FY 2014 through FY 2017, and $75 million in FY 2018 and beyond. At least $5 million must go towards NCPN. This account is subject to the sequestration of mandatory funds each year. In FY 2017, $58.187 million will be available after sequestration is applied.

**Items in Controversy:** As required by the Farm Bill, APHIS seeks input from the National Plant Board, State departments of agriculture, and land grant universities to develop overall goals for the program and review project suggestions. APHIS has also consulted the Specialty Crop Farm Bill Alliance, industry organizations, other Federal Agencies, and non-governmental stakeholders to develop goals and review annual spending plans. Each year, APHIS receives more project suggestions than it can fund, and cooperators sometimes raise concerns when a specific project does not receive funding.

**Industry, Consumer, and Congressional Interest:** The program has broad support from APHIS stakeholders and Congress, including the Agriculture Committees and the Appropriations Committees.

**Executive Branch Position to Date:** Since 2009, APHIS has funded more than 2,200 projects in 50 States and 2 U.S. territories, supporting a variety of stakeholders, including Federal, State, academic, Tribal, and private entities. In FY 2016, APHIS provided Plant Pest and Disease Management and Disaster Prevention funding to 50 States plus Guam and Puerto Rico to implement 412 projects suggested by universities, States, Federal agencies, nongovernmental organizations, non-profits and Tribal organizations. For NCPN, APHIS supported 22 suggestions in 17 States that focus on providing high-quality propagative plant material for fruit
trees, grapes, hops, berries, citrus, roses and sweet potatoes that is free of targeted plant pathogens and pests.

Major projects funded by the 2014 Farm Bill include eradication of exotic fruit fly outbreaks, nationwide surveys of honey bee pests and diseases, support of canine detector teams in California and Florida, and response to the giant African snail in Florida, among many others.

APHIS has also used portions of PPDM funding to initiate emergency programs for emerging and high-priority pests impacting agricultural resources, such as the giant African snail in Florida, the European grapevine moth in California, and the coconut rhinoceros beetle in Hawaii.

Potential Alternative Approaches: (b)(5) Deliberative Process Privilege

Veterinary Services

1. **Highly Pathogenic Avian Influenza (HPAI)**

**Issue:** The 2014-2015 outbreak of highly pathogenic avian influenza (HPAI) was the worst animal disease outbreak in U.S. history, affecting commercial premises, backyard flocks, captive birds, and wild birds in 21 States and costing USDA more than $1 billion. Nearly 50 million commercial birds (7.5 million turkeys and 42.1 million egg-layer and pullet chickens) were depopulated or died from the disease. The outbreak involved several H5 Eurasian-origin strains of the virus that caused substantial mortality. While these strains were not transmitted to people, there is always a chance that HPAI can mutate and become infectious to humans. The longer the virus circulates, the greater the chance this can happen.

APHIS coordinated the Federal and State response to the outbreak—which included cleaning and disinfection, environmental sampling, and restocking of affected facilities—in addition to enhancing wild bird surveillance efforts. Although APHIS’ response was swift and comprehensive, one of the biggest lessons learned was that the Agency’s capacity to effectively address large animal health events has eroded over the years. Current funding for animal health activities is below levels that were available to APHIS 10 years ago. For fiscal year 2017, APHIS requested an additional $30 million to improve its readiness for responding to animal health emergencies. APHIS would use that funding to rebuild its workforce and optimize its emergency readiness and response capabilities.

**Public Policy Reason for APHIS Involvement:** The American public and industry expect the Federal Government to lead efforts to protect U.S. agriculture and natural resources from threats posed by exotic animal and plant pests and diseases. APHIS partners with States and industry to preview costly animal diseases outbreaks and protect U.S. poultry and livestock.
Further HPAI-related losses to the U.S. poultry industry could be catastrophic and cause billions of dollars in damage to allied industries as well as to the local and national economy. Poultry and poultry product shortages and price increases could result for consumers.

**APHIS’ Statutory/Regulatory Scope:** The Animal Health Protection Act, 7 United States Code 8301 et seq., authorizes the Secretary of Agriculture to, among other things, detect, control, or eradicate any disease or pest of livestock. This authority has been delegated to APHIS.

**Items in Controversy:** During the 2014-2015 HPAI outbreak, APHIS used indemnity calculators (i.e., formulas) to determine the fair market value of birds that were destroyed as part of the disease response. Egg layer and turkey producers raised concerns about these formulas. While APHIS is working to finalize proposed changes in response to some of these concerns, the changes likely will not fully satisfy those producer organizations that have proposed alternative formulas, including formulas that compensate owners for downtime. APHIS’ position has been that paying for downtime losses essentially provides a safety net to producers that insurance, not indemnity payments, should provide.

**Industry, Consumer, and Congressional Interest:** As a result of the outbreak, the poultry and turkey industries incurred roughly $1 billion and $530 million dollars respectively in direct losses. Egg layer and turkey producers did not believe APHIS’ indemnity payments adequately covered the losses their industries incurred and as a result, asked for changes to APHIS’ indemnity calculators. Local economies and allied industries in some particularly hard-hit areas such as Minnesota and Iowa also suffered substantial losses, and the overall economy-wide losses were estimated at $3.3 billion (including losses due to international trade impacts). Additionally, egg supplies decreased and costs rose for consumers. Public health agencies and animal advocacy organizations also have a considerable stake in this issue, given the possible human health implications of HPAI and animal welfare concerns involved.

The U.S. Senate Agriculture, Nutrition, and Forestry Committee held a hearing on the impact of the HPAI outbreak on the poultry sector in July 2015. Congressional representatives, particularly those representing affected districts, have contacted USDA about logistical aspects of the response, producer indemnification and APHIS’ calculators, and vaccine development and use.

**Executive Branch Position to Date:** The Administration made over $1 billion available to address the 2015-2016 HPAI outbreak, and the FY 2017 President’s budget request included an increase of $30.338 million to improve APHIS’ readiness for responding to animal health emergencies, in part based on lessons learned during the HPAI outbreak. APHIS has taken steps to prepare for future cases, including improving wild bird surveillance to enable early detection; improving capabilities to rapidly detect HPAI in domestic poultry and depopulate affected flocks within 24 hours; and, streamlining the indemnification process so that producers can be compensated fairly and return to production quickly. APHIS also has conducted planning meetings with industry to promote improved biosecurity practices and design a biosecurity auditing system to ensure that these practices are followed.
In February 2016, APHIS published an interim rule that, among other things, provided a formula to allow indemnity payments to be split between poultry and egg owners and their contracted growers. Such a system was already in place for low pathogenicity AI. The interim rule also required owners and contract growers to provide a statement certifying that a biosecurity plan was in place at the time HPAI was detected in order to receive indemnity. Although APHIS’ epidemiological investigations concluded there was not enough evidence to pinpoint a specific pathway or pathways for the spread of the virus, comprehensive and stringent biosecurity practices are crucial to reducing the risk of HPAI infection from wild birds, equipment, and clothing.

APHIS also implemented a new indemnity calculator for egg layers following robust internal discussions about what factors should inform appropriate indemnity amounts for these birds. The new calculator took effect on October 1, 2016, and will be used for any future indemnity payments. It was not applied retroactively.

One of the challenges in determining fair market value for laying hens is the lack of an active market price. Generally, these birds are owned by one company throughout their lifecycle, and few bird prices are publicly available because laying hens are rarely sold at auction. The previous layer calculator estimated the value of the birds at the time of depopulation. When proposing a new calculator, APHIS added to that estimate a percentage of farm earnings that would have resulted from the lost egg production. APHIS also proposed putting a “floor” in place to ensure producers would never lose money on the production cost of their birds, even when economic circumstances would have created a loss.

USDA’s Office of the Chief Economist then recommended—and APHIS implemented—changes that made the calculator more reflective of a fair-market transaction. For example, the new calculator no longer has a “floor” in place, which means it is possible under some circumstances that indemnity payments may not fully cover a producer’s production costs. The new calculator also determines fair market value based on net farm income ratio (the amount of net income generated per dollar of production cost). While the new calculator addresses concerns raised by producers and is not expected to change indemnity payments dramatically, future indemnity rates could be higher or lower than the rates under the previous calculator.

Currently, USDA has not approved using vaccine as part of an HPAI response because that would likely lead many export markets to ban all U.S. poultry. But APHIS is obtaining a reliable supply of vaccine should outbreaks occur that cannot be controlled through the typical depopulation approach, a decision that would be made only in conjunction with industry and State partners. APHIS has issued requests for proposals for vaccine manufacturers to supply a variety of Eurasian-origin, H5 vaccines.

Potential Alternative Approaches: [b](5) Deliberative Process Privilege
2. **Brucellosis and Bovine Tuberculosis (TB) Program**

**Issue:** On December 16, 2015, APHIS published a proposed rule in the Federal Register to update its brucellosis and bovine TB program regulations. Under the proposed rule, APHIS would, among other things, move from categorizing the disease statuses of entire States—or large regions within States—to establishing standards that States and Tribal Nations would meet for disease surveillance, epidemiological investigations, and affected herd management. By using program compliance rather than disease prevalence—which is already extremely low—to determine statuses, States and Tribes will no longer run the risk of status downgrades and statewide restrictions and testing requirements if sporadic cases appear. Rather, they can focus their disease control efforts on specifically designated herds or areas. APHIS officials are carefully reviewing all issues raised in the comments received and considering the need for changes to the proposed provisions.

**Funding Requests To Depopulate TB-Affected Herds in Texas and Michigan:** To address TB-affected herds, APHIS routinely uses one of two strategies: depopulating an entire herd and paying indemnity, or a test-and-remove approach, where regular testing with removal of reactor animals continues while the herd is under quarantine until it is determined with a high degree of confidence that the herd is TB-free. When determining a strategy, APHIS considers a scientific model to determine the probability of removing infection, as well as the size of the herds, potential indemnity costs compared to funds available, and State and owner preferences.

In fiscal year (FY) 2015, the Secretary transferred $17.89 million in emergency funding from the Commodity Credit Corporation for TB eradication efforts in Texas and Michigan. In FY 2016, the Secretary approved an additional transfer of $23.90 million to depopulate an additional dairy herd in Texas and address additional TB findings throughout the United States. The Office of Management and Budget (OMB)
Public Policy Reason for APHIS Involvement: APHIS partners with States and industry to prevent and manage costly animal diseases outbreaks and protect U.S. poultry and livestock.

APHIS’ Statutory/Regulatory Scope: Under the Animal Health Protection Act, APHIS works to protect U.S. agriculture from livestock pests and diseases.

Items in Controversy: Although APHIS developed the regulations collaboratively with States, Tribes, and industry, stakeholders raised concerns during the comment period about the perceived burden on the States to define their plans to prevent and mitigate disease occurrences. Also, the Senate Appropriations Committee included a directive for APHIS to report to Congress on the amount of State and Federal funding needed to implement the rule prior to finalizing it.

Industry, Consumer, and Congressional Interest: Several legislators expressed concerns that testing requirements outlined in the proposed rule would harm deer and elk farmers. The National Assembly of State Animal Health Officials (NASAHO) would like to consult with APHIS before we publish the final rule to discuss how the Agency intends to address the comments received. Some State officials who provided separate feedback from the NASAHO comments stated opposition or requested consultation with APHIS.

Executive Branch Position to Date: APHIS believes that the proposed regulatory changes will allow the brucellosis and bovine TB programs to be most effective at protecting animal health. Regarding its emergency funding request, APHIS believes that depopulating the TB-affected herd in Texas will enable the Agency to eradicate the current outbreaks and to prevent disease spread. APHIS will conduct stakeholder outreach and discussion regarding potential future cost sharing for indemnity regulations.

Potential Alternative Approaches: [b](5) Deliberative Process Privilege

3. Foot-and-Mouth Disease (FMD) Vaccine

Issue: There has not been an outbreak of FMD, a devastating, highly contagious viral livestock disease, in the United States since 1929. Although APHIS has comprehensive, overlapping safeguards in place to protect against FMD and is prepared to swiftly respond should an outbreak occur, vaccine would be critical to effective control or eradication should the outbreak be widespread. Current inventory in the North American FMD vaccine bank is 2.5 million doses per strain of the 10 FMD strains of greatest risk to North America. This amount is insufficient to address a medium or large-scale outbreak. APHIS estimates that we would need a minimum of
United States Department of Agriculture  
2016 Presidential Transition  
Marketing and Regulatory Programs (MRP)  

approximately 25 million vaccine doses for each of the 10 FMD strains of greatest concern to provide the optimum level of protection. This would cost approximately $130 million. APHIS’ current appropriations for FMD preparedness total $1.4 million.

The U.S. stockpile of FMD vaccine is currently housed at the Plum Island Animal Disease Center (PIADC) in New York and is managed cooperatively with Canada and Mexico. Currently, all FMD vaccine is acquired from foreign manufacturers because the live FMD virus cannot be maintained on the U.S. mainland by law. However, USDA’s Agricultural Research Service (ARS)—working at PIADC—has developed novel vaccine platforms that do not require traditional live FMD virus production techniques. These novel vaccine techniques are not yet commercially available, and it likely will be years before they can be used.

FMD is endemic in much of the world and remains a major threat to U.S. agriculture. While not a public health or food safety issue, FMD is highly infectious in all cloven-hoofed animals—including cattle, sheep, goats, and swine—and can spread rapidly and widely. Its presence in the United States, if unchecked, could cause billions of dollars in damage to animal agriculture industries, producers, and local economies through lost export markets; cause product shortages and price increases for consumers; and threaten the security of the U.S. food supply.

Public Policy Reason for APHIS Involvement: Only a Federal agency would have the interstate authorities and access to resources necessary to respond to a significant FMD outbreak. APHIS partners with States and industry to preview costly animal diseases outbreaks and protect U.S. poultry and livestock.

APHIS’ Statutory/Regulatory Scope: The Animal Health Protection Act authorizes the Secretary of Agriculture to, among other things, detect, control, or eradicate any disease or pest of livestock. This authority has been delegated to APHIS.

Items in Controversy: Federal-industry cost sharing is one possible solution APHIS has discussed with industry to help fill the vaccine gap. However, the cattle and swine industries, citing Homeland Security Presidential Security Directive Number 9, “Defense of United States Agriculture and Food”, believe that filling the gap is a matter of food security and is solely a Federal responsibility. Although sufficient quantities of vaccine would be valuable, APHIS’ import requirements reduce the threat of FMD dramatically, and surveillance systems would expedite detection of the disease.

Industry, Consumer, and Congressional Interest: The U.S. livestock sector has expressed concern that an FMD outbreak in the United States could cause severe economic ramifications for local economies and communities, as well as associated businesses (e.g., trucking and livestock markets). Some industry representatives believe vaccine use could minimize disruptions by reducing animal movement restrictions and the number of animals that would need to be depopulated as part of an emergency response effort. The House Agriculture Livestock Subcommittee held an FMD vaccine hearing in February 2016.

Executive Branch Position to Date: APHIS is committed to safeguarding U.S. agriculture...
against an FMD incursion and is prepared to respond swiftly in the event of an outbreak, using vaccine as resources permit. APHIS has joined Australia, Canada, Mexico, and New Zealand in signing an arrangement to share their limited amounts of FMD vaccines in the event of an outbreak. APHIS will continue working with industry to identify ways to close the vaccine gap.

Potential Alternative Approaches:


**Issue:** Since 2004, the U.S. Department of Homeland Security (DHS) and USDA have worked closely to fulfill the Homeland Security Presidential Directive 9 mandate for the agencies to plan to establish safe, secure, state-of-the-art agriculture biocontainment laboratories that research and develop diagnostic capabilities for foreign animal and zoonotic diseases (those that can pass between animals and humans). The NBAF—a $1.25 billion next-generation biocontainment facility under construction in Manhattan, Kansas—is the result of DHS’ and USDA’s planning efforts. The NBAF will replace existing, aging biocontainment laboratories located at the Plum Island Animal Disease Center (PIADC) in Orient Point, New York. DHS plans for the NBAF to be fully operational in 2023 with registration of select agents (i.e., bio-agents that have the potential to pose a severe threat to public, animal, or plant health, or to animal or plant products) by December 2022.

**Public Policy Reason for APHIS Involvement:** APHIS is charged with safeguarding the health of U.S. livestock by rapidly detecting and responding to any accidental or intentional introduction of a foreign animal disease. Foreign animal diseases, such as highly infectious foot-and-mouth disease (FMD), have the potential to inflict billions of dollars in livestock and trade losses and threaten the U.S. food supply. The NBAF will provide USDA scientists with larger and more technologically sophisticated laboratory facilities, including biosafety level (BSL)-4 biocontainment capacity, which will exceed PIADC’s BSL-3 laboratory capacity. With BSL-4 capacity, USDA scientists will be able to conduct diagnostics, and research and develop countermeasures for high-consequence zoonotic diseases of livestock such as those caused by Ebola virus, Hendra virus, and Nipah virus, which are potentially lethal to both humans and animals.

**APHIS’ Statutory/Regulatory Scope:** USDA was in charge of all operations at the Plum Island facility from 1954 until June 2003, when operational responsibility transferred from USDA to DHS, in accordance with the Homeland Security Act of 2002. APHIS’ Foreign Animal Disease Diagnostic Laboratory, located at Plum Island, continues to provide the capabilities, including training, for early detection and diagnosis of an accidental or intentional introduction of a foreign animal disease. APHIS’ laboratory personnel also work closely with
USDA’s Agricultural Research Service (ARS) to develop diagnostic methods and test vaccines to protect U.S. agriculture from foreign animal disease. The APHIS laboratory is the custodian of the North American FMD Vaccine Bank.

Under the Public Health, Security, and Bioterrorism Preparedness and Response Act of 2002, USDA has the authority to regulate the use, possession, and transfer of certain biological agents and toxins, including the FMD virus. The Food, Conservation, and Energy Act of 2008 directs the Secretary of Agriculture to issue a permit to the Secretary of Homeland Security to transfer live FMD virus to a single research facility that is a successor to the Plum Island facility, provided that the facility meets all of USDA’s regulatory requirements under the Federal Select Agent Program. NBAF is the successor facility.

**Items of Controversy:** Although there is a broad consensus among industry and policymakers that the NBAF is necessary to protect U.S. livestock from high-consequence foreign pathogens, there has been some concern about the Kansas location due to its proximity to a large cattle population and the potential for tornados.

**Industry, Consumer, and Congressional Interest:** The Senate Appropriations Committee report on the FY 2017 Agriculture Appropriations Bill encourages DHS and USDA to work together on a plan for the future operation of NBAF, including consideration of the appropriate agency to manage the facility. DHS Senate Appropriations includes the same language. The Senate has included $4 million for USDA ($3 million for APHIS and $1 million for ARS) for workforce development for NBAF. The House passed H.R. 1887, which would delay the required sale of PIADC while the Government Accountability Office studies possible uses for the island. The bill has been sent to the Senate for consideration. DHS released its 180-page report to Congress on the sale of Plum Island in July 2016. USDA has no concerns with the bill as long as there is no lapse between departure from PIADC and full operation of NBAF. USDA and DHS continue to plan for the transition from PIADC to NBAF. Kansas State University holds an industry meeting on an annual basis to share ideas, recommendations, needs, and collaboration possibilities to help develop the framework necessary for NBAF to protect the Nation’s animal health and food supply. Kansas committed a total of $307 million toward the construction of NBAF.

**Executive Branch Position to Date:** USDA officials have signed a memorandum of understanding with DHS and Kansas that affirms the mutual desire to broaden cooperative bio/agro defense activities, interactions, and collaborations. USDA is preparing budgets for the development of the USDA workforce at NBAF and for transition activities. USDA continues to participate in DHS-organized working groups to coordinate transition planning.

**Potential Alternative Approaches:** [b]([5] Deliberative Process Privilege)
5. **Antimicrobial Resistance (AMR)**

**Issue:** AMR is a global issue affecting public and animal health. There is growing concern that bacteria that cause disease in people and animals are developing more resistance to the antibiotics used for treatment. The issue has become more urgent with the occurrence of bacterial isolates resistant to existing antimicrobial drugs, the decreasing availability of effective antimicrobial drugs and absence of new ones in the pharmaceutical pipeline, and the lack of incentives and funding for research into alternatives. In fiscal year 2014, APHIS worked with agencies across the Federal Government to develop a National Strategy for Combating Antibiotic-Resistant Bacteria. This document covers a broad array of potential government efforts to address AMR in human and animal health and was the forerunner to the National Action Plan for AMR released in 2015. In December 2014, USDA released its own AMR Action Plan. Under the plan, APHIS and other USDA agencies are using an integrated, One Health approach for surveillance and monitoring, research and development, and education and outreach.

For its part, APHIS is determining patterns, purposes, and impacts of antibiotic use in food animals and monitoring antibiotic drug susceptibilities of bacterial organisms in food-producing animals and associated products and production environments. APHIS is also identifying management practices, antibiotic alternatives, and other mitigations that may help to reduce AMR in bacteria in food-producing animals and their production environments, and to improve stewardship and judicious use of existing antimicrobials.

**Public Policy Reason for APHIS Involvement:** APHIS and other USDA agencies are uniquely positioned to contribute to the body of scientific knowledge about AMR, specifically about the role of antimicrobial use in livestock, given their in-depth knowledge of the management practices and technologies associated with animal health, welfare, productivity, and food safety.

The Food and Drug Administration (FDA) is the primary regulatory agency for antibiotic use in animals. However, USDA and FDA work together closely to identify and mitigate emerging threats to America’s food supply. APHIS is charged with safeguarding U.S. animal health. As part of its mission, the Agency operates the National Animal Health Monitoring System (NAHMS), which collects data on farm management and animal health practices, as well as on the prevalence and economic importance of livestock diseases and associated risk factors. FDA relies on the science-based information that APHIS and other USDA agencies generate about antibiotic drug use, AMR patterns, and livestock and poultry management practices to inform its policy and regulatory decisions. FDA also taps into USDA’s extensive network of collaborative relationships with producers and industry organizations as part of its outreach.

**APHIS’ Statutory/Regulatory Scope:** Under the Animal Health Protection Act, APHIS works to detect, control, or eradicate any disease or pest of livestock.

**Items in Controversy:** Some believe that the use of antimicrobial drugs in agriculture is one of the primary drivers for the emergence and spread of AMR in bacteria. Current understanding of
the factors that contribute to levels of AMR in various settings and the specific role of antimicrobial use in agriculture in the selection for AMR in bacteria is incomplete.

**Industry, Consumer, and Congressional Interest:** Several legislators, the American Veterinary Medical Association, industry groups, and public health interest organizations have expressed concerns about the emergence and spread of antibiotic-resistant bacteria and inquired about Federal agencies’ plans to address antibiotic use in animal agriculture.

**Executive Branch Position to Date:** The President’s FY 2017 budget request included an increase of $10 million to provide on-farm surveillance, measure antimicrobial drug use by livestock and poultry producers, and develop education and outreach materials to promote the judicious use of antimicrobials.

**Potential Alternative Approaches:** [b](5) Deliberative Process Privilege

**Wildlife Services**

1. **Predator Damage Management**

**Issue:** APHIS (through its Wildlife Services program) resolves human/wildlife conflicts and protects agriculture, human health and safety, personal property, and natural resources from wildlife damage and wildlife-borne diseases in the United States. As part of this effort, APHIS protects livestock from predators, including wolves, grizzly bears and black vultures.

**Public Policy Reason for APHIS Involvement:** The North American Model for Wildlife Conservation has stated that wildlife should be managed in trust for the people by government agencies based on science. APHIS is charged with protecting agriculture, human health and safety, property, and natural resources from disease and damage caused by wildlife. Livestock losses attributed to predators cost producers more than $137 million annually, according to the most recent surveys by National Agriculture Statistics Service. In FY 2015, APHIS provided assistance in dealing with damage caused by predators to producers in the western United States with livestock valued at more than $2.5 billion.

**APHIS’ Statutory/Regulatory Scope:** The Animal Damage Control Act of 1931, as amended, gives APHIS broad authority to conduct activities “in the control of nuisance mammals and birds
and those mammal and bird species that are reservoirs of zoonotic diseases.” The statute allows APHIS to conduct cooperative programs with funding from State, local, or private entities.

**Items in Controversy:** Animal advocacy groups oppose the Agency’s use of lethal control in managing wildlife conflicts. A recently published research paper out of the University of Wisconsin is questioning the long-term efficacy of lethal predator control and receiving interest; other researchers disagree with these findings. Wolf populations and movements are closely monitored by animal advocacy organizations.

**Industry, Consumer, and Congressional Interest:** Livestock industries strongly support APHIS’ predatory control work, and livestock producers share in the costs of the activities they request. Congress is generally supportive of APHIS’ wildlife management efforts; the House included report language in the appropriation directing APHIS to prioritize and document the process that allows USDA to help States and local livestock producers manage wolves. Representatives from Minnesota have encouraged funding for APHIS’ wolf work. However, many animal advocacy groups decry any lethal control activities APHIS conducts.

**Executive Branch Position to Date:** APHIS prevents and reduces livestock predation through education, technical assistance to producers, and management programs. APHIS plays a major role in the management of wolves and grizzly bears in the United States. APHIS personnel work with State wildlife agencies, the U.S. Fish and Wildlife Service (FWS) and Tribal Nations to conduct wolf damage management programs, and provided additional services to capture and mark wolves and grizzly bears for research and population monitoring. In cooperation with State and Federal wildlife agencies, APHIS removes depredating wolves to resolve conflicts. Most of this work is cooperatively funded with appropriated money as well as funding from State or local sources.

To avoid or reduce predation, APHIS provides technical advice (education and educational materials) to producers on preventative measures, which are then implemented by producers themselves. In FY 2016, APHIS conducted 29 Predator Management Workshops to educate more than 1,000 producers on these methods, such as the use of guard dogs.

In FY 2015, APHIS responded to more than 1,000 incidents of reported wolf depredations on livestock or other resources, and removed 385 wolves (one of which was unintentionally removed). Approximately 44 percent of the requests for assistance were from the Great Lakes Region where wolves remain listed as endangered in Michigan and Wisconsin and threatened in Minnesota. Depending on the legal status of the wolf (delisted, threatened, endangered), the primary management authority (FWS or State Department of Wildlife) varies from State to State. Except where wolves are listed as endangered, the appropriate management authority provides APHIS with authorization to control wolves that prey on domestic animals or pose a risk to human safety. Where endangered, wolves can only be controlled when there is a direct risk to human safety.

APHIS also conducts research on alternative approaches. For example, the reintroduction of the gray wolf to the Northern Rockies marks a tremendous success for conservationists, but also
resulted in increased conflicts with livestock producers. Many western ranchers use livestock protection dogs to deter predation by coyotes, but some commonly used species of dogs are not effective against wolves and grizzly bears, which sometimes kill these traditional breeds. APHIS scientists initiated a series of studies to evaluate three larger breeds of dogs that Europeans have successfully used to deter livestock predation by wolves.

In the last 30 years, populations of black vultures have increased in both abundance and range, due to the highly adaptive nature of the bird. Black vultures, which prey on livestock, are protected by the Migratory Bird Treaty; removing birds, nests or eggs, requires a permit from FWS. In FY 2015, APHIS conducted direct control work in 18 States, removing 4,239 black vultures and dispersing an additional 49,755. APHIS’ direct control work for black vultures is 100 percent funded by cooperators.

Potential Alternative Approaches: [b](5) Deliberative Process Privilege

2. Feral Swine

Issue: Feral swine have quickly established themselves throughout the nation, increasing from 1 million animals in 17 States to about 5 million animals in 38 States in the last 20 years, making them one of the fastest growing invasive species in the United States. In FY 2014, APHIS implemented a national, cooperative cost-share program to slow – and eventually stop – the leading edges of population spread; eliminate swine populations where possible; and control swine numbers to achieve acceptable levels in other States.

Public Policy Reason for APHIS Involvement: The total cost of feral swine damage in the United States is $1.5 billion annually; recently collected data currently under review may estimate the total at $2 to $2.5 billion. Invasive swine damage crops, residential property, and sensitive ecosystems. They potentially can spread livestock and zoonotic diseases (classical swine fever, swine brucellosis, pseudorabies, swine influenza and porcine reproductive and respiratory syndrome, among others). APHIS is charged with protecting agriculture, human health and safety, property, and natural resources from disease and damage caused by wildlife.

APHIS’ Statutory/Regulatory Scope: Executive Order 13112, signed in 1999, directs Federal agencies to “detect and respond rapidly to and control populations of (invasive) species…, and monitor invasive species populations...” The Animal Damage Control Act of 1931, as amended, gives APHIS broad authority to conduct activities “in the control of nuisance mammals and birds and those mammal and bird species that are reservoirs of zoonotic diseases.” The statute allows APHIS to conduct cooperative programs with funding from State, local, or private entities.
**Items in Controversy:** Some private entities consider the removal of feral swine to compete with local businesses and recreational hunting. Some animal interest groups are opposed to any lethal control measures.

**Industry, Consumer, and Congressional Interest:** The pork industry strongly supports efforts to minimize the contact of feral swine with domestic livestock populations. In 2015, Chairman Aderholt (R - AL), of the House Agriculture Appropriations Subcommittee inquired about the success of the program to date. Additionally in 2015, Rep. Mike Conaway (R-TX), Chairman of the House Agriculture Committee visited a feral swine field operation in Texas to see the tools and techniques APHIS and its partners use.

**Executive Branch Position to Date:** Congress authorized a new program in 2014, and has since appropriated $20 million annually for this nationwide program. In FY 2015, APHIS had operational programs in 41 States and two territories in cooperation with State agencies, and had received permission from landowners to conduct feral swine activities on 127 million acres. In FY 2016, access to conduct activities on property increased to 152 million acres.

In FY 2015, APHIS and partners successfully eliminated feral swine from four States - Washington, Idaho, New York, and Maryland. In FY 2016, APHIS and partners successfully eliminated feral swine from an additional two States - New Jersey and Wisconsin. These States will continue to be monitored for two additional years to ensure successful elimination. Feral swine populations are still low enough that elimination is considered possible in 19 States. In the other 16 States, efforts have been focused on suppressing feral swine populations and minimizing damage to resources.

APHIS’ National Wildlife Research Center evaluated a toxicant and delivery system and is pursuing the registration of this toxicant with the Environmental Protection Agency. APHIS also researched a feral swine DNA detection process that would enable the agency to detect the presence of feral swine in an area and quickly remove them.

Every State has different laws and a different natural environment; the APHIS strategy is to provide funding and other resources to State programs and support them at a National level while allowing flexibility to manage operational activities at a local level. Task forces developed State-level management control plans that outline management goals and objectives, ranging from elimination of feral swine populations to management of individual populations.

APHIS has also initiated collaborative efforts with Mexico and Canada to monitor feral swine along the borders.

**Potential Alternative Approaches:** [b](5) Deliberative Process Privilege
3. **Aquaculture Predation**

**Issue:** APHIS resolves human/wildlife conflicts and protects agriculture, human health and safety, personal property, and natural resources from wildlife damage and wildlife-borne diseases in the United States.

**Public Policy Reason for APHIS Involvement:** Aquaculture is an important industry in the United States; however, wildlife depredation, especially by fish-eating birds, is significantly impacting production. Annual fish production in the United States is valued at $1.4 billion. The aquaculture industry incurs approximately $25 million in costs associated with bird damage and damage prevention. Nearly 70 percent of catfish producers reported some losses to wildlife.

**APHIS’ Statutory/Regulatory Scope:** The Animal Damage Control Act of 1931, as amended, gives APHIS broad authority to conduct activities “in the control of nuisance mammals and birds and those mammal and bird species that are reservoirs of zoonotic diseases.” The statute allows APHIS to conduct cooperative programs with funding from State, local, or private entities. APHIS also partners with the U.S. Fish and Wildlife Service (FWS) to address conflicts arising from birds covered under the Migratory Bird Treaty Act. Upon request, APHIS works with aquaculture producers to obtain a depredation permit from the FWS to remove birds such as cormorants from production areas.

**Items in Controversy:** Some States have raised concern regarding the loss of Congressional directive funding for aquaculture depredation. Animal advocacy groups have filed lawsuits challenging FWS’s National Environmental Policy Act processes that authorize the Agency’s use of lethal methods to address cormorants. The group claimed that FWS did not provide transparency in their actions, and did not adequately address cumulative effects on cormorant populations. In May, 2016, a judge vacated two major depredation orders, one related to aquaculture protection. FWS declined to appeal the judge’s decision, and is re-evaluating a path forward.

**Industry, Consumer, and Congressional Interest:** The aquaculture industry is strongly supportive of our bird damage prevention efforts. In 2015, in response to the Secretary’s Appropriations Hearing, APHIS was asked to respond regarding the future of funding to address cormorant control activities to protect natural resources in the Lake Champlain region. Since the removal of the Congressionally directed funding (approximately $94,000 annually) in 2012, the State of Vermont has expressed the difficulty in finding funding to address cormorant control.

**Executive Branch Position to Date:** In FY 2015, APHIS provided assistance to baitfish and crawfish producers, catfish farmers, fish hatcheries, sport fish producers for pond stocking, and tropical fish producers in 13 States under a special depredation order for aquaculture. APHIS also conducted double-crested cormorant damage management in 36 States in FY 2015. And on a year-round basis, APHIS provides operational and technical assistance to aquaculture producers, specifically on roost management of double-crested cormorant, harassment of fish-eating birds on catfish facilities, and helping farmers with the FWS depredation permit process.
Upon the May 2016 court decision ordering FWS to vacate its aquaculture depredation orders, APHIS suspended all lethal cormorant removal work. APHIS is consulting with FWS to determine next steps. In the meantime, APHIS will continue to conduct night roost harassment techniques to disperse birds from roosting near aquaculture ponds. APHIS will continue to provide technical assistance (education on the use of non-lethal management techniques) to impacted cooperators.

APHIS’ National Wildlife Research Center’s field station in Starkville, Mississippi, is developing methods to reduce the impacts of fish-eating birds on aquaculture stocks. Current research is gathering information about the abundance, distribution, and foraging behavior of fish-eating birds, the economic impacts associated with their foraging activities, and the diseases they transmit at aquaculture facilities. This information will help develop new techniques for reducing damage.

Funding for aquaculture damage management has been FY 2015: $388,000; FY 2016: $759,000; FY 2017: $759,000 (estimate).

Potential Alternative Approaches: [b](5) Deliberative Process Privilege

GIPSA

Farmer Fair Practices Rules
Since passage of the Consolidated and Further Continuing Appropriations Act, 2012, USDA had been precluded from working on certain proposed regulatory provisions related to the Packers and Stockyards Act (Act). These proposed regulations included provisions to clarify that it is not necessary to find harm to competition in order to find that a packer, swine contractor, or live poultry dealer has engaged in an unfair, unjustly discriminatory, or deceptive practice or device or has given an undue or unreasonable preference or advantage.

The Consolidated Appropriations Act, 2016 does not include the prohibition. USDA intends to issue an interim final rule to clarify that it is not necessary to establish harm to competition in order to prove that a packer, swine contractor, or live poultry dealer has engaged in an unfair or unjustly discriminatory practice. USDA intends to propose regulations to establish the kinds of conduct or action that would be considered unfair under the Act without a showing of harm to competition. USDA also intends to propose a regulation to establish criteria for live poultry dealers who use a poultry grower ranking system to determine the amount of compensation poultry growers receive.
Other Packers and Stockyards Program Regulations
Congress recently passed legislation to clarify that online or video livestock auctions that handle the proceeds of the sale are subject to the Packers and Stockyards Act and to authorize electronic payments by packers, livestock market agencies, and livestock dealers. GIPSA will review current regulations to determine what changes are necessary to make the regulations consistent with the amendments to the Packers and Stockyards Act.

GIPSA has also identified regulations that are out of date and should either be updated or eliminated. These regulatory changes are less critical than the Farmer Fair Practices rules and the regulatory changes that are necessary to address the statutory changes.

Revaluating the Budget Obligation Limitation on Inspection and Weighing Fees Collected Under the United States Grain Standards Act
Currently, the annual appropriations act includes a budget obligation limitation on fees collected from inspection and weighing services which allows the Grain Inspection, Packers and Stockyards Administration (GIPSA) to operate its Federal Grain Inspection Service’s official inspection and weighing program. This program provides both mandatory and voluntary services, including a variety of inspection, weighing, and related services on grains, pulses, oilseeds, and processed and graded commodities. These services extend to both domestic and international markets, with services being mandatory for exports. These mandatory services include official weighing of the majority of grain exported from the United States and of intercompany barge grain received at export port locations; official inspection of the majority of grain exported from the United States; and testing of all corn exported from the United States for aflatoxin prior to shipment, unless the contract stipulates testing is not required.

In FY 2014, GIPSA experienced a dramatic increased demand for export inspection services in direct response to an increase of more than 35 percent in grain exports. In FY 2015 grain exports were higher than the record in FY 2014 and are anticipated to continue to increase through FY 2017. Demand for inspection services will increase with a continued increase in export volumes because of the statutory requirement to inspect and weigh export grain. To meet the increased demand for services, grain exporters and handlers are opening new export facilities that require around the clock service by GIPSA, thus increasing GIPSA’s costs. Additionally, GIPSA’s cost for installing inspection laboratories at these new facilities is approximately $200,000 each. In order to support mandatory official inspection and official weighing services along with the voluntary domestic services, and continue to meet the demand of the domestic and foreign grain and related commodity markets, the limitation on official inspection and official weighing services expenses that is currently in place needs to be eliminated.

GIPSA has executed various cost containment initiatives to limit obligations while meeting increased demand for services. GIPSA has limited supply and equipment purchases and changed hiring practices to optimize cost-efficient use of intermittent, part-time, and full-time employees to minimize overtime. Beginning in calendar year 2017, GIPSA will annually adjust its export inspection fees based on a rolling 5-year average of the volume of grain exports so that it
United States Department of Agriculture
2016 Presidential Transition
Marketing and Regulatory Programs (MRP)

maintains an operating reserve of between three to six months, ensuring a direct link between the user fees and the volume of grain exports.

GAO and OIG Audits

**AMS**

**USDA Office of Inspector General (OIG):**

<table>
<thead>
<tr>
<th>Audit Title</th>
<th>Date Issued / Initiated</th>
<th>Status</th>
<th>Link to Report</th>
</tr>
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<tbody>
<tr>
<td>National Organic Program - International Trade Arrangements and Agreements</td>
<td>Initiated 3/2/2016</td>
<td>In Progress</td>
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**Government Accountability Office (GAO):**

<table>
<thead>
<tr>
<th>Audit Title</th>
<th>Date Issued / Initiated</th>
<th>Status</th>
<th>Link to Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>FOIA Requests Related to USDA’s National Research and Promotion Programs</td>
<td>Initiated 9/9/2016</td>
<td>Entrance interview with GAO took place 9/19/2016. Agency is collecting information to submit to GAO.</td>
<td>N/A</td>
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<tr>
<td>USDA’s Oversight of National Research and Promotion Programs</td>
<td>Initiated 9/9/2016</td>
<td>Entrance interview with GAO took place 9/19/2016. Agency is collecting information to submit to GAO.</td>
<td>N/A</td>
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### APHIS

**SECTION IIId: GAO and OIG Audits – and other significant reports**

<table>
<thead>
<tr>
<th>Report Name</th>
<th>Link</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>APHIS Wildlife Services – Wildlife Damage Management (33601-02-41)</td>
<td><a href="https://www.usda.gov/oig/webdocs/33601-0002-41.pdf">https://www.usda.gov/oig/webdocs/33601-0002-41.pdf</a></td>
<td>OIG reviewed APHIS’ wildlife damage management activities, controls over cooperative agreements, our management information system, and hazardous materials and equipment accountability.</td>
</tr>
<tr>
<td>Controls Over Genetically Engineered Animal and Insect Research (50610-16-TE)</td>
<td><a href="https://www.usda.gov/oig/webdocs/50601-0016-TE.pdf">https://www.usda.gov/oig/webdocs/50601-0016-TE.pdf</a></td>
<td>OIG reviewed APHIS’ controls over genetically engineered animal and insect research, including policies used to prevent their release into the environment.</td>
</tr>
</tbody>
</table>
### Use in Animals (GAO 11-801)

Conducted research on alternatives to current antibiotic use, and have informed producers and veterinarians about appropriate antibiotic use.

### Agricultural Quarantine Inspection Fees: Major Changes Needed to Align Fee Revenues with Program Costs (GAO 13-268)


GAO reviewed the agricultural quarantine inspection fees which support both USDA and DHS agricultural import inspection activities.

### Emerging Animal Diseases: Actions Needed to Better Position USDA to Address Future Risks (GAO 16-132)


GAO reviewed Federal agencies’ actions to address swine enteric coronavirus disease outbreaks and to improve future responses to emerging animal diseases.

### Federal Veterinarians: Efforts Needed to Improve Workforce Planning (GAO 15-495)


GAO reviewed the Federal agencies’ workforce planning for Federal veterinarians.

### Genetically Engineered Crops: USDA Needs to Enhance Oversight and Better Understand Impacts of Unintended Mixing with Other Crops (GAO 16-241)


GAO reviewed Federal oversight of genetically engineered crops, genetically engineered crop regulations, data on potential unintended mixing with non-genetically engineered crops, and the extent to which Federal agencies provide information to the public on these crops.

### High-Containment Laboratories: Comprehensive and Up-to-Date Policies and Stronger Oversight Mechanisms Needed to Improve Safety (GAO 16-305)


GAO reviewed laboratory biological agent management policies, laboratory oversight, and high-containment laboratories.

### Homeland Security: Agriculture Inspection Program Has Made Some Improvements, (GAO 12-885)


GAO performed a follow up audit related to the transfer of certain agricultural inspection functions to DHS in 2003. GAO reviewed the extent to which Federal agencies implemented GAO’s prior
but Management Challenges Persist (GAO 12-885) & recommendations and how USDA and DHS use data on arrivals, inspections, and interceptions to manage the program. 


Nonnative forest insects and pathogens in the United States: Impacts and policy options & The nonprofit Carey Institute for Global Good reviewed information on nonnative forest insects and diseases in the United States, including pathways of arrival, distribution and policy options for reducing future invasions. 

Future Biotechnology Products and Opportunities to Enhance Capabilities of the Biotechnology Regulatory System. (National Academy of Sciences National Research Council Studies. DELS-BLS-15-16) & USDA, EPA, and FDA are funding the study, due before the end of FY 2016, as part of the process to modernize the regulation of biotechnology products. The report will answer the questions “What will the likely future products of biotechnology be over the next 5-10 years? What scientific capabilities, tools, and/or expertise may be needed by the regulatory agencies to ensure they make efficient and sound evaluations of the likely future products of biotechnology?”

**GIPSA**

GIPSA does not have any significant reports from the last four years issued by external groups.
Agricultural Marketing Service (AMS) Fact Sheet

WHAT WE DO: OUR MISSION

AMS facilitates the strategic marketing of agricultural products in domestic and international markets, while ensuring fair trading practices and promoting a competitive and efficient marketplace to the benefit of producers, traders, and consumers of U.S. food and fiber products. Some examples of our programs are Market News (appropriated), the National Organic Program (appropriated), Commodity Procurement (Section 32), Commodity standardization, auditing, grading and inspection (user fee).

WHO WE ARE: OUR WORKFORCE

AMS has a total of 3,531 employees of which 2,074 are permanent full-time employees. Approximately 1,582 are field-based, with major offices in Des Moines, IA; Fredericksburg, VA; Fresno, CA; Gastonia, NC; Glen Allen, IL; Little Rock, AR; and Winter Haven, FL.

WHO WE SERVE: OUR CONSTITUENTS

Most are “quality verification” customers, who buy our services in grading, inspection, and certification, or who request assistance in industry self-help programs like research and promotion, and marketing orders. Millions receive daily market reports, Farm Bill grants and food from Federal feeding programs among other services.

KEY UPCOMING DECISIONS

The new GMO Law requires that within two years of enactment, AMS establish a mandatory national bioengineered food disclosure standard and the procedures to implement the national standard. A study on consumer access to electronic disclosures must also be completed within one year of enactment of the law.

AMS will conduct rulemaking on Guidance on the Allowance of Green Waste in Organic Production Systems after a U.S. District Court prospectively vacated a previous guidance.

The 2014 Farm Bill provided opportunity for California dairy farmers to request a Federal milk marketing order to assure a minimum price while ensuring an adequate supply. USDA will be issuing a recommendation after considering hearing and rulemaking materials obtained during the last few months.

BUDGET HIGHLIGHTS FY 2016

Discretionary

- Marketing Services - $81.2 million
- Payments to States - $1.2 million

Mandatory

- Section 32 - $1.01 billion
- Farm Bill/Grants - $109.3 million

User Fees

PACA/Grading - $226.6 million
United States Department of Agriculture  
2016 Presidential Transition  
Agricultural Marketing Service (AMS)

I. Organizational Overview

Agency’s Mission/Strategic Plan

Mission:
The mission of the Agricultural Marketing Service (AMS) is to facilitate the strategic marketing of agricultural products in domestic and international markets, while ensuring fair trading practices and promoting a competitive and efficient marketplace to the benefit of producers, traders, and consumers of U.S. food and fiber products.

AMS carries out a wide range of programs under the authorization of the Agricultural Marketing Act of 1946 as well as over 50 other statutes. More than half of the funds needed to finance AMS activities (excluding commodity purchase program funds) are derived from voluntary user fees. AMS also provides services for private industry and State/Federal agencies on a reimbursable basis. In addition, AMS conducts several appropriated program activities through cooperative arrangements with State Departments of Agriculture and other agencies.

Goals and Objectives:
GOAL 1: Enhance Communication between Stakeholders and AMS Programs (COMMUNICATION)
Objective 1.1: Strengthen Stakeholder Relationships and Understanding of the Agency’s Role in Facilitating Marketing
Objective 1.2: Increase Outreach Efforts by Building and Maintaining Effective Partnerships
Objective 1.3: Encourage Board and Committee Teamwork and Diversity

GOAL 2: Provide Market Information and Intelligence and Support the Development of New Markets (MARKET INFORMATION and MARKETING INNOVATION)
Objective 2.1: Increase Market Opportunities for American Agriculture through Analysis of Domestic and International Market Information and Data
Objective 2.2: Improve Access to Healthy, Locally Produced Foods while Developing Market Opportunities
Objective 2.3: Develop International and Domestic Commodity Standards to Facilitate Global Trade and Economic Growth

GOAL 3: Provide Quality Claims and Analyses to Facilitate Agricultural Marketing (GRADING, AUDIT VERIFICATION, TESTING, and EXAMINING)
Objective 3.1: Improve Voluntary User-Fee Services
Objective 3.2: Facilitate Exports of American Agricultural Products
Objective 3.3: Expand Plant Variety Protection Services
United States Department of Agriculture
2016 Presidential Transition
Agricultural Marketing Service (AMS)

GOAL 4: Provide Effective Oversight of Markets and Entities (REGULATORY OVERSIGHT)
Objective 4.1: Ensure Research and Promotion Programs Operate in Compliance with Acts, Orders, and Guidelines
Objective 4.2: Safeguard the Quality and Wholesomeness of Agricultural Products
Objective 4.3: Stabilize and Protect Markets
Objective 4.4: Create Jobs and Expand Opportunities for Farms and Businesses by Supporting Organic Agriculture
Objective 4.5: Augment Perishable Commodity Services

GOAL 5: Provide Premier Procurement and Technical Solutions to Identify and Fulfill the Needs for Agricultural, Food Assistance, and Other Programs (COMMODITY PROCUREMENT)
Objective 5.1: Enhance the Procurement Business Model
Objective 5.2: Provide Greater Value and Additional Opportunities for Nutrition Assistance Program Recipients
Objective 5.3: Ensure and Expand Optimal Web-Based Supply Chain Management (WBSCM) Service Delivery

GOAL 6: Sustain and Enrich a Diverse, Progressive, and Dynamic Organizational Environment (ORGANIZATION)
Objective 6.1: Implement a Human Capital Approach that Invests in the Diversification, Recruitment, Training, and Development of Leaders and Employees
Objective 6.2: Augment the Deployment and Alignment of Information Technology Assets in Support of Mission-Critical Programs and Activities
Objective 6.3: Continue to Strive for New Efficiencies, Improvements, and Cost-Savings in Key Functions and Processes
Objective 6.4: Encourage and Support Diversity
Objective 6.5: Effectively Address Opportunities Identified in Federal Employee Viewpoint Survey (FEVS) Results

A copy of AMS’ Strategic Plan can be found at: https://www.ams.usda.gov/about-ams/strategic-plan
### Key mission delivery performance measures

#### Key AMS Performance Measures

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<tbody>
<tr>
<td>Relevance of Market News Information</td>
<td>N/A</td>
<td>81%</td>
<td>81%</td>
<td>81%</td>
<td>79%</td>
<td>82%</td>
</tr>
<tr>
<td>Market News Funding ($ thousands)</td>
<td>$33,149</td>
<td>$32,949</td>
<td>$31,102</td>
<td>$33,170</td>
<td>$32,488</td>
<td>$33,219</td>
</tr>
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#### Shell Egg Surveillance – Percent of firms complying with EPIA and the Shell Egg Surveillance program.

| Percent | 96% | 95% | 95% | 95% | 95% | 95% |
| Shell Egg Surveillance Funding ($ thousands) | $2,717 | $2,717 | $2,565 | $2,732 | $2,563 | $2,563 |

#### Federal Seed Act Program – Percent of seed shipped in interstate commerce that is accurately labeled.

| Percent | 97% | 97% | 98% | 98% | 98% | 98% |
| Federal Seed Program Funding ($ thousands) | $2,439 | $2,439 | $2,302 | $2,455 | $2,299 | $2,299 |


| Percent | 94% | 94% | 94% | 94% | 96% | 96% |
| COOL Funding ($ thousands) | $7,942 | $5,000 | $4,720 | $5,015 | $4,718 | $4,718 |

#### National Organic Program – Compliance with certification and accreditation criteria.

| Percent | 90% | 96% | 95% | 95% | 95% | 95% |
| National Organic Program Funding ($ thousands) | $6,919 | $6,919 | $6,531 | $9,026 | $9,020 | $9,020 |

#### Transportation and Market Development – New markets established or expanded through technical assistance (including cooperative research reports and marketing and training tools).

| Number of Markets | N/A | N/A | 200 | 200 | 250 | 100 |
| Transportaion & Market Development Funding ($ thousands) | $5,734 | $5,734 | $6,357 | $7,193 | $8,117 | $8,117 |
United States Department of Agriculture
2016 Presidential Transition
Agricultural Marketing Service (AMS)

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<tbody>
<tr>
<td>Number of children’s food commodities included in PDP</td>
<td>21</td>
<td>21</td>
<td>22</td>
<td>22</td>
<td>22</td>
<td>18+</td>
</tr>
<tr>
<td>Percent comprehensive data available for risk assessment¹</td>
<td>90%</td>
<td>87%</td>
<td>83%</td>
<td>83%</td>
<td>84%</td>
<td>90%</td>
</tr>
<tr>
<td>Percent of U.S. population represented in PDP data²</td>
<td>50%</td>
<td>50%</td>
<td>48%</td>
<td>48%</td>
<td>48%</td>
<td>48%</td>
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<tr>
<td>PDP Funding ($ thousands)</td>
<td>$15,330</td>
<td>$15,330</td>
<td>$14,471</td>
<td>$15,347</td>
<td>$15,739</td>
<td>$15,039</td>
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Organization’s History

The mission of the Agricultural Marketing Service (AMS) is to facilitate the strategic marketing of agricultural products in domestic and international markets, while ensuring fair trading practices and promoting a competitive and efficient marketplace to the benefit of producers, traders, and consumers of U.S. food and fiber products.

AMS carries out a wide range of programs under the authorization of the Agricultural Marketing Act of 1946 as well as over 50 other statutes. More than half of the funds needed to finance AMS activities (excluding commodity purchase program funds) are derived from voluntary user fees. AMS also provides services for private industry and State/Federal agencies on a reimbursable basis. In addition, AMS conducts several appropriated program activities through cooperative arrangements with State Departments of Agriculture and other agencies.

¹ EPA is required to reassess compounds every 5 years. The percentage represents the % of compounds for which there is data.

² The 48% is based on the population of the States where PDP collects samples compared to the US population. PDP collects from 10 of the 50 States. Those 10 represent 48% of the total US population.
List of statutes:

<table>
<thead>
<tr>
<th>Statute Description</th>
<th>Related Act</th>
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<tbody>
<tr>
<td>1996 Food Quality Protection Act</td>
<td>Honey Research, Promotion and Consumer Information Act</td>
</tr>
<tr>
<td>Act of August 11, 1939 (Saltonstall-Kennedy Act)</td>
<td>International Carriage of Perishable Foodstuffs Act of 1982</td>
</tr>
<tr>
<td>Agricultural Act of 1949 - Section 404</td>
<td>Mushroom Promotion, Research and Consumer Information Act of 1990</td>
</tr>
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Organizational Chart

The mission of the Agricultural Marketing Service is to facilitate the competitive and efficient marketing of agricultural products.
Biographies of career staff in key leadership positions

Bruce Summers  
Associate Administrator, Office of the Administrator  
(202) 720-5116, bruce.summers@ams.usda.gov

Mr. Bruce Summers currently serves as the Associate Administrator for the USDA’s Agricultural Marketing Service. In this position Mr. Summers works on policy issues and oversight of a variety of programs including grading and inspection of commodities such as meat, produce, dairy and cotton, the USDA Market News Service, Research and Promotion Programs and the National Organic Program. Mr. Summers is a long time employee of AMS with more than 20 years of experience. Prior to being named to the Associate Administrator he served as Deputy Associate Administrator and in various capacities in the Specialty Crops Program Area of AMS. Mr. Summers has a degree in Agricultural Economics from the University of Maryland.

Erin Morris  
Associate Administrator/Chief Operating Officer  
(202) 720-690-4024, erin.morris@ams.usda.gov  

Ms. Erin Morris is the Associate Administrator/Chief Operating Officer of USDA’s AMS. In this capacity, Ms. Morris is responsible for the formulation of operational policies and programs to carry out the broad agricultural regulatory, marketing, and inspection programs conducted by AMS.

Before being selected for this position, Erin served in a variety of other positions within AMS including serving in Commodity Procurement, Market News, Research and Promotion, and Country of Origin Labeling programs. Prior to joining the Federal government approximately 16 years ago, Ms. Morris worked in the foodservice distribution industry. Ms. Morris is a Cum Laude graduate of the College of Agriculture at Texas A&M University. She resides in Fairfax Station, VA, with her husband and two children.
Dana H. Coale  
Deputy Administrator, Dairy Programs  
(202) 720-5116, dana.coale@ams.usda.gov

Ms. Dana H. Coale served as AMS Acting Associate Administrator from February through October 2016. Ms. Coale was selected as Deputy Administrator of the AMS Dairy Program in September 2004. She oversees a wide array of programs and services that establish and maintain orderly dairy marketing conditions and ensure that consumers have adequate supplies of pure and wholesome milk at all times. She manages an organization of more than 470 employees who implement these programs across the Nation.

Ms. Coale began her career with AMS in 1989 serving in several positions. Ms. Coale received a Bachelor of Science degree in Public Service and Administration in Agriculture and International Agriculture from Iowa State University. She grew up on a grain and livestock farm in Central Iowa, and she continues to maintain ownership in the operation. Ms. Coale and her husband have two children and reside in Gainesville, Virginia.

William ‘Bill’ D. Allen  
Director, Legislative and Regulatory Review Staff  
202-720-3785, william.allen@ams.usda.gov

Mr. William ‘Bill’ Allen was hired as a Legislative Analyst with AMS in May 2004. He now serves as the Director of the Legislative and Regulatory Review Staff which coordinates and monitors all Congressional activities, reviews all agency rulemakings, and ensures that AMS meets its responsibilities under the Freedom of Information Act, the Paperwork Reduction Act, and the Small Business Regulatory Enforcement Fairness Act. Mr. Allen received a Bachelor’s Degree in History from Emory & Henry College and a Master’s Degree in Political Management from George Washington University. Mr. Allen was born and raised in Richmond, Virginia, and now resides in [b](6).

David Tuckwiller  
Director, Commodity Procurement Program  
202-720-2784, david.tuckwiller@ams.usda.gov

Mr. David Tuckwiller is the Director of the AMS Commodity Procurement. He is responsible for managing purchases of meat, poultry, fruit and vegetable commodities for the National School Lunch and other nutrition programs. These purchases support American agriculture by providing an outlet for surplus products and encouraging consumption of domestically-produced foods. The wholesome, high-quality products purchased by USDA—collectively called USDA Foods—are delivered to schools, food banks and households in communities across the country, and are a vital component of our nation’s food safety net. Additionally, Mr. Tuckwiller is the Program Manager for the overall implementation of the Web-Based Supply Chain Management System (WBSCM).
Prior to this position in AMS, Mr. Tuckwiller worked for twelve years in the Food and Nutrition Service’s Food Distribution Division, where he managed these same programs and managed the development and implementation of the Electronic Commodity Ordering System. Combined, he has nearly 22 years of experience with USDA’s commodity purchase program.

Shayla M. Bailey
Acting Director, Public Affairs Staff
(202) 690-3816, shayla.bailey@ams.usda.gov

Shayla Mae Bailey is the Acting Director of AMS Public Affairs. Prior to acting as director, Ms. Bailey served as the Digital Communications Manager & Deputy Director of Public Affairs. She has spent her career developing communication strategies for academic institutions and government agencies, including the University of Connecticut, St. Mary’s College of Maryland, and the Department of Defense.

An expert in branding, reputation management, digital communications, and strategic planning, Ms. Bailey leverages technology, design, and marketing principles to improve public awareness and promote government services. Her previous work includes developing consumer label infographics and agroforestry campaigns for USDA, raising vaccine awareness during the H1N1 flu outbreak, and building interactive course modules to teach future generations of doctors how to understand MRI and CAT scan images. She was also design consultant on the Check Your Steps food safety campaign. Shayla studied journalism at the University of Kansas and lives in...

Clifton J. Gilchrist
Director, Civil Rights Programs
202-720-0583, clifton.gilchrist@ams.usda.gov

Mr. Clifton Gilchrist has served as the AMS Director of Civil Rights Programs since March 15, 2009. Mr. Gilchrist has served over 30 years with the Federal Government including Departments of Defense and Treasury and has a broad understanding and experience in the different areas of Civil Rights/EEO.

Mr. Gilchrist has a bachelor’s degree in Business Administration with emphasis in Personnel Management from Norfolk State University, in Norfolk, Virginia. He also possesses a master’s degree in counseling psychology from Bowie State University in Bowie, Maryland. Mr. Gilchrist is a native of Virginia Beach, Virginia. He currently resides with his wife, daughter and son in Clinton, Maryland.

Darryl W. Earnest
Deputy Administrator, Cotton & Tobacco Programs
901-384-3060, darryl.earnest@ams.usda.gov

Mr. Darryl W. Earnest is the Deputy Administrator of the AMS Cotton and Tobacco Program. Mr. Earnest is responsible for all operations including grading, standardization,
United States Department of Agriculture  
2016 Presidential Transition  
Agricultural Marketing Service (AMS)

market news, information technology, research and promotion, quality assurance, international initiatives, legislative policy and administration.

Mr. Earnest has spent his entire career with the AMS Cotton Program. After graduating from the University of Alabama with a Bachelor of Science degree in Industrial Engineering in 1990, he went to work with the Cotton Program in its Greenwood, Mississippi Classing Office. He moved to Memphis, Tennessee and performed duties in several other capacities. In May 2005, he was named Deputy Administrator. Mr. Earnest has two children – daughter Riley and son Connor.

Charles ‘Chuck’ W. Parrott  
Deputy Administrator, Specialty Crops Program  
202-720-4722, charles.parrot@ams.usda.gov

Mr. Charles W. Parrott was named the Deputy Administrator of USDA’s Specialty Crops Program in October 2012. He began his career with USDA in 1983 holding various positions in the Perishable Agricultural Commodities Act (PACA) Program and in the Deputy Administrators office. Mr. Parrott leads the Agency's regulatory programs related to the specialty crops industries. The programs include quality grading, testing, auditing and accreditation services; voluntary market news reporting; PACA; Marketing Orders; Research and Promotion; and economic and statistical analysis.

Mr. Parrott holds a Bachelor of Science degree in Horticulture and a minor in agricultural economics from Virginia Tech, and is a Senior Executive Fellow from Harvard University’s Kennedy School of Government.

Miles McEvoy  
Deputy Administrator, National Organic Program  
202-720-3252, miles.mcevoy@ams.usda.gov

Mr. Miles McEvoy has served as Deputy Administrator of the AMS National Organic Program (NOP) since the program’s inception in October 2009. The NOP is responsible for the full range of activities associated with establishing, overseeing, and enforcing the USDA organic regulations and standards.

During his tenure, Mr. McEvoy has increased oversight and consistency in the organic certification process, utilized civil penalties to enforce organic standards, implemented unannounced inspection and residue testing requirements, while bringing together diverse community stakeholders. In addition he has implemented ‘Sound and Sensible’ principles to ensure organic integrity and support organic farmers and handlers. Prior to joining the USDA, Mr. McEvoy led the Washington State Department of Agriculture's (WSDA) Organic Food Program.
Ms. Judith J. Dudley has served as the Acting Chief Information Officer (CIO) for AMS since June 2016. Before that she served as Deputy Chief Information Officer (DCIO) for AMS from November 2009 to June 2016. She is responsible for managing the Agency’s Information Technology Program. The Program provides support and guidance to all Agency business units in information technology issues such as: the development and support of web-based information systems, cyber-security, work flow automation, voice and data telecommunications, technology equipment and services acquisition, electronic records management, and server and personal computer technical support.

Ms. Dudley has 31 years of Federal Service, all with USDA. Ms. Dudley received her M.S. in Computer Science from Northern Illinois University, an M.S. in Library and Information Science from the University of Illinois, and a B.S. in Mathematics from Western Illinois University.

Mr. Arthur L. Neal, Jr. is the Deputy Administrator of the Transportation and Marketing (T&M) Program in AMS. He provides leadership in market research and technical assistance for local food systems development, conducting economic analysis regarding the transportation of agriculture products from farm to market, and directing the funding of approximately $100 million dollars in grants for local food marketing and the competitive marketing of specialty crops. Arthur also oversees the USDA Farmer’s Market at headquarters and the People’s Garden Initiative.

Prior to joining T&M, Mr. Neal served as the Associate Deputy Administrator for the National Organic Program and played a significant role in the development of the national organic regulations. He has served as the U.S. delegate regarding organic issues for the United Nation’s Food and Agriculture/World Health Organization Codex Alimentarius Commission’s Committee on Food Labeling. Mr. Neal also worked for the Office of the Assistant Secretary for Civil Rights as the National Program Manager for the USDA/1890 Land Grant Partnership. He has served at USDA for 19 years. Mr. Neal is a native of Newellton, Louisiana. He graduated summa cum laude with a Bachelor of Science degree in Agriculture Economics from Southern University and A&M College in Baton Rouge, Louisiana, and earned a master’s degree from the Dale Bumpers College of Agriculture, Food and Life Sciences at University of Arkansas-Fayetteville and the Scottish Agricultural College in Aberdeen, Scotland (UK). [b] (6)
Sonia N. Jimenez  
Deputy Administrator, Compliance and Analysis Program  
202-720-6766, sonia.jimenez@ams.usda.gov

As the Deputy Administrator of AMS’ Compliance and Analysis Program, Ms. Sonia Jimenez is responsible for a broad range of administrative management, budget, homeland security and defense, and compliance and investigation services for the Agency’s programs, personnel and activities.

Ms. Jimenez began her career in USDA over 25 years ago, working in various positions in AMS and the Foreign Agricultural Service. She has worked closely with industry counterparts to facilitate the marketing of fruits, vegetables and specialty crops as well as the acquisition, compilation, processing, analysis and reporting of economic, statistical and commodity information and assessment of commodity supplies. During 2013, she served as the Agency’s acting Deputy Associate Administrator and is currently serving as the Deputy Administrator for C&A. Ms. Jimenez was born in Puerto Rico where she spent her childhood and early adulthood. She received her bachelor’s degree in Business Administration from the University of Puerto Rico and her Masters of Business Administration from the Inter-American University of Puerto Rico.

Craig A. Morris, Ph.D.  
Deputy Administrator, Livestock, Poultry and Seed Program  
202-720-5705, craig.morris@ams.usda.gov

Dr. Craig A. Morris serves as the Deputy Administrator of the AMS Livestock, Poultry and Seed (LPS) Program. In this role, Dr. Morris leads the Agency's regulatory programs related to the livestock, meat, poultry, egg, fish, grain and seed industries. The programs include retail country of origin labeling, quality grading, testing, auditing and accreditation services, mandatory and voluntary market news reporting, and economic and statistical analysis among others.

Dr. Morris has spent his entire professional career as part of the meat and poultry industry. Apart from government service, Dr. Morris served as the Assistant Vice President of Food Safety for Future Beef Operations, LLC, in Arkansas City, Kansas, and as the Manager of Scientific and Technical Affairs for the American Meat Institute in Washington, D.C. Dr. Morris was born in St. Louis County, Missouri and received his Bachelor of Science degree with Distinction in Animal Science from Iowa State University and served as a Regent’s Graduate Fellow while earning his Doctorate in Animal Science from Texas A&M University. Dr. Morris and his wife have two sons and reside in Fairfax Station, Virginia.
Ruihong Guo, Ph.D.
Deputy Administrator, Science and Technology Programs
202-720-8556, ruihong.guo@ams.usda.gov

Dr. Ruihong Guo is the deputy administrator of the AMS Science & Technology Program, and oversees scientific and analytical support services to the agricultural community, including the Plant Variety Protection Office, the Laboratory Approval & Testing Division, and the Pesticide Data Program.

Previously, Dr. Guo served as the AMS Associate Administrator and various positions within the National Organic Program (NOP). Before joining the NOP, she served as Director of Civil Rights Program for the Agricultural Marketing Service, and Director of Program Complaint in the Office of the USDA Assistant Secretary for Civil Rights. Ruihong came to the United States from China as a student and received her Ph.D. degree in speech communication from Southern Illinois University at Carbondale.

Biographies of political staff in key leadership positions

Elanor Starmer
Administrator
202-720-5115, elanor.starmer@ams.usda.gov

Ms. Elanor Starmer is USDA's AMS Administrator. Ms. Starmer joined USDA in 2011, first to support the Deputy Secretary and then as a Senior Advisor to Secretary Tom Vilsack. She also served as the National Coordinator and Advisor for Local and Regional Food Systems at USDA. In this role, she guided Department-wide efforts to strengthen local and regional food systems and lead the Know Your Farmer, Know Your Food initiative. She acted as liaison to U.S. Food and Drug Administration on the Food Safety Modernization Act (FSMA) and developed Department-wide strategy to support industry on FSMA implementation.

Prior to joining USDA in 2011, Elanor worked on agriculture, food and development policy issues for over a decade with nonprofits in Washington, DC, Minnesota, and California. She also consulted with the Organization of American States' agriculture policy arm in El Salvador. Originally from a small farming community in New Hampshire, Ms. Starmer has an MS in Agriculture Science and Policy from Tufts University’s Friedman School; an MA in Development Economics from the Fletcher School of Law and Diplomacy; and a BA from Brown University. (b) (6)
United States Department of Agriculture
2016 Presidential Transition
Agricultural Marketing Service (AMS)

Organizational Budget and Financial Management

Agricultural Marketing Service
Budget Authority FY 2009-2016 Available Funds
(Dollars in Thousands)

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<td>Mandatory Sub-total</td>
<td>$1,129,280</td>
<td>$1,262,750</td>
<td>$1,283,750</td>
<td>$1,149,750</td>
<td>$1,153,754</td>
<td>$1,120,932</td>
<td>$1,189,692</td>
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<td>Perishable Agricultural Commodities Act Fund</td>
<td>9,792</td>
<td>9,858</td>
<td>10,354</td>
<td>10,243</td>
<td>9,775</td>
<td>10,035</td>
<td>9,589</td>
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<td>Fees for Grading of Cotton and Tobacco</td>
<td>41,575</td>
<td>39,968</td>
<td>43,938</td>
<td>43,812</td>
<td>40,904</td>
<td>43,090</td>
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<tr>
<td>Grading of Farm Products for Producers, Processors and</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Municipal, State and Federal Agencies</td>
<td>150,946</td>
<td>148,608</td>
<td>151,497</td>
<td>152,057</td>
<td>150,743</td>
<td>158,334</td>
<td>154,151</td>
<td>155,357</td>
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<td>Reimbursements, Research and Promotion Boards</td>
<td>3,901</td>
<td>3,941</td>
<td>4,235</td>
<td>3,579</td>
<td>3,954</td>
<td>3,953</td>
<td>4,695</td>
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<td>Total</td>
<td>$1,423,539</td>
<td>$1,557,606</td>
<td>$1,581,643</td>
<td>$1,442,850</td>
<td>$1,434,806</td>
<td>$1,417,621</td>
<td>$1,485,482</td>
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United States Department of Agriculture
2016 Presidential Transition
Agricultural Marketing Service (AMS)

Enterprise Workforce Data

AMS Permanent Workforce FY 2009-FY 2016

*HQ equals Washington, DC

Total AMS Workforce
FYs 2009-2016

- Seasonal & Other
- Permanent Only
AMS employs a workforce of 3,531 employees of which the following are full-time and part-time. These numbers were pulled from the NFC Onboarding Report for the Agency. There is a difference on 1 between this number and the SF-113A due to the timing of when the report was run.

- Full-time: 2,184 employees
- Part-time: 112 employees
- Other employment (term, temporary): 1,235 employees

There are 2,722 employees in mission critical occupations (MCO). This represents 77% of AMS’ total workforce. For permanent staff, this number is 1,567 and 76%. In summary, whether looking at AMS’ total workforce or permanent workforce, MCO’s represent ¾ of the workforce.

- AMS employs an additional 1,400 seasonal employees during our peak months to grade and inspect seasonal crops.

For both AMS’ total and permanent workforce, 27% are eligible to retire within the next year.

- Our headquarters is located within Washington, D.C., which houses 15% of our total workforce

AMS has three conventional laboratories. They include:

- Gastonia, NC – 27 employees
- Blakely, GA – 7 employees (note that AMS has a satellite location affiliated with the Blakely Lab in Dawson, GA. These seven employees work between these two locations.)
- Winter Haven, FL – 5 employees

(AMS conducts other laboratory activities through third party laboratories and other AMS field office locations. This work is conducted by both AMS staff and contractors.)
AMS Field Office Table

<table>
<thead>
<tr>
<th>State</th>
<th>Number of Field Offices</th>
</tr>
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<tbody>
<tr>
<td>Arkansas</td>
<td>2</td>
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<tr>
<td>California</td>
<td>12</td>
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<tr>
<td>Florida</td>
<td>5</td>
</tr>
<tr>
<td>Georgia</td>
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<tr>
<td>Iowa</td>
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<td>Idaho</td>
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<tr>
<td>Illinois</td>
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<td>Indiana</td>
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<td>Kansas</td>
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<td>Kentucky</td>
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<td>Louisiana</td>
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<td>Wyoming</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>85</strong></td>
</tr>
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</table>
II. Policies and Regulations

Statutory Authorities – None has expired or will expire in the next year.


This Bill was a $288 billion, five-year agricultural policy bill that was passed into law on June 18, 2008. AMS impacts include:

- Established new guidance on the funds to be made available for Section 32 activities; required increased Specialty Crop Purchases, and other provisions.
- Expanded and funded the Farmers Market Promotion (grant) Program from CCC.
- Expanded and funded the Specialty Crop Block Grant (SCBG) program from CCC.
- Extended the National Organic Cost Share Program and funded from CCC.
- Increased funding for AMA Organic Cost Share Program (for a specified period).
- Provided one-time funding from CCC to expand organic market data.
- Amended Country of Origin Labeling to include additional commodities.
- Authorized (unfunded) specific amounts for the National Organic Program.
- Provided guidance on Milk Marketing Orders.
- Provided guidance on mandatory market reporting.

Agricultural Act of 2014 (H.R. 2642; Pub.L. 113–79, also known as the 2014 U.S. Farm Bill)

This Bill, formerly the "Federal Agriculture Reform and Risk Management Act of 2013", authorizes nutrition and agriculture programs in the United States for the years of 2014-2018. It authorizes $956 billion in spending over the next ten years. AMS impacts include:

- Extended and expanded the Farmers Market Promotion Program to add the Local Food Promotion (grant) Program and funded from CCC.
- Extended the SCBG program and increased funding from CCC including funding for Multi-State projects.
- Extended the National Organic Cost Share Program and increased CCC funding.
- Provided additional one-time funding from CCC for organic market data expansion.
- Provided one-time funding for a technical modernization upgrade to the National Organic Program.
- Provided one-time funding for a sheep marketing grant from CCC.
- Changed the source of funding for Wool Trust from Customs receipts to CCC.
- Provided (unfunded) appropriations authority for specialty crop reporting.
- Provided (unfunded) appropriations authority at specified amounts for the National Organic Program.
Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627)

This Act provides for:

- continuous research to improve the marketing, handling, storage, processing, transportation, and distribution of agricultural products;
- cooperation among Federal and State agencies (including the Virgin Islands and Guam), producers, industry organizations, and others in the development and effectuation of research and marketing programs to improve the distribution processes;
- an integrated administration of all laws to aid the distribution of agricultural products research, market aids and services, and regulatory activities, to the end that marketing methods and facilities may be improved, that distribution costs may be reduced, and the price spread between the producer and consumer may be narrowed; and
- matching funds with cooperating State agricultural experiment stations, State extension services, and State departments of agriculture.

The Act also: (1) authorizes grading, inspection, and certification of all agricultural products; (2) makes certifications prima facie evidence; (3) prohibits misrepresentation with respect to such services.

- Cooperation with States and Specialty Crop Grants (7 U.S.C. 1621)
- Market News, Standards, and Grading (including collection and retention of fees) (7 U.S.C. 1622)
- Livestock Mandatory Reporting (7 U.S.C. 1635-1636i) and Dairy Product Mandatory Reporting (7 U.S.C. 1637-1637b)
- Country of Origin Labeling (7 U.S.C. 1638d)
- National Bioengineered Food Disclosure Standard (7 U.S.C. 1639)

Livestock Mandatory Reporting Act of 1999 (Title IX of the FY2000 USDA appropriations act (P.L. 106-78)

Requires the Secretary of Agriculture to establish mandatory price reporting programs for live cattle and swine that: (1) provide timely and accurate market information; (2) facilitate informed marketing decisions; and (3) promote competition in the slaughtering industry. Sets forth reporting provisions for the Secretary and packers. This Act was reauthorized in 2005, 2010 and 2015.

Dairy Market Enhancement Act of 2000 (Public Law 106 – 532)

Directs the Secretary of Agriculture to establish a program of mandatory dairy product information reporting. Authorizes appropriations.
Mandatory Price Reporting Act of 2010

Directs the Secretary to (1) extend reporting requirements for livestock daily markets through September 30, 2015; (2) establish mandatory reporting for wholesale pork cuts; and (3) direct the Secretary of Agriculture (USDA) to establish, and implement within one year, an electronic price reporting system for dairy products.

The Agricultural Reauthorizations Act of 2015

Reauthorized and amended laws that address livestock mandatory price reporting requirements.

Agricultural and Food Act of 1981

An Act to provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, continue food assistance to low-income households.

Food Security Act of 1985

An Act to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to continue food assistance to low-income persons, to ensure consumers an abundance of food and fiber at reasonable prices.


The Farm Security and Rural Investment Act of 2002, also known as the 2002 Farm Bill, includes ten titles, addressing a great variety of issues related to agriculture, ecology, energy, trade, and nutrition. The act directs approximately 16.5 billion dollars of funding toward agricultural subsidies each year through 2007. These subsidies have a dramatic effect on the production of grains, oilseeds, and upland cotton.


President Bush signed the Specialty Crop Competitiveness Act of 2004 (Act) on December 21, 2004. The Act seeks to promote increased consumption of specialty crops and increase the competitiveness of specialty crop producers. Specialty crops are defined as fruits and vegetables, tree nuts, dried fruits, and nursery crops (including floriculture). The Act authorizes $54 million annually for the next 5 fiscal years to help meet these goals. The Act authorizes: (1) specialty crop block grants to States through 2009; (2) technical assistance for specialty crops through 2009; (3) efforts to reduce the backlog of agricultural export petitions; (4) publication of a report on sanitary and phytosanitary export issues; (5) research on methyl bromide alternatives; (6) a national specialty crop research program; (7) a specialty crop committee; (8) a pest and disease response fund; (9) a peer review of import and export regulations; and (10) maintenance of a USDA training facility for USDA fresh fruit and vegetable inspectors.
Peanut Statistics (7 U.S.C. 951-957)

The Act of June 24, 1936, as amended, authorized the collection and publication of statistics of raw peanuts and peanut oil.


Provides for mandatory continuous inspection of egg products processing plants and regulates the distribution of certain qualities of shell eggs in interstate, foreign, and intrastate commerce. Inspection of egg products processing plants is performed within FSIS. This act also provides for the use of nationwide standards, grades, and weight classes for eggs in interstate or foreign commerce and prohibits origin labeling of shell eggs except for noncontiguous areas of the United States. AMS conducts Shell Egg Surveillance through periodic inspection of shell egg facilities.

Pesticide Data Program (21 U.S.C. 346a note)

Requires the Secretary to ensure that the residue data collection activities conducted by USDA in cooperation with the Environmental Protection Agency and the Department of Health and Human Services, provide for the improved data collection of pesticide residues, including guidelines for the use of comparable analytical and standardized reporting methods, and the increased sampling of foods most likely consumed by infants and children.

DATA COLLECTION ACTIVITIES TO ASSURE HEALTH OF INFANTS AND CHILDREN

1996 Food Quality Protection Act
Pub. L. 104–170, title III, §301, Aug. 3, 1996, 110 Stat. 1511, provided that:
"(a) In General.-The Secretary of Agriculture, in consultation with the Administrator of the Environmental Protection Agency and the Secretary of Health and Human Services, shall coordinate the development and implementation of survey procedures to ensure that adequate data on food consumption patterns of infants and children are collected.
"(b) Procedures.-To the extent practicable, the procedures referred to in subsection (a) shall include the collection of data on food consumption patterns of a statistically valid sample of infants and children.
"(c) Residue Data Collection.-The Secretary of Agriculture shall ensure that the residue data collection activities conducted by the Department of Agriculture in cooperation with the Environmental Protection Agency and the Department of Health and Human Services, provide for the improved data collection of pesticide residues, including guidelines for the use of comparable analytical and standardized reporting methods, and the increased sampling of foods most likely consumed by infants and children."
United States Department of Agriculture
2016 Presidential Transition
Agricultural Marketing Service (AMS)

Federal Seed Act (7 U.S.C. 1551-1611)

- Prohibits transportation or delivery for transportation in interstate commerce of agricultural or vegetable seeds unless each container bears a label giving information prescribed by regulations.
- Establishes that only those seeds properly certified by the seed-certifying agency (as defined in the Act) shall bear label or advertising to that effect.
- Prohibits transportation of certain described seeds and prescribes procedures relating to importations.
- Authorizes promulgation of rules and regulations by the Secretary and by the Secretary of the Treasury jointly or separately after notice and public hearing.
- Prohibits alteration, defacement, or destruction of labels.
- Makes unlawful in the U.S. or in interstate or foreign commerce the sale of uncertified seed of a protected variety under the Plant Variety Protection Act.
- Sec. 415 (a) and (b) authorizes the appropriation for this activity from the U.S. Treasury to the Secretary of Agriculture.


- Defines “direct marketing from farmers to consumers” to mean the marketing of agricultural commodities at any marketplace established for the purpose of enabling farmers to sell their agricultural commodities directly to individual consumers in a manner calculated to lower the cost and increase the quality while providing increased financial returns for farmers.
- Requires the Secretary to carry out a program to facilitate the direct marketing of food commodities from farmers to consumers, for their mutual benefit, under which there would be (1) a nationwide survey of existing direct marketing operations; (2) an allocation of funds to the State departments of agriculture and/or the State cooperative extension services to provide assistance for direct marketing within the respective States; and (3) an annual report by the Secretary on activities carried out under the act to further direct marketing.


Makes it unlawful for handlers to knowingly: coerce a producer in the exercise of the producer's right to join and belong to a cooperative; refuse to deal with a producer because of his/her membership in a cooperative; discriminate against a producer because of a membership in a cooperative; induce a producer to refuse or cease to belong to a cooperative; make false reports about cooperatives; conspire to do any of the foregoing.

Capper-Volstead Act (7 U.S.C. 291, 292)

Authorizes persons engaged in the production of agricultural products to act together as associations in collectively processing, preparing for market and marketing, and make the necessary contracts and agreements to affect such purposes. Prohibits monopolies and restraints of trade and provides an administrative procedure to establish the facts and an order directing the association to cease and desist.
International Carriage of Perishable Foodstuffs Act (7 U.S.C. 4401-4406)

Authorizes the Secretary to implement the Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to be Used for such Carriage. The objective of the Agreement is to establish uniform inspection requirements for transportation equipment, which moves perishable foodstuffs across national borders. 

Sec 6 of this Act authorizes organizations (a) designated by the Secretary to test or inspect equipment to charge fees for such services and authorizes the Secretary (b) to collect fees to cover USDA costs in issuing certificates of compliance.

Transportation Provisions of Agricultural Adjustment Act of 1938 (7 U.S.C. 1291)

Authorizes complaints and prosecution of complaints before the Interstate Commerce Commission with respect to rates, charges, tariffs, and practices relating to the transportation of farm products.

Rural Development Act of 1972 (7 U.S.C. 2204(b)(c))

Requires the Secretary to prepare a comprehensive rural development strategy, which takes into account the need to improve the transportation network in rural areas. This Act also provides authority to serve as the focal point for all Department transportation issues and to recommend revisions of current procedures. Note: Somewhat broader authority in connection with transportation is found in the Agricultural Marketing Act of 1946 (see Subpart A of this Part).

RESEARCH & PROMOTION


Authorizes the Secretary to establish a generic commodity promotion, research, and information program for those interested industries that wish to petition the Department of Agriculture for the establishment of a national commodity generic promotion program. Provides a menu of options for industry groups seeking authority to engage in a program of generic research and promotion.

Sec. 515, (e)(2) requires full reimbursement to the Secretary for the implementation, administration, and supervision of the program, including all referenda costs incurred in connection with the order.

Research and Promotion Programs - Miscellaneous Provisions
• Producer Research and Promotion Board Accountability (104 Stat. 3927)
• Consistency with International Obligations of the United States (7 U.S.C. 2278)
Commodity Promotion and Evaluation (7 U.S.C. 7401)

- Requires an independent evaluation of the effectiveness of each industry-funded generic commodity research and promotion program not less than every 5 years.
- Requires an annual report on administrative expenses to the House and Senate Agriculture Committees of commodity boards that conduct generic promotion programs.

Dairy Production Stabilization Act of 1983

- Dairy Promotion Program (Subtitle B) (7 U.S.C. 4501-4513)
  - Authorizes a national dairy products promotion, research, and nutrition education program.
  - Establishes a National Dairy Promotion and Research Board to administer the program and oversee the expenditure of funds to promote the use of milk and dairy products, for research, and for nutrition education.
  - Requires the Secretary to conduct a referendum after September 30, 1985, among dairy producers to determine the continuation of the dairy promotion program.
- Dairy Research Program (Subtitle C) (7 U.S.C. 4531-4538)
  - Authorizes the Secretary to establish within USDA a National Dairy Research Endowment Institute to aid the dairy industry in implementing a dairy products research order.

Cotton Research and Promotion Act (7 U.S.C. 2101-2118)

Enables cotton growers to improve the competitive position and expand markets for cotton through a program of self-assessments. Requires action by the Secretary of Agriculture to hold public hearings, a referendum of cotton producers, and to establish a Cotton Board to administer a program of research and promotion, which would be funded by assessments on producers and importers, when imports are subject to an order.

Fluid Milk Promotion Act of 1990 (7 U.S.C. 6401-6417)

Authorizes fluid milk processors to develop, finance, and carry out a nationally coordinated program of advertising designed to strengthen the position of the dairy industry and to maintain and expand markets and uses for fluid milk products produced in the United States. The program is to be financed by an assessment rate not to exceed 20 cents per hundredweight of fluid milk products marketed. Provides that a processor funded milk promotion order will be issued by the Secretary if fluid milk processors who market 30 percent or more of all fluid milk products propose such an order.

Egg Research and Consumer Information Act (7 U.S.C. 2701-2718)

Provides for the Secretary to issue an order providing for the establishment of an Egg Board of not more than 20 members composed of egg producers or representatives of egg producers appointed by the Secretary, with such representation reflecting the proportion of eggs produced in each geographic area of the United States. The Board is responsible for developing and submitting for the Secretary's approval a program to enable egg producers to establish, finance,
and carry out a coordinated program of research, producer and consumer education, and promotion to improve, maintain, and develop markets for eggs, egg products, spent fowl, and products of spent fowl.


Authorizes promotion, research, industry information, and consumer information, including marketing and market research activities designed to: (1) strengthen the position of the Hass avocado industry in the domestic marketplace; and (2) maintain, develop, and expand markets and uses for Hass avocados in the domestic marketplace.

**Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4601-4612)**

Authorizes producers and handlers of honey and honey products to finance a nationally coordinated research, promotion, and consumer information program designed to expand the markets for honey and honey products.

**Mushroom Promotion, Research, and Consumer Information Act of 1990 (7 U.S.C. 6101-6112)**

Enables domestic producers and importers of fresh mushrooms to develop, finance, and carry out a nationally coordinated program for mushroom promotion, research, and consumer information.

**Popcorn Promotion, Research, and Consumer Information Act (7 U.S.C. 7481-7491)**

Authorizes domestic processors of popcorn to develop, finance, and carry out a nationally coordinated program for popcorn promotion, research, consumer information, and industry information.

**Potato Research and Promotion Act (7 U.S.C. 2611-2627)**

Provides authority to establish a “Plan” to collect assessments on potatoes produced in the United States and on imported table-stock, frozen, processed, or seed potatoes. Funds would be used to administer the Plan and to finance a program of research development, advertising, and promotion of potatoes and potato products.

**Watermelon Research and Promotion Act (7 U.S.C. 4901-4916)**

Authorizes the establishment of the National Watermelon Promotion Board for the purpose of carrying out a coordinated program of research, development, advertising, and promotion designed to strengthen the competitive position of the watermelon industry in both domestic and foreign markets.
Beef Research and Information Act (7 U.S.C. 2901-2911)

This Act enables cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products. It also provides for the establishment of the Cattlemen's Beef Promotion and Research Board.


An Act to extend and revise agricultural price support and related programs, to provide for agricultural export, resource conservation, farm credit, and agricultural research and related programs, to continue food assistance to low-income persons, to ensure consumers an abundance of food and fiber at reasonable prices.

Peanut Promotion, Research and Information Order (CFR 7, Part 1216)

The Order became effective on July 29, 1999, after a national referendum among all peanut producers. Under the Order, peanut producers are assessed 1 percent of the total value of all farmers’ stock peanuts, which currently generates about $6 million in annual revenues. The program is administered by the Board under USDA supervision. The Board is composed of 10 members and 10 alternates, nominated by producers and appointed by the Secretary of Agriculture. There is one member and alternate for each of the nine primary peanut-producing states and one at-large member and alternate representing all other peanut-producing states. Currently, the nine major peanut-producing states are (in descending order) Georgia, Texas, Alabama, North Carolina, Florida, Virginia, Oklahoma, New Mexico, and South Carolina. The minor peanut-producing states are Arizona, Arkansas, California, Kansas, Louisiana, Mississippi, Missouri, and Tennessee.

There is an assessment rate of one percent of the price paid for all farmers stock peanuts sold. Peanut producers may sell their peanuts commercially or put them in the market assistance loan program. For peanuts sold commercially, the first handler will remit the assessment to the Board.

Pork Promotion, Research, and Consumer Information Act of 1985 (7 U.S.C. 4801-4819)

Authorizes a program of promotion, research, and consumer information designed to strengthen the position of the pork industry in the marketplace and to maintain, develop and expand markets for pork and pork products.

Soybean Promotion, Research and Consumer Information Act (7 U.S.C. 6301-6311)

Authorizes the soybean industry to initiate a soybean promotion, research and consumer information program.
MISCELLANEOUS INSPECTION AND CERTIFICATION

Dairy Inspection for Export (21 U.S.C. 693)

The Act of June 30, 1901, provides on a permissive basis, for the inspection and certification as to purity and quality of dairy products intended for export and the marking, stamping, and labeling of such products as to secure their identity.

Wool Standards Act (7 U.S.C. 415b-415d)

Authorizes the use of certain funds for wool standardization and grading work.

Export Apple Act (7 U.S.C. 581-590) as amended

Prohibits shipment or transportation of apples to any foreign destination in packages, which are not accompanied by a certificate issued under authority of the Secretary.

Export Grape and Plum Act (7 U.S.C. 591-599)

Prohibits shipment or transportation of specified fruits to any foreign destination in packages, which are not accompanied by a certificate issued under authority of the Secretary.

National Laboratory Accreditation Program (7 U.S.C. 138-138i)

Requires the Secretary to establish a program to certify private laboratories that conduct residue testing of agricultural products, or that make claims to the public or buyers of agricultural products concerning residue levels. Requires that such laboratories meet certain minimum quality standards. Requires the Secretary to consult with the Environmental Protection Agency and the Food and Drug Administration in establishing the standards.

PLANT VARIETY PROTECTION


Provides for the issuance of “certificates of plant variety protection” assuring the developers of novel varieties of sexually reproduced plants exclusive rights to sell, reproduce, import or export such varieties, or use them in the production of hybrids or different varieties, for a period of 20 years, and 25 years for a tree or vine.

Authorizes the establishment of a Plant Variety Protection Office in the Department of Agriculture to administer the Act. Chapter 3 of this Act authorizes the Secretary to prescribe, charge, and collects reasonable fees for service and to retain and invest such fees collected under the Act.
COTTON AND TOBACCO GRADING AND VERIFICATION

United States Cotton Standards Act (7 U.S.C. 51-65)

- Provides for establishment, preparation, distribution, and use of official cotton standards.
- Authorizes contracts with cooperatives for classing cotton and payment for services.
- Provides for a cotton classing service by the Department of Agriculture for the public on a fee basis.
- Provides for the licensing of cotton classers.
- Provides for agreements between the Secretary of Agriculture and cotton organizations in foreign countries for adoption, use, and observance of universal standards of cotton classification; the arbitration and settlement of disputes with respect thereto; and the preparation, distribution inspection, and protection of practical forms (boxes) of such universal standards.


Provides for (1) a report on estimates of the grades and staple lengths in the carryover of cotton stocks as of August 1 each year, and (2) periodic reports each year on estimates of the grades and staple lengths of the cotton crop.
- Smith-Doxey Amendment (7 U.S.C. 473a-c)
  
  *The 2008 Farm Bill (Food, Conservation and Energy Act of 2008), Sec. 14201, amended Sec. 3a of the Act to extend cotton classing authority without fiscal year restriction, authorizes the Secretary to enter into long-term lease agreements exceeding 5 years or take title of property for cotton classing, provides greater discretion to the Secretary in establishing fees but requires consultation with the cotton industry, and requires the announcement of classification fees not later than June 1 of the year in which the fee applies.*

- Cotton Service Testing Amendment (7 U.S.C. 473d)

U.S. Cotton Futures Act (7 U.S.C. 15b)

- Provides for a cotton classing service by the Department of Agriculture for tenderers and receivers of cotton on futures.
- Provides for establishment, preparation, and distribution of official cotton standards.
- Provides for designation of bona fide spot cotton markets by the Secretary of Agriculture and the use of cotton quotations in certain of these markets in settlement of future contracts.
- Provides for proceeds from cotton samples be credited to the account that incurs the cost.
Tobacco Inspection Act of 1935 (7 U.S.C. 511-511q)

- Authorizes (i) the promulgation and establishment of Official U.S. Standard Grades, (ii) the designation of auction markets for mandatory inspection after approval by growers in a referendum, (iii) permissive inspection upon request of owners or other financially interested persons, and (iv) employing and licensing of persons as samplers to take official samples of tobacco or as weighers to weigh and certify the weight of tobacco or as inspectors to inspect tobacco.
  - Sec. 2 of this Act addresses the need for uniform standards for tobacco as referenced in 7 U.S.C. 511a.
  - Sec. 5 addresses the establishment of fees to cover the cost of the program (as nearly as practicable), and will be credited to the current year appropriation account and will be available without fiscal year limitation. It also allows for the investment of the funds collected in insured or fully collateralized, interest-bearing account.
- Directs warehousemen to provide space on tickets, tags, or labels to show certified grades.
- Prohibits many practices designed to result in improper certification of tobacco.

Tobacco Adjustment Act of 1983 (7 U.S.C. 511r)

Requires all tobacco, except cigar tobacco and oriental tobacco that is imported into the United States to be inspected, insofar as practicable, for grade and quality. If the tobacco to be imported is not accompanied by appropriate certification, it will be inspected by the Secretary at the point of entry to determine whether it meets the pesticide residue requirements. This Act also requires importers of flue-cured and burley tobacco to identify any and all end users of imported tobacco.

Sec. 213 (d) requires importers to pay a fee for inspection services comparable to fees charged for domestic tobacco services. As with domestic tobacco collections, these funds will be credited to the current year appropriation account and will be available without fiscal year limitation. It also allows for the investment of the funds collected in insured or fully collateralized, interest-bearing account.

Tobacco Statistics Act (7 U.S.C. 501-508)

The Act of January 14, 1929, provides for the collection of statistics on stocks of leaf tobacco held by dealers and manufacturers and the publication of these and other statistics for tobacco.

Naval Stores Act (7 U.S.C. 91-99)

Provides for defining and establishing standards, establishing methods for analysis, inspection, sampling, and grading of naval stores products; fixing and collecting fees for such services; and regulating the labeling, advertising, and packing of such products for sale in commerce.

Turpentine and Rosin Statistics (7 U.S.C. 2248)

The Act of August 15, 1935, provides for compilation and publication of statistics and essential information relating to spirits of turpentine and rosin.
PERISHABLE AGRICULTURAL COMMODITIES ACT PROGRAM

Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499a-499s)

- Prohibits unfair conduct by commission merchants, dealers, and brokers.
- Requires that persons engaged in these businesses have a valid and effective license issued by the Secretary of Agriculture.
- Creates additional liability in damages to persons injured by the unfair conduct of a commission merchant, dealer, or broker.
- Provides for administrative action to establish the injury and its extent as well as a sanction in the form of suspension of license for failure to obey Secretary's order for the payment of money.
- Provides for criminal, civil, and monetary penalties for certain violations of the Act.
- Sec. 3, (2) allows for a fee increase if the Secretary determines that the reserve balance at the end of the fiscal year will be less than 25 percent of the projected budget.

Produce Agency Act (7 U.S.C. 491, 493-497)

Prohibits destruction or dumping by commission merchants.

MARKETING AGREEMENTS & ORDERS
(Fruits, Vegetables, & Specialty Crops; Dairy)


NOTE: This legislation enacted June 3, 1937, in the form of an amendment of the Agricultural Adjustment Act of 1933, as amended, reenacted certain provisions of the old legislation without change and amended and reenacted others as amended.

- Provides for forfeiture equal to three times the current market value of the excess when any person willfully exceeds any quota or allotment fixed under this legislation.
- Authorizes (i) marketing agreements with processors, producers, associations of producers and others engaged in the handling of a designated agricultural commodity, (ii) orders regulating handling of designated agricultural commodities or products in interstate commerce and (iii) fixing minimum prices to be paid to producers or associations of producers for milk or its products.
- Prohibits importation of certain enumerated commodities when they are covered by a marketing order regulating grade, size, quality or maturity unless they comply with these provisions of the order.
Consolidation and Reform of Federal Milk Marketing Orders (7 U.S.C. 7253)

- Requires the Secretary to consolidate the number of Federal milk marketing orders issued pursuant to section 8c of the Agricultural Marketing Agreement Act to not less than 10 and not more than 14 orders.
- Stipulated the Secretary has the authority and discretion to consider multiple basing points and utilization rates in pricing fluid milk, and to use uniform multiple component pricing when developing a new basic formula price(s) for manufacturing milk.
- Prohibits the Secretary from considering, or basing any decision on, the Class I differentials mandated by the 1985 Farm Bill Requires the Secretary to propose consolidation and pricing reform of milk marketing orders within 2 years and to implement consolidation and pricing reform within 3 years of enactment.
- Provides that if the process is not complete by the end of 3 years, the USDA will lose the authority to assess producers and handlers for market order services and administration. Makes provisions for an extension of the three year limit should the Department be subject to an injunction regarding the consolidation.
- Authorizes the Secretary to use informal rulemaking to address order consolidation and pricing reform, and any issues peripheral to the consolidation process.
- Designate the State of California as a separate Federal milk order, upon petition and approval of California dairy producers. The California order shall have the right to reblend and distribute order receipts to recognize quota value.

Northeast Interstate Dairy Compact (7 U.S.C. 7256)
Allows the Secretary of Agriculture, upon the finding of a compelling public interest in the area, to grant the New England region-- Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont--the authority to enter into a Dairy Compact. Delaware, New Jersey, New York, Pennsylvania, Maryland, and Virginia may join the Compact, individually or otherwise. The Compact would terminate with the completion of price and order reform authorized in the agreement. The Compact precludes the use of compensatory payments as a barrier to the entry of milk into the Compact region or for any other purpose. It also precludes the regulation of Class II, Class III, or Class III-A milk used for manufacturing purposes, or any other milk, other than Class I (fluid) milk. Before the end of each fiscal year, the Compact Commission must reimburse the Commodity Credit Corporation (CCC) for any purchases CCC must make due to the projected rate of increase in milk production within the Compact region in excess of the projected national average rate of increase in milk production as determined by the Secretary.
COMMODITY PURCHASES AND DONATIONS - SECTION 32 AND RELATED STATUTES

Section 32 of the Act of August 24, 1935 (7 U.S.C. 612c)

Appropriates funds each fiscal year in an amount equal to 30 percent of the gross receipts from duties collected under the customs laws during the preceding calendar year. These funds may be used for the following purposes:

- To encourage the exportation of agricultural commodities and products by payment of benefits or indemnities in connection with exportation, or by payments to producers in connection with that part of the production required for domestic consumption;
- To encourage domestic consumption of agricultural commodities and products by payment of benefits or indemnities for diversion from the normal channels of trade or increasing utilization among persons in low-income groups;
- To reestablish farmers' purchasing power by payments in connection with the normal production for domestic consumption.

Commodity Distribution Reform Act - Section 3(c) (7 U.S.C. 612c note)

- Prohibits USDA from refusing an offer from a contractor for the purchase of entitlement commodities (provided in standard order sizes) solely on the basis that such offer is less than requested. Standard order sizes are construed to mean not less than truckload quantities.
- Requires USDA to take into account, prior to entering into a contract for the purchase of entitlement commodities, the previous history and current patterns of the bidding party with respect to compliance with other appropriate standards relating to the wholesomeness of food for human consumption.

Seafood Safety Act (110 Stat. 1321-312)

- Provides that any fish or fish product produced in compliance with food safety standards or procedures accepted by the Food and Drug Administration are considered having met any inspection requirements of the Department of Agriculture or other Federal agency for any Federal commodity purchase program, including Section 32 purchases.
- Authorizes lot inspections to assure that the product meets Federal specifications.

Act of August 11, 1939 (Salstonstall-Kennedy Act) (Fishery Products) (15 U.S.C. 713c-2, 713c-3)

Authorizes use of section 32 funds for the following purposes:

- Transfer to the Secretary of the Commerce for use by the Secretary to (i) conduct a fishery educational service and fishery technological, biological, and related research programs and (ii) acquire, operate, and maintain facilities for research directed to promotion of the free flow of domestically produced products in commerce;
• Retransfer to the Secretary of Agriculture by the Secretary of the Commerce of funds not in excess of $1,500,000 to be used for the purchase and distribution through Federal, State, and private relief channels of fishery products produced in the United States.

**Agricultural Act of 1949 - Section 404 (7 U.S.C. 1424)**

Authorizes the Secretary to utilize the services and facilities of the Commodity Credit Corporation in carrying out section 32 programs and programs under section 6 of the National School Lunch Act.

**Agricultural Act of 1956 - Section 205 (7 U.S.C. 1855)**

Authorizes the yearly appropriation of $500,000,000 to enable the Secretary to further carry out the provisions of section 32 subject to a limitation that not more than 50 percent of that amount may be used for any one agricultural commodity or the products thereof.


The Agricultural Trade Development and Assistance Act of 1954 is a United States federal law that established Food for Peace, the primary U.S. overseas food assistance program. The Act was signed into law on July 10, 1954 by President Dwight D. Eisenhower. According to Eisenhower, the purpose of the legislation was to "lay the basis for a permanent expansion of our exports of agricultural products with lasting benefits to ourselves and peoples and peoples of other lands."

**Administrative Expenses (7 U.S.C. 1392b)**

Limits the sums to be paid for Federal and State administrative expenses (excluding county and local committees) under the Agricultural Adjustment Act of 1938 and the Soil Conservation and Domestic Allotment Act to 3 percent of the total sum appropriated, and to 4 percent of the total sum appropriated under section 32 and the Agricultural Marketing Agreement Act of 1937, as amended; and requires that the salaries paid to local and county committees be publicly displayed.

**Appropriation and Apportionment of Funds (31 U.S.C. 1341(a), 1343, 1351, 1511-1519)**

Prohibits the expenditures of funds or creation of obligations in excess of appropriations or apportionments, unless authorized by law, required by emergencies, or necessary for welfare of individuals, and exempting price support, surplus removal, and section 32 funds from the requirements of apportionment.

*Note: the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) (P.L. 110-246) placed limitations on funding and expenditures for Section 32 activities as follows:*

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3 This is essential to Section 32 funding and restriction.
• Sec. 14222 Establishes a maximum amount available for fiscal year 2009 and beyond to carry out Section 32 activities, and requires that amounts in excess to be transferred to the Food and Nutrition Service for the National School Lunch program. This section also provides for the transfer from Section 32 funds for the Fresh Fruit and Vegetable Program (section 19 of the National School Lunch Act).

• Sec. 4404 raises the minimum purchase level for fruits, vegetables, and nuts above the minimum established by the 2002 Farm Bill (Farm Security and Rural Investment Act of 2002), 7 U.S.C. 612c-4.

**Donations Under the Commodity Purchase Program**

**Agricultural Act of 1949 - Section 202** (7 U.S.C. 1446a)

Provides for the transfer of dairy products acquired by the Commodity Credit Corporation under price-support programs to the military and veterans hospitals without charge.

**Agricultural Act of 1949 - Section 416** (7 U.S.C. 1431)

Authorizes use of food commodities, in private stocks or acquired through price support operations of the Commodity Credit Corporation and which might otherwise be wasted, for donation to State, Federal, or private agencies for use in school lunch and charitable outlets.

**Agricultural Act of 1954 - Section 204(c)** (7 U.S.C. 1446c)

Directs the Secretary of Agriculture to undertake domestic disposal programs as authorized by law to prevent accumulation of excessive inventories of dairy products.

**Foods and Agriculture Act of 1965 - Section 709** (7 U.S.C. 1446a-1)

Authorizes the Secretary of Agriculture to use Commodity Credit Corporation funds to purchase dairy products to meet the requirements of any food donation, community action or other program when CCC’s stocks of dairy products are insufficient for these purposes.

**Agriculture and Consumer Protection Act of 1973 - Section 4** (7 U.S.C. 612c note)

Authorizes the Secretary of Agriculture to use appropriated funds for purchase and distribution of agricultural commodities for food assistance programs.

**Act of September 13, 1960, as amended** (7 U.S.C. 1431 note)

Authorizes the use by schools of donated foods in home economics courses.

**Act of August 19, 1958, as amended** (7 U.S.C. 1431 note)

Authorizes the Commodity Credit Corporation whenever it has grain available for donation pursuant to certain statutes to purchase processed food products and to donate such products and sell the grain.
United States Department of Agriculture
2016 Presidential Transition
Agricultural Marketing Service (AMS)

**Agricultural Act of 1956 - Section 210** (7 U.S.C. 1859)

Authorizes the Commodity Credit Corporation to donate food commodities acquired through price support operations to penal and correctional institutions.

**Agricultural Act of 1958 - Section 505** (7 U.S.C. 1431a)

Authorizes the Commodity Credit Corporation to donate cotton acquired through its price support operations to educational institutions.

**Act of September 21, 1959 - Section 201** (7 U.S.C. 1431c)

Provides that cornmeal, grits, rice, and white flour made available for distribution under section 416 of the Agricultural Act of 1949 or for distribution to schools under any act shall be enriched so as to meet the standards promulgated under the Federal Food, Drug, and Cosmetic Act, and shall be packaged in sanitary containers.

**Act of September 6, 1958 - Section 9** (7 U.S.C. 1431b)

Authorizes distribution of surplus commodities available under section 32 or section 416 of the Agricultural Act of 1949 to areas under the jurisdiction of the United States on the same basis as domestic distribution.

**USDA ORGANIC ACTS**

**The Organic Act of the Department of Agriculture** (7 U.S.C. 2201)

Established the Department of Agriculture to acquire and diffuse useful information on subjects connected with agriculture.

**Department of Agriculture Organic Act of 1944** (7 U.S.C. 396, 415e, 2259, 2256)

- Authorizes the inspection and examination of livestock, hides, skins, meat, or other products at places other than the headquarters of inspector upon request of the owner and charges for the expenses of travel and subsistence.
- Authorizes sale of samples, illustrations, practical forms or sets of grades under rules and regulations to be prescribed.
- Directs that authorized market inspection certificates be received in U.S. courts as prima facie evidence of statements therein contained.
- Authorizes other agencies of the Government requiring inspections, analyses, and tests to be made for them to transfer funds to this Department for direct expenditure.
Department of Agriculture Organic Act of 1956 - Section 12 (7 U.S.C. 2229)

Authorizes use of funds for payment of transportation expenses and per diem of persons appointed for temporary or seasonal services in inspection, etc., of agricultural commodities.


- Authorizes a national organic production program within AMS, establishing national standards for the production and certification of organically produced foods.
- The Secretary is required to establish national minimum organic standards for producers and handlers of agricultural products. The Act also authorizes the Secretary to develop organic standards for meat, poultry, and non-plant products through public hearings and notice and comment procedures.
- Each State, with the approval of the Secretary, could establish an organic certification program using the Federal standards as a basis. Each State, however, could enact different, more restrictive standards, provided there is no discrimination toward agricultural products from another State, which are certified as meeting the national minimum standard.
- The Secretary will be responsible for ensuring that imported organic food meets at least equivalent requirements.
- Requires the Secretary to establish a National Organic Standards Board to provide recommendations on implementation of the Act as well as to develop a national list of allowable and prohibited substances. The Secretary cannot include any exemptions for the use of synthetic substances unless proposed by the Board. The Board is to convene technical advisory panels to provide scientific evaluation and may seek input from the Environmental Protection Agency and other appropriate sources.

MISCELLANEOUS

Cooperation (7 U.S.C. 450, 450b, 2220, 2249)

- Provides for the Secretary of Agriculture to cooperate with State agencies in the administration and enforcement of Federal laws and regulations relating to the marketing of agricultural products and to the control or eradication of plant and animal diseases and pests. This statute is commonly referred to as the “Talmadge-Aiken” authority (7 U.S.C. 450).
- Requires that moneys contributed from outside sources involved in cooperative activities, except in the case of the Forest Service, shall be paid only through the Secretary or through State, county, or municipal agencies, or local farm bureaus or like organizations, cooperating for the purpose with the Secretary (7 U.S.C. 450b).
- Exempts officials and employees of the Department engaged in cooperative activities from criminal provisions prohibiting payment or receipt of salaries of Government employees from any source other than the Government (18 U.S.C. 1914) under certain circumstances (7 U.S.C. 2220).
- Authorizes the Secretary to prescribe the measure and character of cooperation on the part of the Government unless otherwise provided by law (7 U.S.C. 2249).

Authorizes heads of agencies of Government to prescribe fees, charges or prices for work, service, publication, etc., rendered to or for any person or other legal entity.

User Fees for Reports, Publications, and Software (7 U.S.C. 2242a)

- Authorizes the Secretary, on requests, to furnish copies of software programs, pamphlets, reports, or other publications, regardless of their form, including electronic publications, prepared by the Department.
- Authorizes fees to be collected for such materials and publications as the Secretary determines to be reasonable. All moneys received may be credited to appropriations or funds that incur such costs. They may be used until expended to pay directly the costs of such work.
- Authorizes investment of fees collected.

Department of Agriculture Advisory Committees (7 U.S.C. 2281-2286)

- Prohibits any person who is not a USDA employee from simultaneously serving on more than one advisory committee. Prohibits more than one person from the same organization from serving on the same advisory committee. Limits the term of any member to six consecutive years.
- Prohibits advisory committees from expending funds in excess of 10 percent of its estimated annual operating costs, or $500, whichever is greater, until the committee explains the need for the additional expenditures to the Secretary.
- Provides for termination of advisory committees that (1) expend funds in excess of their estimated annual operating costs by more than 10 percent, or $500, whichever is greater, without prior approval of the Secretary; (2) fail to file all required reports; (3) fail to meet two consecutive years; (4) responsible for functions that would or should be performed by Federal employees; and (5) do not serve or have ceased to serve an essential function.

Federal Advisory Committee Act (5 U.S.C. App.)

- Provides guidelines for the creation of advisory committees and provides for the Administrator of General Services to oversee the operations of these committees, which are created to advise officers and agencies of the Federal Government. Advisory committees include such committees, boards, commissions, councils, conferences, panels, task forces, or other similar groups.
- Requires each agency head, which has an advisory committee to designate an Advisory Committee Management Officer who shall (1) exercise control and supervision over the establishment, procedures, and accomplishments of advisory committees established and (2) assemble and maintain the reports, records and other papers of any such committee during its existence.

The American Taxpayer Relief Act of 2012 was passed by the United States Congress on January 1, 2013. The Act centers on a partial resolution to the United States fiscal cliff by addressing the expiration of certain provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 and the Jobs and Growth Tax Relief Reconciliation Act of 2003 (known together as the "Bush tax cuts"), which had been temporarily extended by the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010. The Act also addressed the activation of the budget sequestration provisions of the Budget Control Act of 2011.

Important Policies and Regulations

In 2014, AMS published 138 regulations, in 2015 a total of 117 regulations were published with one OMB-designated significant publication (Origin of Livestock) during April 2015. As of August 31, 2016, 116 regulations have been published.

Finalized Rules & Notices (within the last 12 months):

<table>
<thead>
<tr>
<th>Title</th>
<th>Date Published</th>
</tr>
</thead>
<tbody>
<tr>
<td>Processed Raspberry Promotion, Research, and Information Order; Late Payment and Interest Charges on Past Due Assessments</td>
<td>8/6/15</td>
</tr>
<tr>
<td>Irish Potatoes Grown in Southeastern States; Suspension of Marketing Order Provisions</td>
<td>8/19/15</td>
</tr>
<tr>
<td>Onions Grown in Certain Designated Counties in Idaho, and Malheur County, Oregon; Decreased Assessment Rate</td>
<td>8/19/15</td>
</tr>
<tr>
<td>Apricots Grown in Designated Counties in Washington; Decreased Assessment Rate</td>
<td>8/19/15</td>
</tr>
<tr>
<td>Marketing Order Regulating the Handling of Spearmint Oil Produced in the Far West; Revision of the Salable Quantity and Allotment Percentage for Class 3 (Native) Spearmint Oil for the 2014-2015 Marketing Year</td>
<td>8/20/15</td>
</tr>
<tr>
<td>Blueberry Promotion, Research and Information Order; Expanding the Membership of the U.S. Highbush Blueberry Council and Other Changes</td>
<td>9/3/15</td>
</tr>
<tr>
<td>National Organic Standards Board (NOSB): Call for Nominations</td>
<td>9/30/15</td>
</tr>
<tr>
<td>Soybean Promotion and Research: Amend the Order To Adjust Representation on the United Soybean Board</td>
<td>10/22/15</td>
</tr>
<tr>
<td>Defining Bona Fide Cotton Spot Markets for the World Cotton Futures Contract</td>
<td>10/22/15</td>
</tr>
<tr>
<td>Walnuts Grown in California; Increased Assessment Rate</td>
<td>10/28/15</td>
</tr>
<tr>
<td>Description</td>
<td>Date</td>
</tr>
<tr>
<td>------------------------------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Domestic Dates Produced or Packed in Riverside County, California; Decreased Assessment Rate</td>
<td>10/28/15</td>
</tr>
<tr>
<td>Tart Cherries Grown in the States of Michigan, et al.; Revision of Exemption Requirements</td>
<td>11/5/15</td>
</tr>
<tr>
<td>Grapes Grown in a Designated Area of Southeastern California and Imported Table Grapes; Relaxation of Handling Requirements</td>
<td>11/5/15</td>
</tr>
<tr>
<td>Oranges and Grapefruit Grown in Lower Rio Grande Valley in Texas; Decreased Assessment Rate</td>
<td>11/16/15</td>
</tr>
<tr>
<td>Onions Grown in South Texas; Increased Assessment Rate</td>
<td>11/25/15</td>
</tr>
<tr>
<td>Raisins Produced From Grapes Grown in California; Increased Assessment Rate</td>
<td>11/25/15</td>
</tr>
<tr>
<td>Tomatoes Grown in Florida; Decreased Assessment Rate</td>
<td>11/25/15</td>
</tr>
<tr>
<td>Onions Grown in Certain Designated Counties in Idaho, and Malheur County, Oregon; Decreased Assessment Rate</td>
<td>12/4/15</td>
</tr>
<tr>
<td>National Organic Program (NOP); Sunset 2015 Amendments to the National List</td>
<td>12/14/15</td>
</tr>
<tr>
<td>Paper and Paper-Based Packaging Promotion, Research and Information Order; Late Payment and Interest Charges on Past Due Assessments</td>
<td>12/24/15</td>
</tr>
<tr>
<td>Exemption of Organic Products From Assessment Under a Commodity Promotion Law</td>
<td>12/31/15</td>
</tr>
<tr>
<td>United States Standards for Grades of Pecans</td>
<td>1/12/16</td>
</tr>
<tr>
<td>Revision To Incorporate the Electronic Submission of the Import Request of Shell Eggs</td>
<td>1/13/2016</td>
</tr>
<tr>
<td>National Organic Program: Notice of Final Guidance on Substances Used in Post-Harvest Handling of Organic Products</td>
<td>1/15/16</td>
</tr>
<tr>
<td>National Organic Program: Notice of Final Guidance for Accredited Certifying Agents and Certified Operations on Natural Resources and Biodiversity Conservation</td>
<td>1/19/2016</td>
</tr>
<tr>
<td>Apricots Grown in Designated Counties in Washington; Decreased Assessment Rate</td>
<td>1/21/2016</td>
</tr>
<tr>
<td>Kiwifruit Grown in California; Increased Assessment Rate</td>
<td>2/3/2016</td>
</tr>
<tr>
<td>Classification of Foreign-Growth Cotton</td>
<td>2/10/16</td>
</tr>
<tr>
<td>Softwood Lumber Research, Promotion, Consumer Education and Industry Information Order; Continuance Referendum</td>
<td>2/23/16</td>
</tr>
<tr>
<td>National Organic Program: USDA Organic Regulations</td>
<td>2/23/16</td>
</tr>
<tr>
<td>Pistachios Grown in California, Arizona, and New Mexico; Increased Assessment Rate</td>
<td>2/26/16</td>
</tr>
<tr>
<td>Domestic Dates Produced or Packed in Riverside County, California; Decreased Assessment Rate</td>
<td>2/26/216</td>
</tr>
<tr>
<td>Livestock Mandatory Reporting: Revision of Lamb Reporting Requirements</td>
<td>2/29/16</td>
</tr>
<tr>
<td>Oranges, Grapefruit, Tangerines, and Tangelos Grown in Florida; Order Amending Marketing Order No. 905</td>
<td>3/1/16</td>
</tr>
<tr>
<td>Removal of Mandatory Country of Origin Labeling Requirements for Beef and Pork Muscle Cuts, Ground Beef, and Ground Pork</td>
<td>3/2/16</td>
</tr>
<tr>
<td>National Organic Program; Notice of Availability of National List Petition Guidelines</td>
<td>3/10/16</td>
</tr>
<tr>
<td>Fruit and Vegetable Industry Advisory Committee</td>
<td>3/15/16</td>
</tr>
<tr>
<td>Oranges and Grapefruit Grown in Lower Rio Grande Valley in Texas; Decreased Assessment Rate</td>
<td>3/16/16</td>
</tr>
<tr>
<td>Topic</td>
<td>Date</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Notice of Meeting of the National Organic Standards Board</td>
<td>3/16/16</td>
</tr>
<tr>
<td>Peanut Standards Board</td>
<td>3/16/16</td>
</tr>
<tr>
<td>Tomatoes Grown in Florida; Decreased Assessment Rate</td>
<td>3/23/16</td>
</tr>
<tr>
<td>National Organic Standards Board (NOSB): Notice of Intent To Renew</td>
<td>4/4/16</td>
</tr>
<tr>
<td>Charter and Call for Nominations</td>
<td></td>
</tr>
<tr>
<td>Fruit and Vegetable Industry Advisory Committee</td>
<td>4/7/16</td>
</tr>
<tr>
<td>Specialty Crop Block Grant Program Regulation; Removal of a Final</td>
<td>4/18/16</td>
</tr>
<tr>
<td>Rule</td>
<td></td>
</tr>
<tr>
<td>Tomatoes Grown in Florida; Decreased Assessment Rate</td>
<td>3/23/16</td>
</tr>
<tr>
<td>National Organic Standards Board (NOSB): Notice of Intent To Renew</td>
<td>4/4/16</td>
</tr>
<tr>
<td>Charter and Call for Nominations</td>
<td></td>
</tr>
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<td>Fruit and Vegetable Industry Advisory Committee</td>
<td>4/7/16</td>
</tr>
<tr>
<td>Specialty Crop Block Grant Program Regulation; Removal of a Final</td>
<td>4/18/16</td>
</tr>
<tr>
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<td></td>
</tr>
<tr>
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<td>3/23/16</td>
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<td>4/4/16</td>
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<td>4/7/16</td>
</tr>
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<td>4/18/16</td>
</tr>
<tr>
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<td></td>
</tr>
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<td>3/23/16</td>
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<td>4/4/16</td>
</tr>
<tr>
<td>Charter and Call for Nominations</td>
<td></td>
</tr>
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<td>4/7/16</td>
</tr>
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<td>4/18/16</td>
</tr>
<tr>
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<td></td>
</tr>
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</tr>
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</tr>
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<td></td>
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<tr>
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<td>4/7/16</td>
</tr>
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<td>4/18/16</td>
</tr>
<tr>
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<td></td>
</tr>
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<td>3/23/16</td>
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Pecans Grown in the States of Alabama, Arkansas, Arizona, California, Florida, Georgia, Kansas, Louisiana, Missouri, Mississippi, North Carolina, New Mexico, Oklahoma, South Carolina, and Texas; Order Regulating Handling

Cotton Board Rules and Regulations: Adjusting Supplemental Assessment on Imports (2016 Amendments)

Removal of Program To Assess Organic Certifying Agencies in 7 CFR Part 37

Livestock Mandatory Reporting: Reauthorization of Livestock Mandatory Reporting and Revision of Swine and Lamb Reporting Requirements

National Dairy Promotion and Research Program; Amendments to the Order

Almonds Grown in California; Change in Quality Control Requirements

United States Standards for Grades of Carcass Beef

Softwood Lumber Research, Promotion, Consumer Education and Industry Information Order; Revision of Time Frame for Continuance Referenda

National Organic Program: Notice of Draft Guidance on Treated Lumber

Rules Open for Comment:

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<tr>
<td>Apricots Grown in Designated Counties in Washington; Increased Assessment Rate</td>
<td>9/22/16</td>
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<tr>
<td>Amendment to the Beef Promotion and Research Rules and Regulations</td>
<td>10/24/16</td>
</tr>
<tr>
<td>Oranges and Grapefruit Grown in Lower Rio Grande Valley in Texas; Increased Assessment Rate</td>
<td>9/16/16</td>
</tr>
<tr>
<td>Irish Potatoes Grown in Colorado; Modification of the Handling Regulation for Area No. 2</td>
<td>9/30/16</td>
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<td>Soybean Promotion, Research, and Consumer Information; Beef Promotion and Research; Amendments To Allow Redirection of State Assessments to the National Program; Technical Amendments</td>
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<td>Guidance: National Organic Program; Treated Lumber</td>
<td>10/31/16</td>
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<td>National Organic Program: Interim Instruction on Material Review</td>
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<td>Grade Standards; Petitions: Carcass Beef</td>
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<td>Quality and Handling Requirements: Almonds Grown in California</td>
<td>10/17/16</td>
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<td>Agency Information Collection Activities; Proposals, Submissions, and Approvals</td>
<td>10/17/16</td>
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<td>Removal of Program to Assess Organic Certifying Agencies</td>
<td>9/8/16</td>
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<td>Agency Information Collection Activities; Proposals, Submissions, and Approvals: Vegetable and Specialty Crop Marketing Orders</td>
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<td>Cotton Board Rules and Regulations: Supplemental Assessment on Imports</td>
<td>9/6/16</td>
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<td>Meetings: National Organic Standards Board</td>
<td>10/26/16</td>
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<td>Suspensions and Revisions of Incoming Size-Grade Requirements: Olives Grown in California</td>
<td>10/16/16</td>
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<tr>
<td>U.S. Standards for Grades of Catfish and Catfish Products</td>
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Overview of the policy/regulation review process

The Agricultural Marketing Service publishes between 100 and 200 Federal Register documents, including regulations, notices and announcements, each year in order to facilitate its mission to facilitate the efficient, fair marketing of U.S. agricultural products.

AMS rulemaking actions are generally initiated as the result of one of the following:

(1) **Congress**: Laws passed by Congress usually direct the Agency to implement regulations to carry out the law. For example, this is what prompted AMS to develop regulations related to Country of Origin Labeling and Livestock Mandatory Reporting. In these cases AMS utilizes the statutes passed by Congress to develop regulations or guidance for the newly approved programs.

(2) **Industry**: Initial development or revision of a U.S. grade standard usually comes at the request of an interested party, such as a commission or association representing a specific commodity. These requests are generally due to a commodity becoming commercially successful and requiring a trading language, or due to a commodity’s changing cultural or marketing practices. In these cases, AMS utilizes existing laws to further explain, clarify or institute a change that is requested by industry and conforms to and is in accordance with existing law.

(3) **Committee or Board Meetings**: Based on recommendations received from boards or advisory committees (marketing orders, checkoffs, National Organic Standards Board), AMS may initiate regulatory actions. For example, a board may recommend a change in the geographic distribution
of its membership or a change in assessment rates. AMS may initiate regulations to meet the needs of these industries as long as they are in conformance to existing law.

OMB may review any action that AMS undertake.

**GAO and OIG Audits**

### USDA Office of Inspector General (OIG):

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<th>Date Issued / Initiated</th>
<th>Status</th>
<th>Link to Report</th>
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<td>National Organic Program - International Trade Arrangements and Agreements</td>
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### Government Accountability Office (GAO):

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<td>FOIA Requests Related to USDA’s National Research and Promotion Programs</td>
<td>Initiated 9/9/2016</td>
<td>Entrance interview with GAO took place 9/19/2016. Agency is collecting information to submit to GAO.</td>
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<td>USDA’s Oversight of National Research and Promotion Programs</td>
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III. **Congressional Relations and Issues**

**Overview**

On March 3, 2016, the House Appropriations Agriculture Subcommittee held a hearing on the 2017 MRP budget. Former Under Secretary Avalos and the three agency administrators testified. On March 18, 2016, the House Agriculture Committee held a hearing to examine USDA organization and program administration for the Marketing and Regulatory Programs mission area. Former Under Secretary Avalos and the three agency administrators testified.

Over the past few months, The House and Senate Agriculture Committees and Appropriations Agriculture Subcommittees have inquired about a variety of issues. The most frequent and high-profile issues on which Congressional offices have made inquiries include:

- Implementation of the National Bioengineered Food Disclosure Standard (GMO labeling) - Senators Roberts, Stabenow, Leahy, and Merkely
- Establishment of a California Federal Milk Marketing Order - Rep. Valadao; Senators Boxer, and Feinstein
- Establishment of an organic research and promotion program - Rep. Pingree, Farr; and Senator Feinstein
- Oversight of research and promotion programs - Rep. Larsen, Rouzer; Senators Lee, and Booker
- Support for the domestic dairy industry - Rep. Maloney (NY); Senators Leahy, Baldwin, Shaheen, Feinstein, Boxer, Heinrich, and Gillibrand
- Sec. 32 bonus purchases - the 4 committees listed above

**GMO Labeling Law**

Public Law 114-216 created a nationwide mandatory labeling requirement for food containing Genetically Modified Organisms (GMOs). The legislation amends the Agricultural Marketing Act of 1946, and requires that within two years of the Law’s enactment USDA’s Agricultural Marketing Service (AMS) establish a mandatory national bioengineered food disclosure standard and the procedures necessary to implement the national standard. This would provide increased transparency for American consumers and enable them to make informed choices about the foods they purchase.

The law:

- Covers certain processed food products that contain meat, poultry, or eggs.
- Provides protections for the organic label.
- Protects critical consumer rights under both state and federal law.
- Limits food companies to three, clearly regulated options for GMO disclosure: on-package words, on-package symbol, or on-package electronic label.
  - If a company chooses electronic labels, they must comply with additional requirements.
United States Department of Agriculture
2016 Presidential Transition
Agricultural Marketing Service (AMS)

- Requires USDA to provide additional and comparable means to access GMO information if USDA determines that there will be consumer accessibility issues related to electronic labels.
- Prevents a multi-state patchwork of GMO labeling laws which would create confusion for consumers and uncertainty for food companies and farmers.
- Calls for a study (within 1 year of enactment) to be conducted to assess any technological challenges that may impact whether consumers would have access to electronic disclosures.

USDA has established a GMO Disclosure working group comprised of representatives from all of the USDA Agencies that will be required to implement this law. The lead person is Melinda Cep (OSEC). AMS intends to complete the study investigating the technological challenges that may limit consumers accessing electronic disclosures of GMO information about their food and do several public meetings across the country. However, the Agency did not receive funding in the CR for this effort. The House and Senate Agriculture Committees and Appropriations Agriculture Subcommittees have asked about this issue. Senators Roberts, Stabenow, Leahy, and Merkely have inquired about this issue specifically.

Organic Compost
On April 14, 2015, the Center for Environmental Health (CEH), the Center for Food Safety (CFS), and Beyond Pesticides (Plaintiff) filed a “Complaint for Declaratory and Injunctive Relief” against USDA alleging that USDA violated the Administrative Procedure Act (APA) by not requesting undertaking notice-and-comment rulemaking when AMS published the Guidance on the Allowance of Green Waste in Organic Production Systems (NOP 5016) during April 2010.

On June 20, 2016, a judicial decision from the United States District Court for the Northern District of California ruled that the NOP 5016 was a legislative rule subject to notice-and-comment rulemaking under APA. The court prospectively vacated NOP 5016, effective on August 22, 2016, and grandfathered in compost purchased or used between 2010 and that date. On August 18, 2016, AMS issued a Notice to Trade stating that in response to the court’s decision, the agency plans to conduct a notice-and-comment rulemaking. A proposed rule is under development with publication planned for April, 2017. In the interim, accredited certifying agents must continue to review and approve all materials used by organic producers, including compost, as part of an operation’s organic system plan. Certifying agents are responsible for ensuring that all materials used by organic producers comply with the USDA organic regulations. The proposed rule is likely to raise interest from the California delegation.

Organic Livestock & Poultry Practices

On April 13, 2016, AMS issued a proposed rule to amend the organic livestock and poultry production requirement in order to ensure consistent application of the USDA organic regulations for organic livestock and poultry operations and maintain confidence in organically labeled products.
The proposed rule grows out of a series of recommendations from the National Organic Standards Board (NOSB) and public comments to the NOSB indicating a need for more specific standards in order to support the continued growth in the organic sector and ensure consumer confidence in the organic market, which in 2015 was worth over $43.3 billion in the U.S. alone. This proposal aims to ensure that all organic livestock live in pasture based systems, with clear standards for living conditions that support the health and natural behavior of the animals. Over 6,000 comments were received.

In addition to the multiple recommendations of the NOSB, a 2010 OIG report recommended that AMS issue guidance regarding outdoor access for poultry in order to end the inconsistent interpretation of current rules. APHIS reviewed the proposed rule and determined that it would not have any negative impact on APHIS biosecurity efforts surrounding HPAI or other poultry diseases of concern.

AMS expects to publish a final rule by the end of calendar year 2016. The House and Senate Agriculture Committees and Appropriations Agriculture Subcommittees have asked about this issue. Rep. Farr, Pingree; Senators Leahy, Feinstein, and Merkley have inquired specifically.

**Potential California Federal Milk Marketing Order**
California is ranked first in milk production in the U.S. and currently operates a state milk marketing order administered by the California Department of Food and Agriculture. The 2014 Farm Bill contained a provision to allow California producers to request a Federal milk marketing order (FMMO) recognizing the California quota program.

FMMO’s are voluntary marketing tools that assure dairy farmers a minimum price for their milk throughout the year, while also assuring consumers of an adequate supply of milk to meet their needs. There are currently 10 FMMO’s that regulate about 60 percent of the milk produced in the U.S.

AMS conducted extensive outreach and education with California dairy industry stakeholders. AMS held over 25 outreach meetings, ensuring that over 95 percent of the California dairy industry was informed about the Federal order program and the rulemaking process. AMS received a formal proposal from California Dairies Inc., Land O’Lakes and Dairy Farmers of America and three additional proposals on behalf of the Dairy Institute of California, the California Producer Handlers Association, and Ponderosa Dairy.

AMS held three public outreach meetings to review the proposals received and a hearing to consider the establishment of a CA FMMO. USDA estimates the total number of transcript pages at around 8,000, not including exhibits. The complete transcript and hearing exhibits are available on the AMS website https://www.ams.usda.gov/rules-regulations/moa/dairy/ca. A Recommended Decision is being developed based on the evidence presented during the rulemaking and is expected to be published by the end of calendar year 2016. USDA will request public comment on the Recommended Decision and will issue a Final Decision. If USDA recommends a FMMO, dairy farmers potentially covered by the Order will vote on whether to adopt it. The process from the end of the hearing until final implementation is expected to take around eighteen months.
The House and Senate Agriculture Committees and Appropriations Agriculture Subcommittees have asked about this issue. Rep. Valadao; Senators Boxer, and Feinstein have inquired specifically.

**Organic Working Group**

The Organic Working Group is a USDA-wide coordinating body led by AMS. The OWG brings together staff from across the USDA to share information and coordinate policies, programs, and services for the sector. The Organic Policy Advisor, a career AMS employee, leads the OWG, serving as both a coordinator between agencies and an advisor within the Marketing and Regulatory Programs mission area. The AMS Administrator serves as the executive lead on organic across the department, collaboratively setting goals and work agendas with other agency leads to meet the growing needs of the organic sector. The OWG has met since the 1990s, conducting public listening sessions and creating inventories of USDA work through an Organic Task Force report (2010), an Organic Resource Guide (2012, updated 2015), and an organic training program, which reached over 30,000 USDA employees.

Since 2013, the OWG has created a team structure to focus on specific topics outlined in Secretary Vilsack’s guidance on organic agriculture: data, research, conservation, compliance, training and outreach, and internal capacity building. The group has active participation of about 30 members, and reaches networks of several hundred employees through email lists and intranet sites. The group maintains [www.usda.gov/organic](http://www.usda.gov/organic), a portal which connects visitors to organic resources and landing pages across the USDA. Strong supporters of cross USDA organic activities include Senator Leahy and others in the Organic Caucus.

**Know Your Farmer, Know Your Food Initiative**

The Know Your Farmer, Know Your Food (KYF2) initiative is a USDA-wide initiative (not an appropriated program) to strengthen local and regional food systems and strengthen the critical connection between farmers and consumers. The initiative facilitates cross-cutting efforts at USDA that seek to use existing USDA programs to break down structural barriers that have inhibited local food systems from thriving. Industry estimates show U.S. local food sales totaled at least $12 billion in 2014, up from $5 billion in 2008, and experts anticipate that value to hit $20 billion by 2019.

The initiative has a successful KYF2 website ([http://www.usda.gov/knowyourfarmer](http://www.usda.gov/knowyourfarmer)) that is a one-stop shop for resources and information about USDA programs and a place where interested producers could find support for local and regional food systems such as information on grants, loans, research, and the KYF2 Compass, which maps over 4,200 federal investments in local and regional food made by USDA and other Federal Agencies since 2009. The Compass allows users to search for federally-supported local food projects in their community and learn what others are doing across the country through keyword or geographic searches.

Through the efforts of KYF2 and between 2009 and 2015, USDA has invested over $1 billion in more than 40,000 local and regional food businesses and infrastructure projects, from the smallest on-farm projects like high tunnels, to large-scale investments like food hubs. Today,
United States Department of Agriculture  
2016 Presidential Transition  
Agricultural Marketing Service (AMS)

more than 160,000 farmers and ranchers nationwide are selling into local markets, from farmers markets and CSAs to local restaurants, grocery stores and institutions, generating huge returns for local communities. KYF2 is coordinated by the Local and Regional Food Systems Policy Advisor, an AMS employee, and Department assets such as the website and Compass are in the process of being transitioned to AMS hosting services. The AMS Administrator often acts as an “ambassador” to other agencies on issues important to local food stakeholders due to the Agency’s significant role in this work (see below). Rep. Pingree; Sen. Stabenow have shown interest in this issue.

Local Food Research and Development/Local Regional Markets  

Rural and urban food distribution markets and facilities play an important role in getting food to consumers. Poor markets and facilities can destroy product quality, cause spoilage losses, and add unnecessary handling costs to food, resulting in higher consumer prices or reduced income to farmers. AMS provides technical assistance and develops educational materials to help small and medium-sized producers, processors and wholesalers of farm products access new marketing channels, expand current markets, and improve the efficiency and quality of food distribution practices.

Each year, AMS helps hundreds of agricultural food businesses – including farmers’ markets, food hubs, wholesale markets, retailers, state agencies, community planning organizations, and other agri-food focused groups – enhance their local food marketing efforts to support prosperous, self-sustaining, and economically thriving communities. AMS works in cooperation with other USDA agencies to assess innovative and cost-efficient options that help producers, distributors, and planners by identifying and developing alternative market outlets that help meet growing consumer demand for local and regional foods.

Local and regional food system marketing outlets, including farmers markets, food hubs, and other local/regional, source-identified marketing models are important vehicles for enabling small and medium-sized farmers to reach household consumers and retain a greater share of the consumer food market. Today, more than 160,000 farmers and ranchers nationwide are selling into local markets with estimates sales total of at least $12 billion in 2014, up from $5 billion in 2008, and experts anticipate that value to hit $20 billion by 2019.

AMS facilitates the enhancement of producer income and improvements in marketing efficiency by: Developing and evaluating agricultural marketing solutions, including strategies for improving local and regional food systems; Providing design, construction, and renovation recommendations for local and regional food market facilities; Identifying emerging local and regional food system marketing opportunities for farm commodities, and conducting applied research to help producers, processors and distributors of farm commodities take advantage of these opportunities; Investigating and encouraging adoption of improved postharvest technologies and practices; Presenting marketing information and education through outreach activities, training workshops and an Internet-based information clearinghouses; Forming partnerships with federal and state agencies, universities, local governments, and non-profit
organizations to leverage resources and provide local food marketing technical assistance to rural and urban communities.

AMS conducts regular data collection and analysis on farmers’ markets and direct-to-consumer marketing to help stakeholders understand evolving influences on market performance and profitability. The National Farmers Market Directory connects consumers to producers at over 8,000 farmers’ markets by providing location and operation information. Food hubs and other aggregation models inform retail, commercial, and institutional customers who are seeking local and regional food products. Wholesale markets and facility design provide targeted site assessment and design services for food market planners, managers, and community stakeholders to improve the efficiency of permanent food market facilities.

AMS’ increased emphasis on regional food systems supports economic growth for tribal, state, county, community, non-profit, and private sector partners as well as small farmers. These new market opportunities develop and revitalize the infrastructure necessary for vibrant regional food systems and support innovation and proven business approaches such as cooperatives.

AMS is working with USDA’s National Institute for Food and Agriculture, Land-Grant Universities, and a national data center to develop a local and regional mapping project that should lead to strategic local and regional linkages that enhance the marketing of local foods. The data is being collected to identify and map states’ local food infrastructure and resources in the food supply chain, including production capacity, existing local and regional markets, distribution networks used by local buyers and sellers, processors, market size and demographics, and other food system traits. Rep. Pingree has shown interest in this issue.

Grants

AMS grant programs play an important role in facilitating marketing. The Federal-State Marketing Improvement Program (FSMIP) provides matching funds to States to assist in exploring new market opportunities for U.S. food and agricultural products, both locally and internationally. In FY 2016, AMS awarded nearly $1 million in grants for 12 projects. Recent FSMIP projects have supported efforts to bolster local and regional food systems through farmers markets and community supported agriculture operations, while other projects have focused on building international markets for pine lumber, pork, and more.

With the Specialty Crop Block Grant Program, AMS helps states strengthen markets for their specialty crops, such as fruits, vegetables, tree nuts, horticulture and nursery crops. In FY 2016, AMS awarded approximately $63 million for 693 projects.

These grants address issues ranging from food safety to research needs to increased access to fruits and vegetables, all benefiting specialty crop producers and consumers across the country. With additional funding from the 2014 Farm Bill, we are able to do even more to help specialty crop growers increase profitability and sustainability.
Farmers Market and Local Food Promotion Program - The purpose of the Program is “...to increase domestic consumption of and access to locally and regionally produced agricultural products, and to develop new market opportunities for farm and ranch operations serving local markets...” Entities eligible to apply for grants include agricultural cooperatives, producer networks, producer associations, local governments, nonprofit corporations, public benefit corporations, economic development corporations, regional farmers’ market authorities, Tribal governments, and local and regional food business enterprises. Grants are available annually to support local and regional food systems through two competitive programs: the Farmers Market Promotion Program (FMPP) and the Local Food Promotion Program (LFPP). FMPP grants fund farmer-to-consumer direct marketing projects such as farmers markets, community-supported agriculture programs, roadside stands, and agritourism. LFPP grants fund local and regional food business enterprises that serve as intermediaries to process, distribute, aggregate, and store locally or regionally produced food products. Projects also provide technical assistance and outreach, including planning grants for local food businesses.

In Fiscal Year 2016, AMS awarded approximately $26 million in competitive grants to expand marketing through these two programs. FMPP awarded $13.4 million to 50 project recipients and LFPP awarded $13.4 million to 52 project recipients. A similar amount will be available in Fiscal Year 2017.

Rep. Barr, Adams, Etsy, Brownley; Sen. Whitehouse, Tester are all interested in grants programs from AMS.

Organic Certification Cost-Share Program

AMS administered the Agricultural Management Assistance (AMA) Organic Certification Cost-Share Program through the end of FY 2016. In late FY 2016, AMS and FSA provided congressional notification that the program will be administered by FSA in FY 2017. The program provides reimbursements to eligible organic crop and livestock producers in 16 States for a portion of the costs of organic certification (up to 75 percent of their organic certification costs, not to exceed $750 per year).

By offering reimbursement for certification-related expenses, the USDA recognizes the cost of regulation and makes certification more affordable. State agencies (typically Departments of Agriculture) work with the USDA to administer the program. After entering into a cooperative agreement, the state agencies process applications for cost share funds, and the USDA reimburses them. Participating States are: Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.

Crop and livestock producers in eligible States who have received organic certification or a renewal of certification from an accredited certifying agent are eligible to participate. Transitioning farms that are not yet certified are not eligible. The program is not competitive – it is administered on a first-come, first-served basis until funds are exhausted. In 2014, USDA issued nearly 10,000 reimbursements totaling close to $6 million, providing critical support to
the organic community. Each participating State receives an annual budget based on the number of certified operations and past fund usage.

In FY 2017, the program will transfer from AMS to FSA. Only approximately half of the nation’s organic producers and handlers take advantage of this cost share program to help them with certification, and for those that do, the experience differs widely throughout the nearly 50 states that oversee the process. Now, organic producers will be able to visit any one of FSA’s 2,124 offices located in almost every rural county in the United States. Organic producers and handlers will experience uniformity in the program throughout the country, and they will be able to learn more about USDA FSA programs (disaster assistance, farm/facility/marketing loans) when they apply for cost share. Past Congressional representatives interested in this issue are in the States listed above and States where cost share is widely used such as Pennsylvania, New York, California, the Upper Midwest and Upper Northwest. These states would be particularly interested in a smooth transition to FSA.

**Organic - Hydroponic Crop Production**

Organic hydroponics is a method of growing plants using nutrient solutions in water, without soil. Terrestrial plants may be grown with their roots in the nutrient solution or in an inert medium, such as perlite, gravel, biochar, or coconut husk.

Some organic farms are utilizing hydroponic growing methods to produce organic crops under the USDA organic regulations. These producers use the same fertilizers and pest control practices as other organic farmers – primarily natural fertilizers and pest control methods. Organic hydroponic production is allowed as long as the producer can demonstrate compliance with the USDA organic regulations.

On September 2, 2015, the National Organic Program appointed 16 members to a task force to explore hydroponic and aquaponic production practices and their alignment with USDA organic regulations. The task force prepared a report for the NOSB about the current state of technologies and practices for hydroponics and aquaponics, as well as how those practices do or do not align with the USDA organic regulations. The NOSB will utilize the report to determine the best path forward regarding recommendations on hydroponics and aquaponics production systems. On July 21, 2016, AMS transmitted a report from the Hydroponic and Aquaponic Task Force to the NOSB. Stakeholders can view the Hydroponic and Aquaponic Task Force Report (pdf) on the AMS website. The public may provide comments to the NOSB through the public comment period for the November 2016 NOSB meeting. Congressional representatives in the North East particularly Senators Leahy and Sanders have expressed strong opposition to the use of Hydroponics in organic operations.

**Organic - Aquaculture**

AMS is in the process of developing a proposed rule for organic aquaculture standards. Final policy questions received from other Federal agencies are currently being addressed; the current schedule is for a proposed rule to be published in the Federal Register in November or December 2016. Once published, there will be an opportunity for interested parties to comment on the development of these standards.
This action proposes to establish standards for organic production and certification of farmed aquatic animals and their products in the USDA organic regulations. This action would also add aquatic animals as a scope of certification and accreditation under the National Organic Program. This action is necessary to establish standards for organic farmed aquatic animals and their products, which would allow U.S. producers to compete in the organic seafood market. Senator Farr has been the champion for this initiative.

**Organic - Trade and Research**
USDA signed five major trade agreements on organic products, first with Canada and then with the European Union, Japan, Korea, and Switzerland. The trade agreements are a significant indicator of the strength of the National Organic Program and the value of the USDA organic label.

AMS also helped lead the effort to establish international trade codes for tracking organic imports and exports. Organic trade codes were initially established in 2011 with 32 export codes and 20 import codes. Since 2009, USDA has supported researchers with nearly $220 million in funding for research focused on improving the productivity and success of organic agriculture. Additionally, USDA has undertaken new initiatives in conservation funding assistance, crop insurance for organic producers, data collection and price reporting. While Congress has not directly expressed either support or opposition to specific trade initiatives, there may be future interest in the negotiations currently taking place with Mexico, as the two countries negotiate an equivalency agreement.

**Organic - Sound and Sensible**
Making organic certification accessible, attainable, and affordable involves collaboration with many partners. To advance this work, USDA supports a diverse community of organic stakeholders. Nonprofits, businesses, universities, state governments and other organizations lead a range of technical assistance, training, outreach and certification programs for organic farms and businesses. To support their work, on September 5, 2014, USDA awarded project contracts to 14 organizations that will advance the NOP’s Sound and Sensible initiative.

These groups worked with hundreds of farmers and livestock handlers to help them simplify and streamline organic certification and compliance. USDA shared the results of these projects, including an array of valuable tools and resources – templates, decision-making tools, trainings, guides, tip sheets, and videos – with the entire organic community, from certifying agents to certified organic operations, to producers who are considering organic certification for the first time.

All of the projects share a common goal – making organic certification more accessible, attainable, and affordable while maintaining high standards, ensuring compliance, and protecting organic integrity. These projects educate producers and provide them with tools and information resources needed to streamline certification, inspections, recordkeeping, and compliance.

Sound and Sensible projects have been completed across the United States, and while Congress has not expressed direct support, these projects have led to increased counts of certified organic operations year-to-year.
**Organic INTEGRITY Database**

http://apps.ams.usda.gov/integrity/

AMS launched the Organic Integrity Database (INTEGRITY), a modernized system for tracking certified organic operations. In the past, AMS published the number of certified organic operations once a year, using data submitted annually by accredited organic certifying agencies. With the new database – funded by the 2014 Farm Bill – organic certifiers can add new operations and report changes to existing operations at any time, allowing us to report updated counts of certified organic operations throughout the year.

INTEGRITY makes it easy for anyone to search for organic farms and businesses by name, certification status, state, country, products, and other factors. By providing updated and accurate information about all certified operations, INTEGRITY will deter fraud, provide data for market research, enable stakeholders to identify market opportunities and make supply chain connections, support the data needs of international trading partners, and establish technology connections with certifiers to share more accurate and timely data.

Due to the success of the INTEGRITY program, industry representatives are likely to approach Congress with specific requests for further technology investments for the National Organic Program; these requests are likely to focus on import certificates and data availability, as well as further investment in INTEGRITY modules to support supply chain research and development.

**Organic - Domestic Certification of Hemp**

On August 12, 2016, USDA published a Statement of Principles on Industrial Hemp to inform the public on how Federal law applies to hemp grown according to the Agricultural Act of 2014 (Farm Bill). On August 23, 2016, AMS posted a revised Instruction to certifiers regarding the organic certification of industrial hemp, highlighting the Statement of Principles.

Previously, NOP published an instruction halting certification of industrial hemp until the publication of federal guidance. The 2014 Farm Bill allows for the domestic production of industrial hemp under certain specific criteria, including that the hemp must contain 0.3 percent or less THC content. Organic hemp that is imported legally into the United States and is certified according to the USDA organic regulations has not been affected by the Farm Bill or AMS instruction and has always been allowed to be used as an ingredient in food products, textiles or other agricultural products. Colorado has expressed continuous interest in the USDA position on organic hemp production.

**Organic - Nanotechnology**

In March 2015, AMS issued a memorandum in response to stakeholder requests for clarification on the status of nanotechnology in organic production and handling. The policy memo clarifies that engineered nanomaterials are prohibited in organic production and handling as recommended by the National Organic Standards Board.

The policy memo clarified that the statutory framework for the review of substances intended for use in organic production and handling would also apply to engineered nanomaterials. They would be reviewed just like any other petitioned substance. Before they could be considered, the
NOSB must evaluate the substance and review its effects on human health and the environment. While little interest has been expressed recently in nanotechnology, this subject could reemerge as an issue if the Board is called upon to review any nanomaterials as part of their advisory responsibilities.

**Food Safety Modernization Act**

The FDA Food Safety Modernization Act (FSMA) was signed into law on January 4, 2011. It aims to ensure the U.S. food supply is safe by shifting the focus from responding to contamination to preventing it. In November 2015, FDA released the FSMA Produce Safety final rule which establishes, for the first time, science-based minimum standards for the safe growing, harvesting, packing, and holding of fruits and vegetables grown for human consumption.

AMS participates with the FDA in the jointly-funded Produce Safety Alliance, a collaborative effort managed by Cornell University. PSA provides the produce industry with training/educational opportunities related to best practices and regulatory requirements (i.e., FDA’s Produce Safety regulation). Grower Training courses and Train-the-Trainer courses have been scheduled throughout the fall and winter with an up-to-date listing on the PSA website and more courses being added frequently. In response to input from stakeholders representing small farms, FDA issued two cooperative agreements in late FY 2016 to support the development of alternate curricula, one targeting the small farm/local food community and one targeting tribal growers.

AMS is beginning the last phase of a joint project with FDA to review our Good Agricultural Practices (GAP) Program to ensure that it aligns with the FDA produce safety regulation. The project is projected to wrap-up this fall/winter (2016/2017) after our FDA colleagues join AMS on some on-farm audits to observe actual GAPs and audit protocols on farms. The purpose of the on-farm component is to also align any observations noted with respect to identification and severity. The revised aligned GAP program will be available well in advance of the FDA compliance dates (earliest date is January 2018). Rep. Aderholt, DeLauro, Brownley; and Sen. Stabenow are all interested in this area.

**GroupGAP**


USDA Good Agricultural Practices (GAP) audits are voluntary audits that verify that fruits and vegetables are produced, packed, handled, and stored as safely as possible to minimize risks of microbial food safety hazards based on industry best practices and Federal guidelines. AMS received feedback that GAP audits were cost-prohibitive for some smaller growers and launched a successful 3-year pilot run in conjunction with the Wallace Center at Winrock International to develop a program that would allow a group of growers to share the cost of certification while providing buyers with the assurance that GAP standards were being followed. AMS began offering a new USDA GroupGAP program on April 3, 2016.

Unlike the traditional one-farm-one-audit GAP Program model, GroupGAP allows groups of growers, including food hubs, cooperatives, and grower associations, to collaboratively achieve GAPs certification as a group, allowing more accessibility to growers of all sizes, including...
small and mid-sized producers. By verifying growers’ compliance with buyers’ food safety requirements, GroupGAP has the ability to build local food marketing opportunities and markets for growers and retailers alike. Rep. Pingree, Senators Stabenow and Gillibrand have shown interest in this area.

**Research and Promotion Programs**

Research and Promotion programs, authorized by Congress, are requested, funded, and driven by industry. The programs establish a framework to pool resources to develop new markets, strengthen existing markets, and conduct important research and promotion activities. AMS provides oversight, helping to ensure fiscal responsibility, program efficiency, and fair treatment of participating stakeholders. AMS oversees more than 20 research and promotion boards that empower farmers, ranchers, and agricultural businesses. The House and Senate Agriculture Committees and Appropriations Agriculture Subcommittees have asked about research and promotion programs issues. Rep. Larsen, Rouzer, Pelosi; Senators Lee, and Booke’s offices have inquired specifically.

- **GAO Engagements:** On September 12, 2016, AMS received notification from OIG that GAO will be conducting two engagements with AMS to (1) Determine the status of USDA’s processing of checkoff FOIA requests since fiscal year 2005, and to determine (2) To what extent do USDA’s oversight activities ensure program funds are used in a manner consistent with authorizing legislation?, and (3) To what extent does USDA have performance measures that enable the agency to assess the effectiveness of the checkoff programs? An entrance interview with OIG and GAO took place Monday, September 19, 2016. AMS is sending responsive documents to GAO. Representative Pelosi requested the review.

- **American Egg Board:** The Chief Executive Officer of Hampton Creek, Inc., San Francisco, CA (Hampton Creek) complained that the American Egg Board (AEB) exceeded its mandate by funding a campaign to halt the growth of Hampton Creek. An AMS review of the allegations has been completed and was released publicly on October 7, 2016.

- **Organic Check-Off Program:** The 2014 Farm Bill authorized USDA – under the Commodity Promotion, Research, and Information Act of 1996 (1996 Act) – to accept an application for a research and promotion (R&P) program for organic products. On May 15, 2015, the Organic Trade Association (OTA) submitted a formal proposal, accompanied by a $250,000 bond, to the Agricultural Marketing Service (AMS) to cover expenses.

AMS invited the public to submit alternative proposals or partial proposals. AMS received eight partial proposals. On May 3, 2016, OTA submitted a letter to AMS to formally amend its proposal to include some stakeholder feedback, language from the partial proposals, and technical edits based on discussions with AMS.

Over the past year, AMS has worked with the Office of the General Counsel (OGC) to evaluate the legal implications of the order language. AMS continues to hear from stakeholder groups opposed to the proposal and to an organic R&P program in general. AMS is working to move forward expeditiously on drafting a proposed rule for the program, while also working to publish a proposal that is legally sound and can be successfully administered.
through its oversight. The goal is to have the proposed rule published by the end the 2016 calendar year.

The House and Senate Agriculture Committees and Appropriations Agriculture Subcommittees have asked about this issue. Rep. Pingree, Farr; and Senator Feinstein’s office have inquired about this issue.

- **R-CALF v. USDA:** On May 2, 2016, R-CALF USA filed suit in Federal District Court in Montana against Secretary Vilsack arguing that the Beef Checkoff Program should be promoting only U.S. beef. The complaint argues that the Checkoff Program compels R-CALF USA members to subsidize private speech because it allows the Montana Beef Council, to retain a portion of their assessments to fund their activities that does not qualify as government speech in violation of the First Amendment. The Montana Beef Council is a non-government organization that is a Qualified State Beef Council (QSBC) authorized to collect Beef Checkoff assessments.

 AMS issued a proposed rule on July 15, 2016, with a 60-day comment period, regarding the redirection of Beef Checkoff funds so producers in certain states including Montana have the option of directing their full assessment under the Beef Checkoff entirely to the National Board. Thus, under this proposal, producers would not be compelled to fund the activities of QSBCs that do not receive mandatory state assessments under state law. In the meantime, the Montana Beef Council’s Board of Directors indicated to AMS that it would comply with a producer’s written request, accompanied by appropriate and timely documentation, to have the entire $1-per-head assessment forwarded to the Cattlemen’s Beef Promotion and Research Board. A hearing was held on October 25, 2016, in District Court in Great Falls, MT, where both sides argued their motions.

- **National Pork Board:** In September 2012, HSUS filed suit in the Federal District Court of the District of Columbia against the Secretary under the Administrative Procedure Act challenging the approval of the National Pork Board’s purchase of Pork trademarks that include the “Pork, The Other White Meat” slogan from the National Pork Producers Council (NPPC). On August 14, 2015, the Court of Appeals for the District of Columbia ruled that plaintiff in this suit had standing to challenge USDA’s decision to approved the purchase of the trademarks. On remand, the Court stayed the case to allow USDA to review the continued payments under the purchase contract. USDA completed its review and determined that it was acceptable for the Board to continue with the payments. The litigation is ongoing and the decision will be based upon the administrative record filed on June 29, 2016 and August 24, 2016.

- **Softwood Lumber:**
  On December 12, 2014, Resolute Forest Products filed a complaint in U.S. District Court claiming that the Softwood Lumber Research and Promotion Order (Order) is unconstitutional and that USDA violated the Administrative Procedure Act (APA) when the program was promulgated. On September 9, 2015, the Court ruled in favor of USDA on five out of six APA challenges, and requested additional information on one APA issue concerning the rationale for the Order’s 15 million board foot exemption threshold. On May
17, 2016, the Court found that, on the basis of estimates and information reviewed, the selection of 15 million board foot exemption threshold was arbitrary and capricious and that the Softwood Lumber Order was unlawful as promulgated.

A hearing was held on June 1, 2016, to discuss remedies. The court ordered that: (1) USDA and the Softwood Lumber Board (Board) are prohibited from collecting further assessments from Resolute under the current Order; (2) USDA and the Board must maintain a balance of funds of not less than $1.1 million under the current Order; and (3) USDA and Department of Justice (DOJ) shall file a brief by June 29, 2016, supporting USDA’s position that the $1.1 million is assessments paid by Resolute should not be refunded. Subsequent to the briefs being filed, the judge ordered the parties to submit briefs on issues regarding sovereign immunity and the authority of USDA to require the Board to refund assessments to Resolute. The deadlines for USDA and Resolute to submit their briefs are October 18, 2016 and November 1, 2016, respectively. In addition, the continuance referendum that was scheduled to be conducted in August 2016, was postponed.

**Study of Rural Transportation Issues**

USDA’s Agricultural Marketing Service (AMS) and the U.S. Department of Transportation (DOT) are updating *Study of Rural Transportation Issues*, as required by the 2014 Farm Bill. The updated study is expected to be provided to Congress by December 2016. The comprehensive update includes 13 substantive chapters and will be approximately 500 pages in length, updating the previous study similar to how a textbook is revised. The update will include content on: (1) how freight transportation supports agriculture and rural America, (2) transportation of coal and biofuels, (3) modal and issue information on transportation of agricultural products via rail, barge, truck and ocean, (4) infrastructure planning, and (5) resiliency of the transportation system and implications for agriculture. The Farm Bill also requested the Study address “the sufficiency of infrastructure along waterways in the United States and the impact of the infrastructure on the movement of agricultural goods in terms of safety, efficiency and speed, as well as the benefits derived through upgrades and repairs to locks and dams.”

**House Report Request for A Long-Term Infrastructure Plan**

The FY16 House Ag Subcommittee report (HR 114-205) requires that USDA develop an infrastructure plan. Specifically, conference report language states: “Infrastructure Plan—The United States has experienced record levels of agricultural exports for the past few years, and there is support for expanding trade opportunities. However, increasing trade without consideration for the domestic infrastructure to adequately support it is short-sighted. The Midwest rail situation and disruptions at the West Coast ports are prime examples of the fact that USDA is reacting to the domestic and international commerce circumstances instead of having a proactive plan in place. Having the commodities available but not being able to deliver them will jeopardize the U.S.’s ability to remain a reliable trading partner. The Committee directs the Secretary to submit a long-term infrastructure plan that benefits American producers and provides examples of how USDA is working with other Federal agencies to prevent future transportation mishaps.”
The report was provided to Congress in March 2016. The report highlights USDA’s authority related to agriculture transportation issues, USDA’s role regarding recent agriculture transportation disruptions, and the roles of the Department of Transportation (DOT) and the Surface Transportation Board (STB). Under the Agricultural Adjustment Act of 1938 and the Agricultural Marketing Act of 1946, the Secretary of Agriculture is charged with representing the interests of agricultural producers and shippers in improving transportation services and facilities by, among other things, initiating and participating in U.S. Surface Transportation Board (STB) proceedings involving rates, charges, tariffs, practices, and services.

USDA does not have regulatory authority over transportation issues and cannot prevent or intervene during transportation disruptions or labor management disputes. USDA does not possess the resources and expertise to develop a long-term transportation infrastructure plan. In an effort to engage stakeholders on this issue, AMS and a representative from DOT participated in a stakeholders’ listening session facilitated by Representative David Young (R-Iowa) on February 22, 2016, in West Des Moines, IA.

**Market News**

AMS Market News (MN) provides current, unbiased information on supply, demand, prices, volume, movement, location, quality, condition, and other market data. Hundreds of market reports are issued daily, free of charge, on approximately 700 products and commodities. Annually, AMS provides 250,000 reports garnering 53 million views. In response to stakeholder interest, AMS continues to increase the number of market reports on local/regional products including reports on farmers markets, auctions and direct to consumers. In addition, AMS provides approximately 250 reports on organic commodities. AMS is utilizing an allocation of $3.5 million made in the 2014 Farm Bill to improve Market News reports for the organic sector.

MN produces information that impacts billions of dollars in agricultural trading each year. During the 2013 government shutdown, the absence of market intelligence made it difficult for farmers to determine a fair price for their produce and resulted in a significant decrease in commodity futures on the Chicago Mercantile Exchange. AMS has heard from many industries and the Fruit and Vegetable Advisory Committee about the importance of MN for their industries’ success. Market News data is critical for the Risk Management Agency, the International Trade Commission, the DOD Fresh Program, the Farm Service Agency, and the Grain Inspection Packers and Stockyards Administration. Rep. Peterson, Senators Grassley, Ernst, and Stabenow have shown interest in this area.

**Country of Origin Labeling**
[https://www.ams.usda.gov/sites/default/files/media/COOL%20Brochure%20CONSUMER%20Final.pdf](https://www.ams.usda.gov/sites/default/files/media/COOL%20Brochure%20CONSUMER%20Final.pdf)

Country of Origin Labeling (COOL) is a labeling law that requires retailers notify their customers with information regarding the source of certain foods. The covered commodities contained in the law include muscle cut and ground meats: beef, veal, pork, lamb, goat, and
chicken; wild and farm-raised fish and shellfish; fresh and frozen fruits and vegetables; peanuts, pecans, and macadamia nuts; and ginseng. The final rule for all covered commodities went into effect on March 16, 2009.

In response to Mexico’s and Canada’s allegations that U.S. COOL requirements for beef and pork products are inconsistent with World Trade Organization (WTO) obligations, the WTO found that, while the United States has the right to adopt mandatory COOL requirements, certain aspects of the existing requirements are inconsistent with U.S. obligations. In particular, the WTO found that the measure accords less favorable treatment to imported Canadian hogs and Canadian and Mexican cattle than to like U.S. hogs and cattle. On May 23, 2013, AMS issued a final rule that modified the labeling provisions to require the origin designations to include information about where each of the production steps (i.e., born, raised, and slaughtered) occurred and removed the allowance for commingling. As directed by Congress, on March 2, 2016, AMS published a final rule repealing COOL for beef and pork products. Removal of mandatory COOL requirements for beef and pork averts more than $1 billion in potential retaliation by Canada and Mexico, two of our biggest customers for beef and pork. Sen. Hoeven, and Grassley have shown interest in this area.

Livestock Mandatory Reporting
On April 2, 2001, AMS implemented the LMR program as required by the Livestock Mandatory Reporting Act of 1999 (1999 Act). The purpose of the 1999 Act was to establish a program of information regarding the marketing of cattle, swine, lambs, and the products of such livestock that provides information that can be readily understood by producers; improves the price and supply reporting services of the Department; and encourages competition in the marketplace for livestock and livestock products. The program facilitates open, transparent price discovery and provides all market participants, both large and small, with comparable levels of market information for cattle, swine, sheep, beef, pork, and lamb meat.

In September 2015, the program was reauthorized through September 2020. The timely reauthorization of the statute avoided a lapse in authority, which could have created uncertainty in the markets. On February 29, 2016, AMS published the final rule to amend lamb reporting requirements and published a proposed rule for the other changes provided for in the reauthorization. In February 2016, AMS held a stakeholder meeting for key industry personnel to review LMR regulation changes specific to each industry. Rep. Peterson, Senators Grassley, Ernst, and Stabenow have shown interest in this area.
## Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

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<tr>
<th>Collaboration Activity</th>
<th>Federal Entity</th>
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| Commodity [Food] Purchases and IT System (WBSCM)     | USDA, Food & Nutrition Service  
USDA, Farm Service Agency  
USDA, Foreign Agriculture Service  
Government Services Agency, FEDSIM |
| Know Your Farmer, Know Your Food (KYF2)              | USDA, Rural Development  
USDA, Farm Service Agency  
USDA, Food & Nutrition Service  
USDA, Forest Service  
USDA, Natural Resources Conservation Service  
USDA, National Institute for Food and Agriculture  
USDA, Risk Management Agency  
USDA, Economic Research Service  
USDA, Office of Advocacy and Outreach  
Appalachian Regional Commission  
Delta Regional Authority  
Environmental Protection Agency (for Local Food, Local Places)  
USDA, Center for Nutrition Policy and Promotion |
| Food Safety Modernization Act (FSMA)                 | Food and Drug Administration                                                  |
| Administrative Service Provider                     | USDA, Animal and Plant Health Inspection Service                               |
| Agricultural Statistics and Census Information       | USDA, National Agricultural Statistic Services                                 |
| Pesticide Data Program                               | Environmental Protection Agency                                               |
| Organic [Market News] Reporting                      | Centers for Disease Control and Prevention                                    |
| Organics: Direct Producer Support                    | USDA, Risk Management Agency                                                  |
| Organic: Research, Data & Technical Information      | USDA, Farm Service Agency  
USDA, Natural Resources Conservation Service  
USDA, Risk Management Agency  
USDA, Agricultural Research Service  
USDA, Economic Research Service  
USDA, National Agricultural Library                 |
<table>
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<tr>
<th>Section</th>
<th>Agencies/Departments</th>
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<td>USDA, National Agricultural Statistics Service</td>
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<td>USDA, National Institute of Food and Agriculture</td>
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<td>USDA, Animal and Plant Health Inspection Service</td>
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<td>USDA, Foreign Agriculture Service</td>
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<tr>
<td>USDA, Rural Development</td>
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<td>Organic Working Group (OWG)</td>
<td>USDA, Economic Research Service</td>
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<td>USDA, Foreign Agricultural Service</td>
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<td>USDA, Office of the Chief Scientist</td>
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<td>USDA, Natural Resources Conservation Service</td>
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<td>USDA, Food Safety and Inspection Service</td>
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<td>National Organic Program</td>
<td>Environmental Protection Agency</td>
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<td></td>
<td>Office of the US Trade Representative</td>
</tr>
<tr>
<td>Market News Reporting</td>
<td>USDA, National Agricultural Statistics Service and various other agencies throughout</td>
</tr>
<tr>
<td></td>
<td>USDA use our reports</td>
</tr>
<tr>
<td>People’s Garden</td>
<td>USDA - Department wide initiative</td>
</tr>
<tr>
<td>Trade Related Issues</td>
<td>U.S. Trade Representative</td>
</tr>
<tr>
<td>Trade Assistance Programs:</td>
<td>USDA, Foreign Agriculture Service</td>
</tr>
<tr>
<td>• Farmers Market Promotion Program</td>
<td></td>
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<tr>
<td>• Federal State Marketing Improvement Program</td>
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<td>• Market Development Programs</td>
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<td>• Specialty Crop Block Grant Program</td>
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<td>Inspection Services</td>
<td>USDA, Food, Safety &amp; Inspection Service</td>
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<tr>
<td>Beginning Farmers and Ranchers</td>
<td>USDA, Agricultural Research Service</td>
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Stakeholder group overview

GENERAL FARM ORGANIZATIONS

American Farm Bureau Federation
Farm Bureau is an independent, non-governmental, voluntary organization governed by and representing farm and ranch families united for the purpose of analyzing their problems and formulating action to achieve educational improvement, economic opportunity and social advancement. Farm Bureau is local, county, state, national and international in its scope. Farm Bureau is the voice of agricultural producers at all levels.

National Farmers Organization
National Farmers Organization provides commodity marketing and agricultural risk management programs and services. Through National Farmers Maximum Marketing, producers market their commodities in pooled groups, and their bank accounts benefit. Their negotiators assure transactions with major buyers include terms favorable to farmers and ranchers. Today's National Farmers members represent a cross-section of both conventional and organic production—grain growers, cattle and hog producers, and dairymen and women.

National Farmers Union
The National Farmers Union (NFU) represents family farmers, fishers and ranchers across the country, with formally recognized divisions in 33 states. The key to the success and credibility of the organization has been Farmers Union's grassroots structure in which policy positions are initiated locally. The policy process includes the presentation of resolutions by individuals,
followed by possible adoption of the resolutions at the local, state and national levels. Members and staff of the Farmers Union advocate these policy positions nationwide.

**National Sustainable Agriculture Coalition**
The National Sustainable Agriculture Coalition (NSAC) is the Washington, DC voice for more than 100 local and state-level organizations representing farmers and ranchers. NSAC works to support small and mid-size family farms, natural resource stewardship, healthy rural communities, and access to healthy, nutritious foods. NSAC is particularly active on local foods, organic agriculture and FSMA-related issues.

**National Association of State Departments of Agriculture**
The National Association of State Departments of Agriculture (NASDA) was founded in 1916. It grows and enhances agriculture by forging partnerships and creating consensus to achieve sound policy outcomes between state departments of agriculture, the federal government and stakeholders.

NASDA is governed by a 10 member Board of Directors consisting of a five member Executive Committee; one At-Large member; and the presidents of the four NASDA regions. Executive Committee members are the officers of the association and serve a five-year term. (Each region has at least one member serving on the Executive Committee.) The regional presidents serve a one year term. The At-Large member is selected by the Executive Committee.

**North American Agricultural Marketing Officials**
The North American Agricultural Marketing Officials (NAAMO) is an international organization of the State and Provincial government agricultural marketing officials who provide both domestic and international marketing services to the agricultural and food industries in their states and provinces.

Its’ purpose is to provide members with a forum to network, collaborate and share insights to enhance the development, marketing and promotion of North American food and agricultural products. NAAMO is a subsidiary of the National Association of State Department of Agriculture, which represents the leadership of the individual state departments of agriculture.

**ADVISORY COMMITTEES**

**National Organic Standards Board**
The National Organic Standards Board (NOSB) is a Federal Advisory Board made up of 15 dedicated public volunteers from across the organic community. Established by the Organic Foods Production Act (OFPA) and governed by the Federal Advisory Committee Act (FACA), the NOSB considers and makes recommendations on a wide range of issues involving the production, handling, and processing of organic products.

The NOSB generally meets twice per year at a public meeting to discuss the items on its work agenda, vote on proposals, and make recommendations to the Secretary. AMS and the NOSB value transparency and invite public input via advance written and in-person oral comments.
**Fruit and Vegetable Advisory Committee**
Since 2001, the Fruit and Vegetable Advisory Committee (FVAC) has met up to two times per year to develop recommendations for submission to the Secretary of Agriculture on issues affecting the U.S. produce industry. AMS officials ensure this Advisory Committee is administered according to the Federal Advisory Committee Act, and plan Advisory Committee meetings.

**UNIONS**

**National Meat Graders Council, American Federation of Government Employees, AFL-CIO**
The union represents all of the approximately 150 Agricultural Commodity Meat Graders. A new 4-year collective bargaining agreement (CBA) was signed on June 20, 2016, and approved by the Department on July 12, 2016. The CBA covers union representation, hours of work, working conditions, duties and performance, grievances, personnel actions (disciplinary, adverse, performance-based), reassignments, reduction in force, and unfair labor practices. Even though all meat graders are represented by the union, less than 25% join the union and pay dues. The management/union relationship is good.

**TRADE ASSOCIATIONS**

**American Mushroom Institute**
The American Mushroom Institute (AMI) is a national voluntary trade association representing the growers, processors and marketers of cultivated mushrooms in the U.S. and industry suppliers worldwide. Membership is available to any person interested in the mushroom industry. Categories of membership are grower, associate, professional and retiree.

AMI’s purposes are to anticipate and respond to issues affecting mushroom production, processing, and marketing; to monitor and influence legislative and regulatory issues; support, analyze, and disseminate relevant information such as research, statistics and innovations in technology; to develop best practices and training in food safety, integrated pest management and worker safety; and to provide a communications network for all industry partners.

**American National Cattle Women, Inc.**
Based in Denver, CO, American National Cattle Women, Inc. (ANCW), is an association with a history and record of positively promoting beef and the beef industry. In 1952, cattlewomen had the foresight to organize so that their individual messages would have a strong national voice. This national voice has had impact on consumers, politicians and other cattle producers all over the U.S. ANCW continues to impact beef promotion, legislation and youth development with the assistance of 27 states. ANCW offers an opportunity for women who share the passion for the beef industry and their way of life to network with one another.

**American Seed Trade Association**
Founded in 1883, the American Seed Trade Association (ASTA) is one of the oldest trade organizations in the United States. Its membership consists of over 700 companies involved in seed production and distribution, plant breeding, and related industries in North America. As an
authority on plant germplasm, ASTA advocates science and policy issues of industry-wide importance. ASTA, directed by its members, is involved in nearly all issues relating to plant germplasm, focusing on three areas of industry importance—regulatory and legislative matters at international, national, and state levels; new technologies impacting all crop species; and communication and education of members and appropriate public audiences regarding science and policy issues affecting the seed industry.

**American Sheep Industry Association**
The American Sheep Industry Association (ASI) began in 1865. The heart and soul of ASI are the thousands of farm and ranch families across America who raise sheep, as are the hundreds of individuals who volunteer a portion of their time, energy and financial support to work on behalf of the industry.

ASI provides the opportunity for producers to work with others in molding the policies and programs that improve the markets for sheep producers through enhanced marketing opportunities and reduced production costs. It is also the best option for those producers wanting to provide input on issues affecting his or her individual sheep operation but in need of a national, cooperative effort to find resolution.

**American Soybean Association**
Founded in 1920 and organized in 1925, the American Soybean Association (ASA) represents all U.S. soybean farmers on domestic and international issues of importance to the soybean industry. ASA’s advocacy efforts are made possible through voluntary farmer membership by farmers in 30 states where soybeans are grown. ASA is a grassroots organization led by soybean farmers from across America.

**Association of Official Seed Certifying Agencies**
The Association of Official Seed Certifying Agencies (AOSCA) is dedicated to assisting clients in the production, identification, distribution and promotion of certified classes of seed and other crop propagation materials. Established in 1919 as the International Crop Improvement Association, AOSCA’s membership includes Seed Certifying Agencies across the U.S., and global membership including Canada, Argentina, Brazil, Chile, Australia, New Zealand, and South Africa.

**California Citrus Quality Council**
The California Citrus Quality Council’s (CCQC) mission is to represent the California citrus industry in response to problems and issues which arise in state, national or international arenas and which affect the industry generally in areas of quarantine matters, technical assistance, international compliance or other related issues. Use of the word “related” is key to CCQC’s mission because it explains CCQC’s interest in preventing pest introductions, which would increase pesticide use and disrupt successful integrated pest management (IPM) activities. It also explains CCQC’s preemptive interest in international phytosanitary issues which could later restrict export opportunities. CCQC is pro-active and always maintains a science-based approach to the issues relating to the state’s citrus industry.
California Fresh Fruit Association
The California Fresh Fruit Association (formerly the California Grape & Tree Fruit League) is a voluntary, nonprofit agricultural trade association that represents California’s fresh fruit industry. The California Fresh Fruit Association (CFFA) is the key public policy organization that represents the needs and interests of its members by advocating on behalf of its members on legislative and regulatory issues, at state, Federal, and international levels. Through the daily presence of the CFFA’s representatives in Sacramento and Washington, D.C., the organization actively monitors legislative and regulatory activity on such issues as farm labor, crop protection materials, marketing requirements, environmental resources, trade, packaging, transportation and other issues of importance.

CME Group
The CME Group is a risk management organization comprised of four exchanges—CME, CBOT, NYMEX and COMEX—they offer the widest range of global benchmark products across all major asset classes, helping businesses everywhere mitigate the myriad of risks they face in today's uncertain global economy.

Corn Refiners Association
Through a series of operating committees of executives from corn refining firms, the Corn Refiners Association conducts programs of technical service, public relations and government relations for the association membership. The association is a primary source of educational material on corn and products from corn for schools, government, journalists, agriculture and agribusiness.

Florida Fruit and Vegetable Association
The Florida Fruit & Vegetable Association (FFVA) is the state's leading full-service specialty crop organization, serving Florida's grower-shipper community since 1943. FFVA represents a broad range of crops, including vegetables, citrus, tropical fruit, berries, sod, sugar cane, tree crops and more. Their mission is to enhance the business and competitive environment for producing and marketing fruits, vegetables, and other crops. The association offers membership in two categories: Producer Members and Trade Associate Members.

Food Marketing Institute
The Food Marketing Institute (FMI) is the trade association that serves as the voice of food retail. We assist food retailers in their noble role of feeding families and enriching lives. FMI promotes policies, programs and forums supporting its members, their customers and supplier partners, and other industry stakeholders in the areas of government relations, food and product safety, and defense, education, industry collaboration and networking, research, health and wellness, social, environmental and sustainability programs, and communications.

International Bottled Water Association
Founded in 1958, The International Bottled Water Association’s (IBWA) member companies include U.S. and international bottlers, distributors, and suppliers. IBWA unifies the bottled water industry and represents uncompromising commitment to the safety and availability of
bottled water worldwide. While IBWA represents companies of all sizes, the vast majority of the 640 members are small, locally owned companies.

**Inter-American Commission for Organic Agriculture**

In 2008, the Inter-American Commission for Organic Agriculture (ICOA) was founded to support organic agriculture in the Americas and facilitate the trade of organic products.

ICOA consists of agriculture officials from 18 member countries in Latin America and aims to harmonize organic standards, strengthen control systems and support market development in Latin America. The United States sources many organic products from Latin America including bananas, apples, pears, wine, strawberries, raspberries, blueberries, coffee, mangoes, papayas, winter vegetables and more.

USDA supports greater harmonization of organic regulatory systems to support market development on a global level. ICOA is a catalyst that promotes the necessary dialogue between the United States and the Western Hemisphere on this growing global market.

**International Fresh-cut Produce Association**

The International Fresh-cut Produce Association (IFPA) is a leading global advocate and business resource for the makers of pre-cut, pre-washed, packaged fruits and vegetables and their allied suppliers. As the only organization representing the $12 billion fresh-cut produce industry, IFPA’s members include fresh-cut produce processors, as well as packaging and machinery equipment manufacturers, packaging/materials suppliers and technology solution providers.

Founded in 1987, IFPA has a robust membership of over 500 fresh-cut processors, distributors and retail/foodservice produce buyers, as well as companies that supply equipment, goods and services to the fresh-cut industry. Their uniquely interdependent membership fosters the collective power of the fresh-cut sector.

**Meat Import Council of America**

The Meat Import Council of America’s primary goal is to foster the trade, commerce and interests of importers and exporters of fresh and/or frozen and/or cured and/or cooked and/or canned meats; to seek and obtain relief from unlawful or burdensome exactions, statutes and regulations; to work with importers’ and exporters’ associations, domestic or foreign governmental bodies, and others toward solutions to industry problems; to procure uniformity and certainty in customs and usages of the meat trade; to distribute accurate information to its
members and to the public; and to settle differences and promote free intercourse between its members and those with whom they deal.

**National Bison Association**
In 1995, the American Bison Association (formed in 1975) and the National Buffalo Association (chartered in 1966) merged to become the National Bison Association (NBA). NBA has over 1,100 members in all 50 states and 10 foreign countries. NBA is a non-profit association of producers, processors, marketers, and bison enthusiasts. The mission of NBA is to bring together stakeholders to celebrate the heritage of American bison/buffalo, to educate, and to create a sustainable future for the bison industry.

**National Chicken Council**
The National Chicken Council was first established in 1954 in Richmond, VA, as the National Broiler Council. NCC headquarters moved to the nation’s capital in 1965 and the new name, National Chicken Council, was adopted in 1998, to better describe the industry and its products.

The National Chicken Council (NCC), based in Washington, D.C., is a national, non-profit trade association representing the U.S. chicken industry. NCC is a full-service trade association that promotes and protects the interests of the chicken industry and is the industry’s voice before Congress and Federal agencies. NCC member companies include chicken producer/processors, poultry distributors and allied industry firms. The producer/processors account for approximately 95 percent of the chickens produced in the United States.

**National Cattlemen’s Beef Association**
In January 1996, the National Cattlemen’s Beef Association (NCBA) was formed from the merger of the Beef Industry Council of the Livestock and Meat Board and the National Cattlemen's Association, creating one unified organization representing all segments of the beef industry. NCBA has offices in Centennial, CO, and Washington, D.C.

NCBA is composed of two divisions—the Policy Division and the Federation of State Beef Councils (Federation). The Federation is an integral part of the Beef Checkoff Program and as such is not permitted to engage in any policy activities. The Federation works closely with Cattlemen’s Beef Board as it elects 10 of the 20 members to the Beef Promotion Operating Committee; the remaining 10 members come from CBB membership. The Policy Division works with issues that are of concern to its stakeholders and works closely with its membership so that concerns of the producers may be voiced through the NCBA.

**National Cotton Council of America**
The National Cotton Council of America’s mission is to ensure the ability of all U.S. cotton industry segments to compete effectively and profitably in the raw cotton, oilseed, and U.S.-manufactured product markets at home and abroad. The Council serves as the central forum for consensus-building among producers, ginner, warehousers, merchants, cottonseed processors/dealers, cooperatives and textile manufacturers. The organization is the unifying force in working with the government to ensure that cotton's interests are considered.
National Grain and Feed Association
The National Grain and Feed Association (NGFA), founded in 1896, is a broad-based, non-profit trade association that represents and provides services for grain, feed and related commercial businesses. Its activities focus on enhancing the growth and economic performance of U.S. agriculture. NGFA handles more than 70 percent of all U.S. grains and oilseeds utilized in domestic and export markets. The Association represents a balance of small and large companies, including both privately owned and cooperative firms.

National Grocers Association
The National Grocers Association (NGA) is the national trade association representing the retail and wholesale grocers that comprise the independent sector of the food distribution industry. Also represented are affiliated associations, manufacturers, and service suppliers, as well as other entrepreneurial companies that support NGA’s mission and philosophy, which is to ensure independent, community-focused retailers and wholesalers the opportunity to succeed and better serve the consumer through its policies, advocacy, programs and services.

National Livestock Producers Association
Following passage of the Packer and Stockyards Act of 1921, the National Livestock Producers Association (NLPA) was founded in direct response to diminishing markets and excessive supplies of livestock. The realization that producers needed to work together to battle marketing problems led to the development of livestock cooperatives nationwide.

When the Federal Farm Board was established in the early 1930s the NLPA took on a new role as a capitalization vehicle for several livestock credit corporations across the country. The credit corporations were formed to make needed credit available to the producers through organizations that would specialize in working with livestock lending.

National Milk Producers Association
The National Milk Producers Federation (NMPF), established in 1916 and based in Arlington, VA, develops and carries out policies that advance the well-being of dairy producers and the cooperatives they own. The members of NMPF’s cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of dairy producers on Capitol Hill and with government agencies.

NMPF provides a forum through which dairy farmers and their cooperatives formulate policy on national issues that affect milk production and marketing. NMPF’s contribution to this policy is aimed at improving the economic interests of dairy farmers, thus assuring the nation's consumers an adequate supply of pure, wholesome, and nutritious milk and dairy products.

National Pecan Shellers Association
The National Pecan Shellers Association (NPSA), a non-profit trade association, is committed to educating culinary and health professionals, food technologist and the general public about the nutritional benefits, variety of uses and great taste of pecans. NPSA’s purpose is to serve the best interests of industry members, its customers, and consumers of its products through a governing body of an 11-member Board of Directors and several committees with general membership meetings being held twice a year.
United States Department of Agriculture
2016 Presidential Transition
Agricultural Marketing Service (AMS)

**National Organic Coalition**
The National Organic Coalition (NOC) is a coalition of nonprofit farmer, consumer and environmental organizations that advocate on behalf of organic producers and consumers. The NOC seeks to advance organic food and agriculture and ensure a united voice for organic integrity, which means strong, enforceable, and continuously improved standards. The coalition works to assure that policies are fair, equitable, and encourage diversity of participation and access.

**National Pork Producers Council**
The National Pork Producers Council (NPPC), representing 43 affiliated state associations, works to ensure that the U.S. pork industry remains a consistent and responsible supplier of high-quality pork to domestic and international markets. Through public-policy outreach, NPPC fights for reasonable legislation and regulations, develops revenue and market opportunities, and protects the livelihood of America’s 68,000 pork producers. NPPC has its own political action committee, PorkPAC, dedicated to educating and supporting federal lawmakers and candidates who support pork producers.

NPPC also uses ad hoc task forces to study various industry issues and maintains strong relationships with other channel partners through the Packer Processor Industry Council and the Pork Alliance Committee. In addition, NPPC works closely with the National Pork Board.

**National Potato Council**
The National Potato Council (NPC) was formed in 1948 for the 45,000 U.S. potato growers. Currently located in Washington, D.C., NPC was organized to promote the greater consumption of Irish potatoes and to nationally represent potato farmers on legislative and regulatory matters.

To this day, NPC remains committed to providing a unified voice for the U.S. potato industry on national legislative, regulatory, environmental and trade issues to promote the increased profitability for growers and greater consumption of potatoes. NPC has been highly successful in representing the diverse interests of U.S. potato producers and plays a significant role influencing policy that directly affects the U.S. grower's ability to compete both domestically and globally.

**National Restaurant Association**
The National Restaurant Association (NRA) supports over 500,000 restaurant businesses. In partnership with state restaurant associations, NRA works every day to empower all restaurant owners and operators to achieve more than they thought possible. NRA represents and advocates for foodservice industry interests—taking on financial and regulatory obstacles before they hit members’ bottom line. They also provide tools and systems that help members of all sizes get better operating results.

**National Sorghum Producers Association**
The National Sorghum Producers (NSP) Association serves as the voice of the sorghum industry from coast to coast through legislative and regulatory representation and education. NSP is
leading legislative and regulatory change through effective policy and relationships for a more profitable, diverse and competitive sorghum industry.

**National Sheep Industry Improvement Center**
The Mission of the National Sheep Industry Improvement Center (NSIIC) is to improve the infrastructure of the U.S. sheep industry by strengthening and enhancing the production and marketing of sheep and sheep products.

**National Turkey Federation**
The National Turkey Federation (NTF) serves as the national advocate for the turkey farmer and processors—representing their point of view to Congress and Federal agencies. NTF also tracks trends and identifies challenges unfolding in the public, legislative, regulatory, and news media that could potentially impact the entire industry. NTF’s professional staff helps members successfully bridge an understanding between the public and the producer.

**North American Meat Institute**
The North American Meat Institute (NAMI) is a national trade association that represents companies that process 95 percent of red meat and 70 percent of turkey products in the U.S. and their suppliers throughout America. Headquartered in metropolitan Washington, DC, NAMI keeps its fingers on the pulse of legislation, regulation, and media activity that impacts the meat and poultry industries. NAMI conducts scientific research through its foundation designed to help meat and poultry companies improve their plants and their products. NAMI is governed by elected leaders and staffed by 32 professionals.

**Northwest Horticultural Council**
The Northwest Horticultural Council (NHC) was incorporated in 1947 with the broad purpose of coordinating the activities of its members and to assist in handling problems common to the Northwest tree fruit industry. Its current work focuses on national and international policy issues affecting growers and shippers in Idaho, Oregon and Washington.

**Organic Trade Association**
The Organic Trade Association (OTA) is the membership-based business association for organic agriculture and products in North America. OTA represents over 8,500 organic businesses across 50 states. Its members include growers, shippers, processors, certifiers, farmers' associations, distributors, importers, exporters, consultants, retailers and others. Organic products represented include organic foods, ingredients and beverages, as well as organic fibers, personal care products, pet foods, nutritional supplements, household cleaners and flowers. OTA’s organic business members work together through networking, advocacy and other initiatives to encourage and protect organic farming practices, and to share messages about the positive environmental and nutritional attributes of organic products with consumers, media and policymakers. OTA has an annual conference each year in May.

**R-CALF USA**
R-CALF USA, the Ranchers-Cattlemen Action Legal Fund, United Stockgrowers of America, represents thousands of U.S. cattle and sheep producers on domestic and international trade and marketing issues. R-CALF USA, a national, non-profit organization, is dedicated to ensuring the continued profitability and viability of the U.S. cattle and U.S. sheep industries. R-CALF USA’s
membership consists primarily of cow-calf operators, cattle backgrounders and feedlot owners. Its members are located in 47 states, and the organization has many local and state association affiliates, from both cattle and farm organizations.

Texas Produce Association
The Texas International Produce Association (TIPA) was created in 1942 by a group of industry leaders who shared a vision to expand the Texas produce industry. These industry pioneers understood that by working together they would be able to reap greater benefits, thus TIPA was formed to represent the business, economic and political interests of Texas-grown fruits and vegetables. In 2012, in response to the rapidly evolving needs of its members, TIPA’s mission was further expanded to address the issues and opportunities surrounding the importation and marketing of foreign grown produce that was being shipped through Texas ports.

United Egg Association
The United Egg Association (UEA) is part of the United Egg Producers. UEA itself has three divisions:

1. The UEA Further Processors group was established in 1983 to represent those companies engaged in breaking and further egg processing into egg products. The organization has approximately 20 members who in turn break and further process about 80% of all U.S. eggs broken. Customers include bakeries, food service establishments, and food manufacturers.

2. The UEA Allied group was organized in January 1995 as a trade association representing companies or individuals that are engaged in providing products, services, consulting, and/or information services to the egg industry but do not produce eggs or engage in the processing of eggs into egg products. UEA Allied members, who in many cases have office or manufacturing in urban areas, help egg farmers expand the communication with state and federal legislation.

3. The UEA Producers-Packers group was organized in September 1995 as a trade association to represent companies or individuals that pack (and/or produce) eggs but do not qualify for membership in a Capper-Volstead Cooperative.

United Egg Producers
United Egg Producers (UEP) is a Capper-Volstead cooperative of egg farmers from all across the United States and representing the ownership of approximately 95 percent of all the nation's egg-laying hens. UEP and their farm members believe in consumer choice and therefore produce eggs in modern cage, cage-free and organic production systems as well as producing other specialty shell egg products. Their members also provide liquid, dried and other forms of further processed egg products to the retail, food service and food manufacturing sectors.

United Fresh Produce [Fruit & Vegetable] Association
Founded in 1904, the United Fresh Produce Association brings together companies across every segment of the fresh produce supply chain, including growers, shippers, fresh-cut processors, wholesalers, distributors, retailers, foodservice operators, industry suppliers, and allied associations. They empower industry leaders to shape sound government policy. They deliver the resources and expertise companies need to succeed in managing complex business and technical issues and provide the training and development individuals need to advance their
careers in produce. Through these endeavors, they unite the industry with a common purpose—to build long-term value for members and grow produce consumption.

**United Salmon Association**  
The United Salmon Association is a fishermen's marketing association dedicated to the promotion of Wild Alaska Salmon.

**United States Tuna Foundation**  
The U.S. Tuna Foundation (USTF) was established in 1976 to serve as an umbrella organization representing the various interests of the U.S. canned tuna industry. USTF represents the international and domestic interests of the industry on numerous issues including fishing access arrangements, federal and state regulations, national legislation and domestic marketing.

**U.S. Apple Association**  
The U.S. Apple Association represents the nation’s 7,500 apple growers, close to 40 state and regional apple associations, and hundreds of apple-related companies. By unifying a diverse industry, we serve three primary goals:

1. Represent the U.S. apple industry on national issues.
2. Increase demand for U.S. apples and apple products.
3. Provide accurate, helpful information on matters pertaining to U.S. apples, apple products and the apple industry.

**U.S. Cattlemen’s Association**  
The purpose of the United States Cattlemen’s Association (USCA) is to present an effective voice for the United States cattle industry. USCA is dedicated to, and focused on, efforts in Washington, D.C. to further the interests of cattle producers on mandatory country of origin labeling, international trade, market competition, reform of the mandatory beef checkoff, animal health, welfare and identification, private property rights and other issues that affect the United States cattle industry.

**U.S. Meat Export Federation**  
The U.S. Meat Export Federation (USMEF) is a non-profit trade association working to create new opportunities and develop existing international markets for U.S. beef, pork, lamb and veal. Headquartered in Denver, CO, USMEF has offices in Seoul, Tokyo, Beijing, Hong Kong, Shanghai, Singapore, Taipei, Moscow, St. Petersburg, Mexico City, Monterrey, and Brussels. USMEF also has special market representatives covering China, the Middle East, the Caribbean, as well as Central and South America.

USMEF is the trade association responsible for developing international markets for the U.S. red meat industry. It is funded by USDA; the beef, pork, lamb, corn and soybean checkoff programs; and its members.

**U.S. Poultry & Egg Association**  
The U.S. Poultry & Egg Association is the world's largest and most active poultry organization. They represent the entire industry as an "All Feather” association. Membership includes
producers and processors of broilers, turkeys, ducks, eggs and breeding stock, as well as allied companies. Formed in 1947, the association has affiliations in 27 states and member companies worldwide. The U.S. Poultry & Egg Association strives to serve its poultry and egg members through research, education, communications and technical services.

**USA Poultry & Egg Export Council**
The USA Poultry & Egg Export Council’s (USAPEEC's) reach is far ranging. Through its network of international offices and consultants in key markets around the globe, USAPEEC keeps current on issues that have a direct impact on U.S. poultry and egg exports.

Although USAPEEC's mission is to promote exports of U.S. poultry and eggs around the world, the Council has evolved into an association that is an advocate for the industry on trade policy issues. Because of its status as a not-for-profit entity, USAPEEC does not lobby, but the organization can and does act as intermediary with USDA, both in Washington and at embassies and Agricultural Trade Offices around the world.

**Western Growers Association**
Since 1926, Western Growers has represented local and regional family farmers growing fresh produce in Arizona and California and now Colorado, too. Its members provide half the nation’s fresh fruits, vegetables and tree nuts, including a third of America’s fresh organic produce. Some members also farm throughout the U.S. and in other countries so people have year-round access to nutritious food. For generations, members have provided both variety and healthy choices as the first line of defense against obesity and disease.

**COMMODITY RESEARCH AND PROMOTION AND MARKETING ORDER PROGRAMS**

**Almond Board of California**
A Federal Marketing Order for almonds was established in 1950. At that time, it dealt primarily with compliance issues, and accordingly, was called the Almond Control Board. In the 1970’s, recognizing a need to address market development, the name was changed to the Almond Board of California. While compliance is still a crucial part of its activities, the Board now engages in production, nutrition and market research, advertising and promotion in domestic and international markets, quality control, and statistical analysis and dissemination.

**American Egg Board**
The American Egg Board (AEB) connects America’s egg farmers with consumers, communicates the value of “The incredible edible egg™” and receives funding from a national legislative checkoff on all egg production from companies with more than 75,000 hens in the continental United States.

AEB's mission is to increase demand for eggs and egg products through research, education and promotion. The Board consists of 18 members and 18 alternates from all regions of the country who are appointed by the Secretary of Agriculture. AEB staff carries out the programs under the Board’s direction.
American Lamb Board
In 2002, AMS issued the Lamb Promotion, Research, and Information Order, which created the program under the authority of the Commodity Promotion, Research, and Information Act of 1996. The Lamb R&P program operates as the American Lamb Board. The program's goal is to develop and expand the markets for sheep and sheep products. Under the program, producers, seedstock producers and feeders pay an assessment of $0.007 per pound, and first handlers pay $0.42 per pound. Importers are not assessed. These assessments fund the American Lamb Board, which runs the industry’s research and promotion activities under AMS oversight.

USDA-certified organizations nominate, and the Secretary of Agriculture approves, the 13 Board members that represent one-of-two geographic regions: the area east of the Mississippi River and the area west of the Mississippi River.

California Raisin Marketing Board
The California Raisin Marketing Board was created by a State Marketing Order in 1998 and it is 100 percent grower funded. The mission of the California Raisin Marketing Board is to conduct market development activities to improve the demand for all categories of raisin usage, including ingredient usage, and for retail package, both branded and private label. Also, the Board sponsors crop production, nutrition and market research. Lastly, the mission is to create a positive marketing environment within which the industry can collectively expand the worldwide demand for California Raisins.

California Table Grape Commission
The California Table Grape Commission was established by an act of the state’s legislature in 1967. Approved by a grower referendum in 1968, the commission has been affirmed through grower referenda every five years since its inception. The commission’s importance to the state and its mandate—to maintain and expand markets for fresh California grapes and to create new and larger intrastate, interstate and foreign markets—was reaffirmed and its authorities broadened by the legislature in 1995, 1997 and again in 2001.

Cattlemen’s Beef Promotion and Research Board
The Cattlemen's Beef Promotion And Research Board, usually referred to as the Cattlemen's Beef Board (CBB), consists of 100 members, including domestic beef, dairy and veal producers, as well as importers of beef and beef products.

The Beef Board oversees collection of $1-per-head on all cattle sold in the U.S. and $1-per-head equivalent on imported cattle, beef and beef products.

Cotton Board
Based in Memphis, TN, the Cotton Board is the oversight and administrative arm of the Cotton Research & Promotion Program, representing U.S. Upland cotton.

To fund the Program, the Cotton Board collects a $1 per bale, plus up to 1 % of bale value, of all Upland cotton harvested and ginned in the U.S., as well as an importer assessment for all Upland
cotton products imported into the U.S. The Cotton Board contracts with Cotton Incorporated to carry out the actual research and promotion activities for U.S. producers and importers of cotton.

**Florida Tomato Committee**  
The Florida Tomato Committee is a Federal Marketing Order that was established pursuant to Federal Marketing Agreement and Order No. 966 as amended regulating the handling of tomatoes and has authority over the tomatoes grown in Florida’s production area comprising the counties of Pinellas, Hillsborough, Polk, Osceola, Brevard and all counties situated south. It affects tomatoes that are shipped outside the regulated area, which includes that portion of the state of Florida situated east of the Suwanee River and south of the Georgia border.

The Committee funds research and development projects and marketing promotions that focus on maximizing Florida tomato movement, including consumer and marketing research, and customized marketing programs.

**National Honey Board**  
The National Honey Board (NHB) is an industry-funded agriculture promotion group that works to educate consumers about the benefits and uses for honey and honey products through research, marketing and promotional programs. The Board’s work, funded by a $0.01 per pound to a maximum of $0.02 per pound assessment on domestic and imported honey, is designed to increase the awareness and usage of honey by consumers, the foodservice industry and food manufacturers. The ten-member Board, appointed by the U.S. Secretary of Agriculture, represents producers (beekeepers), packers, importers and a marketing cooperative.

**Mohair Council of America**  
The Mohair Council of America is an organization that helps the producers of angora goats promote American mohair. Their mission is to protect and preserve the integrity of the ranchers/producers of Angora goats.

**Mushroom Council**  
In 1990, the Mushroom Promotion, Research and Consumer Information Act was passed by Congress to strengthen the mushroom industry’s position in the marketplace, maintain and expand existing markets and uses for mushrooms, and develop new markets and uses for mushrooms. In 1993, the Mushroom Council was established to carry out the direction of this act. Today, the Mushroom Council plays a very important role in the national promotion of fresh mushrooms through consumer public relations, foodservice communications and retail. Thanks to the Mushroom Council, mushrooms have their own month to be honored and eaten. September is National Mushroom Month.

**National Dairy Promotion & Research Board**  
The Dairy Research and Promotion Program, also known as the Dairy Checkoff Program, is a national producer and importer program for dairy product promotion, research and nutrition education. To fund the program, U.S. dairy farmers pay a 15-cents per hundred-weight assessment on their milk and importers pay 7.5-cents per hundred-weight on dairy products.
imported into the U.S. The program was created and is administered under the Dairy Production Stabilization Act of 1983 and the Dairy Promotion and Research Order.

**National Fluid Milk Processors Promotion Board**
The Fluid Milk Processor Promotion Program, or Fluid Milk Checkoff Program develops and finances a generic advertising program designed to maintain and expand markets and uses for fluid milk products produced in the U.S. Processors marketing more than 3 million pounds of fluid milk per month pay a 20-cent per hundred-weight assessment on fluid milk processed and marketed in consumer type packages in the U.S. The program was created and is administered under the Fluid Milk Promotion Act of 1990 and the Fluid Milk Promotion and Research Order.

**National Pork Board**
The National Pork Board oversees the Pork Checkoff program, which is overseen by the USDA. Today’s pork checkoff is at work for pork producers. U.S. pork producers and importers pay 0.40 of 1 % of market value when pigs are sold and when pigs or pork products are brought into the United States.

**National Potato Promotion Board**
The United States Potato Board (USPB) is the nation’s potato marketing and research organization. Based in Denver, CO, USPB represents more than 2,500 potato growers and handlers across the country. USPB was established in 1971 by a group of potato growers to promote the benefits of eating potatoes. Today, as the largest vegetable commodity board, the USPB is proud to be recognized as an innovator in the produce industry.

Anchored by a strong foundation of market and consumer research and analysis, USPB’s domestic and international potato marketing programs include: advertising, nutrition science, public relations, retail and foodservice marketing, and issues management. Whether the potato is grown for fresh, frozen, chip, dehydrated or seed use, the USPB is dedicated to positioning potatoes as a nutrition powerhouse.

**National Watermelon Promotion Board**
The National Watermelon Promotion Board (NWPB) operates with a single objective: to increase consumer demand for watermelon through promotion, research and educational programs. The Orlando-based non-profit organization was formed in 1989 by watermelon growers and shippers. Since then, NWPB has developed marketing programs to boost watermelon sales in supermarkets throughout the U.S. and Canada. NWPB is also working to develop sales opportunities for watermelon in Japan and the U.K.

**National Peanut Board**
The National Peanut Board strives to help America’s 7,000 peanut-farming families improve their production practices and continue to put the world’s highest-quality peanut product in the hands of people around the globe.

**U.S. Highbush Blueberry Council**
The U.S. Highbush Blueberry Council (USHBC) is an agriculture promotion group made up of blueberry farmers, processors and importers in North and South America, who work together to
research, innovate and promote the fruits of their labors as well as the growth and well-being of the entire blueberry industry. The blueberry industry is committed to providing blueberries that are grown, harvested, packed and shipped in clean, safe environments.

The Council was founded and funded by its members, with independent oversight from the USDA. In 2000, members of the North American Blueberry Council, a voluntary organization that has supported the highbush blueberry industry for more than 50 years, submitted a proposal to the USDA for the Blueberry Promotion, Research and Information Order and creation of the USHBC. Growers and importers approved the program in a referendum.

**United Sorghum Checkoff Board**
The United Sorghum Checkoff Program has been working with checkoff dollars to help improve profitability for sorghum producers nationwide. Since 2008, the Sorghum Checkoff has enhanced its efforts in the areas of research, promotion and information to help sorghum producers yield greater financial return. Today, the economic picture for sorghum is bright, with greater acreage being devoted to sorghum and increased demand coming from foreign markets and here in the U.S.

**United Soybean Board**
The soybean checkoff is supported entirely by soybean farmers with individual contributions of 0.5 percent of the market price per bushel sold each season. The efforts of the checkoff are directed by the United Soybean Board, composed of volunteer farmer-leaders often nominated by their state-level checkoff organizations, called Qualified State Soybean Boards (QSSBs). The nominees are appointed to the board by the U.S. Secretary of Agriculture.

**Washington Apple Commission**
The primary purpose of the Washington Apple Commission is advertising, promotion, education and market development for the Washington fresh apple crop. Currently, no promotions are being implemented in the United States, but promotions are in place in more than 30 countries where Washington apples are sold. Initially established in 1937 by the Washington State Legislature as The Washington State Apple Advertising Commission—at the request of the apple industry—is one of the oldest commodity commissions in the United States.

**PROCESSOR GROUPS**

**Alaska Fisheries Development Foundation, Inc.**
Founded in 1978, Alaska Fisheries Development Foundation (AFDF) is a collaboration of harvesters, processors and support sector businesses dedicated to making opportunities out of challenges. AFDF identifies problems common to the Alaska seafood industry and collaborates with coastal communities, research institutes and government agencies to develop effective solutions with shared benefits.

The Magnuson-Stevens Fisheries Conservation and Management Act, passed in 1976, contained language which allowed for the formation of regional fishery development corporations for the purpose of building infrastructure for the newly claimed American fishery resources. Shortly
thereafter, six regional fisheries development foundations were created. AFDF is one of only two that remain.

**Alaskan Seafood Marketing Institute**
Alaskan Seafood Marketing Institute (ASMI) is a public-private partnership between the State of Alaska and the Alaska seafood industry established to foster economic development of a renewable natural resource. ASMI is playing a key role in the repositioning of Alaska’s seafood industry as a competitive market-driven food production industry. Its work to boost the value of Alaska’s seafood product portfolio is accomplished through partnerships with retail grocers, foodservice distributors, restaurant chains, foodservice operators, universities, culinary schools, and the media. It conducts consumer campaigns, public relations and advertising activities, and aligns with industry efforts for maximum effectiveness. ASMI also functions as a brand manager of the Alaska Seafood family of brands.

**American Association of Meat Processors**
The American Association of Meat Processors (AAMP) is North America's largest meat trade organization. Founded in 1939, it is the mission of AAMP to provide quality service, knowledge through education, regulatory representation, and networking opportunities for members.

**American Cotton Shippers Association**
The American Cotton Shippers Association (ACSA) was organized on July 8, 1924, to provide a united voice for the cotton merchandising trade of the United States. ACSA is comprised of Merchants, Primary Buyers, and Mill Service Agents. ACSA’s member firms handle over 80 percent of the U.S. cotton sold in domestic and foreign markets. The market involvement of ACSA members requires that the Association take an active part in promoting the increased use of cotton in the U.S. and throughout the world; establishing with other cotton trade organizations national and international standards for trade; collaborating with producer organizations throughout the cotton belt in formulating farm programs; and cooperating with government agencies in the administration of such programs.

**American Dairy Products Institute**
The American Dairy Products Institute (ADPI) seeks to be the most effective and relevant association representing the dairy ingredient industry today. ADPI’s goal is to increase the world-wide use of dairy ingredients by marshaling the technical, manufacturing and marketing resources of its members and others. Through the ADPI Committee and Task Force structure, members work collaboratively to remove the barriers to increasing dairy ingredient sales.

**American Frozen Foods Institute**
The American Frozen Food Institute (AFFI) is the national trade association that promotes the interests of all segments of the frozen food and beverage industry. AFFI’s work to promote and advance the frozen food industry’s public policy agenda includes managing numerous affiliated organizations focused on specific frozen food products and issues. Each AFFI affiliated organization is headed by its own leadership and offers a diverse range of services, programs and initiatives designed to meet their unique public policy needs and engage the public.
Florida Citrus Processors Association
Florida Citrus Processors Association is a trade association whose members market and process citrus fruit juices. The association was established in 1938 and its headquarters are located in Lakeland, FL. It is our mission to represent, communicate, protect and enhance the interests of our members, and to promote the growth and welfare of the citrus industry.

International Dairy Foods Association
As the premier organization for dairy foods processors, manufacturers and marketers, International Dairy Foods Association (IDFA) offers strategic leadership, expertise and advocacy to promote the success of its members. IDFA influences Federal, state, and international government policies with legislative, executive and regulatory advocacy focused on dairy policy and other key industry issues. IDFA serves as a source of information on dairy-related issues for members and the media, and collaborates with dairy industry partners to protect and enhance the image of dairy. IDFA also provides training, education programs and materials, and is a forum for dairy industry stakeholders to meet and exchange views on the key issues facing the dairy industry.

National Fisheries Institute
The National Fisheries Institute is a non-profit organization dedicated to education about seafood safety, sustainability and nutrition. From vessels at sea to your favorite seafood restaurant, its diverse member companies bring delicious fish and shellfish to American families.

National Food Processors Association
The National Food Processors Association (NFPA) is the voice of the food processing industry on scientific and public policy issues involving food safety, nutrition, technical and regulatory matters, and consumer affairs. NFPA’s members process and package fruits, vegetables, meat, fish, specialty food and beverage products using a variety of technologies including canning, freezing, refrigeration, dehydration and aseptic manufacturing. The benefits of membership include scientific and technical assistance, crisis management, claims handling, product liability insurance and representation before Congress and the regulatory agencies.

Research and Development Associates for Military Food & Packaging Systems
The mission of the Research and Development Associates (R&DA) for Military Food and Packaging is to provide the safest and highest quality food and food service to the U.S. Armed Forces. R&DA serves as a focal point to foster communications and cooperation relating to research and development, supply and procurement of food, packaging, foodservice equipment, and food service/feeding systems between private industry, government, academic institutions, consultants and technical/trade/professional associations.

Southwest Meat Association
The Southwest Meat Association (SMA) was founded in 1957 by a group of Texas meat packers who came together to form an organization that would unite packers/processors with the goal of promoting goodwill, friendship, education, legislation and better labor relations within the meat industry.
industry. SMA provides information and assistance to packer and processor members across the country.

SUPPLIER & SERVICE GROUPS

**Agriculture Ocean Transportation Coalition**
The Agriculture Transportation Coalition (AgTC) was founded in 1987 with the objective of assuring transportation service which allows U.S. agricultural exporters to be competitive in the international market. AgTC monitors government and commercial activity on ocean, truck, rail, port shipping and other transportation developments, hosts workshops around the country, lobbies Congress when necessary, and assists members on an individual basis with transportation-related problems.

**Agricultural Commodity Distribution Association**
The Agricultural Commodity Distribution Association (ACDA) is committed to improve the USDA Food Distribution Program on behalf of all stakeholders. ACDA is the communication link between agriculture, industry, government and the customer (recipient agencies), and the collective voice for policy decisions impacting food distribution programs. ACDA is committed to improving the USDA Distribution Food Program on behalf of all stakeholders.

**Association of American Seed Control Officials**
The Association of American Seed Control Officials is an organization of seed regulatory officials from the United States and Canada. The Association was organized in 1949 from an outgrowth of regional meetings held in various parts of the United States. The members meet annually to discuss mutual concerns of seed law enforcement, to be updated on new developments in the seed industry, and to update the Recommended Uniform State Seed Law which the organization developed and maintains as a "model" law for states and Federal programs.

**Association of Official Seed Analysts**
The Association of Official Seed Analysts (AOSA) is an organization of member laboratories. Members include official state, Federal and university seed laboratories across the United States and Canada. To assure a high standard of quality, many individuals within AOSA member laboratories have acquired AOSA Certified Seed Analyst status through extensive training followed by a mandatory certification testing process.

AOSA’s primary functions include:
- establishing the AOSA Rules for Testing Seeds which are generally adopted by most states as the rules for testing seeds in their respective states,
- contributing to the refinement and modification of the rules and procedures for seed testing,
- ensuring that testing procedures are standardized between analysts and between laboratories, and
- influencing and assisting in enforcement of appropriate seed legislation at state and federal levels.
CropLife America
CropLife America (CLA), or CropLife USA, advocates for and promotes the responsible use of innovative, safe and environmentally sound crop protection products (including herbicides, fungicides, and insecticides) that are essential in the production of food, fiber, and renewable or alternative fuels. Their vision is to increase awareness and advance policy that highlights the vital and necessary role of pesticides in protecting public health, enhancing our environment and biodiversity, and meeting the food and nutritional needs of billions of individuals.

Association for Laboratory Accreditation
The American Association for Laboratory Accreditation (A2LA) is a non-profit, non-governmental, public service, membership society. A2LA offers a full range of comprehensive laboratory and laboratory-related accreditation services and training. Services are available to any type of organization, be it private or government. All of A2LA’s accreditation programs are based on internationally-accepted criteria for competence. In addition to the accreditation of laboratories, A2LA offers programs for the accreditation of inspection bodies, proficiency testing providers, reference material producers and product certification bodies.

National Food Consortium
The Agricultural & Food Law Consortium is a national, multi-institutional collaboration designed to enhance and expand the development and delivery of authoritative, timely, and objective agricultural and food law research and information. This information is available to the nation’s vast agricultural community of producers, attorneys, state and Federal policymakers, Cooperative Extension Service professionals, and others at the local, state, regional and national levels. Agricultural law and food law includes law related to land-based food, fiber and energy production systems, as well as seafood and marine-based aquaculture.

School Nutrition Association
The School Nutrition Association (SNA) is a national, nonprofit professional organization representing more than 56,000 members who provide high-quality, low-cost meals to students across the country. Recognized as the authority on school nutrition, SNA has been advancing the availability, quality and acceptance of school nutrition programs as an integral part of education since 1946.

Society of Commercial Seed Technologists
The Society of Commercial Seed Technologists (SCST) is an organization composed of commercial, independent, and government seed technologists. Formed in 1922, SCST functioned as a liaison between the Association of Official Seed Analysts and the American Seed Trade Association. SCST has developed over the years into a progressive organization that trains and provides accreditation of technologists, researches and develops rule changes, publishes training and education materials, and serves as an important resource to the seed industry.
OTHER GROUPS

**USDA, Rural Development Community Economic Development Division (CED)**
Support to agricultural marketing and consumer healthy eating is inconceivable without growth in rural economies, particularly in regions that are geographically isolated or persistently poor. Therefore, AMS partners with CED to coordinate services by linking producers and buyers in a regional geography. The Food Leveraging Investment for Network Coordination (Food LINC) is a 3-year partnership between RD-CED, AMS, and its philanthropic and cooperative partners to enhance local and regional food systems by creating value chain coordinators across the country. The role of these coordinators is to link rural-based producers to urban markets where there is demand for local food. Food LINC has leveraged close to $2.4 million in funding from philanthropy partners. It is expected to yield a 5 to 1 return on investment based on increased revenue to local producers, as well as discernible job creation along the food value chain and increases in access to healthy food for underserved communities.

**Animal Welfare Institute**
Since its founding in 1951, The Animal Welfare Institute (AWI) has sought to alleviate the suffering inflicted on animals by people. In the organization's early years, the emphasis was on the desperate needs of animals used for experimentation. In the decades that followed, AWI expanded the scope of their work to address many other areas of animal suffering. AWI works to minimize the impacts of all human actions detrimental to endangered species, including the destruction of natural forests containing ancient trees, and pollution of the oceans destroying every kind of marine life.

**Consumer Federation**
The Consumer Federation of America (CFA) is an association of non-profit consumer organizations that was established in 1968 to advance consumer interest through research, advocacy and education. As a research organization, CFA investigates consumer issues, behavior, and attitudes through surveys, focus groups, investigative reports, economic analysis and policy analysis. As an advocacy organization, CFA works to advance pro-consumer policies on a variety of issues before Congress, the White House, Federal and state regulatory agencies, state legislatures and the courts. As an education organization, CFA disseminates information on consumer issues to the public and news media, as well as to policymakers and other public interest advocates.

**Consumers Union**
Consumers Union is the policy and action division of Consumer Reports. They work with over a million activists to pass consumer protection laws in states and in Congress. They identify corporations that do wrong by their customers, and encourage companies that are heading in the right direction.

**Environmental Working Group**
For more than 20 years, the Environmental Working Group (EWG) has been changing the game in environmental policy. They have experienced phenomenal growth and greatly expanded their reach over the last several years, and will continue to evolve. EWG’s work continues to focus on six major program areas, including toxics, food, agriculture, children’s health, energy and water.
**Food and Drug Law Institute**
The Food and Drug Law Institute (FDLI), founded in 1949, is a non-profit organization that provides a marketplace for discussing food and drug law issues through conferences, publications and member interaction. The scope of FDLI includes food, drugs, animal drugs, biologics, cosmetics, diagnostics, dietary supplements, medical devices and tobacco. FDLI is a not-for-profit 501(c)(3) organization. FDLI does not engage in advocacy activities.

FDLI’s Mission is to provide education, training and publications on topical food and drug law; act as a liaison to promote networking as a means to develop professional relationships and idea generation; and ensure an open, balanced marketplace of ideas to inform innovative public policy, law and regulation.

**Humane Society of the United States**
The Humane Society of the United States (HSUS) is the nation’s largest animal protection organization. HSUS is the leading animal advocacy organization, seeking a humane world for people and animals alike. They are driving change in the U.S. and around the world by opposing puppy mills, animal fighting, factory farming, seal slaughter, horse cruelty, captive hunts and the wildlife trade.

**PEW Charitable Trusts**
Pew Charitable Trusts is driven by the power of knowledge to solve today’s most challenging problems. They are an independent non-profit organization—the sole beneficiary of seven individual trusts established between 1948 and 1979 by two sons and two daughters of Sun Oil Company founder Joseph N. Pew and his wife, Mary Anderson Pew.

From its first day in 1948, Pew’s founders steeped the new institution with the entrepreneurial and optimistic spirit that characterized their lives. As the country and the world have evolved, they have remained dedicated to their founders’ emphasis on innovation. Today, Pew is a global research and public policy organization, still operated as a non-partisan, non-governmental organization dedicated to serving the public.
Recent engagements with stakeholder group

Note: Recent engagements include those since May 2016 to present. AMS has not met with all stakeholders groups identified above during this period. However, those groups are of great importance to AMS and as such are listed above.

May 2016 – September 2016

<table>
<thead>
<tr>
<th>Date</th>
<th>Stakeholders Engaged</th>
<th>Reason for Engagement</th>
<th>Relevant Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>05/02</td>
<td>Softwood Lumber Board</td>
<td>Meet and Greet</td>
<td>Provided remarks during the Board of Director’s meeting</td>
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<tr>
<td>05/10</td>
<td>Western Growers</td>
<td>Board of Directors Meeting</td>
<td>Engaged with and spoke with merchandizing segment of the U.S. cotton industry to provide updates and respond to questions or concerns</td>
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<tr>
<td>05/23-27</td>
<td>American Cotton Shippers Association</td>
<td>Annual Convention</td>
<td>Discussed OECD Seed Schemes rule change proposals; discussed rationale for fee adjustment</td>
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<tr>
<td>05/25</td>
<td>Seed industry representatives, state seed certification agencies</td>
<td>OECD Seed Schemes meeting</td>
<td>Discussed OECD Seed Schemes rule change proposals; discussed rationale for fee adjustment</td>
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<tr>
<td>05/25</td>
<td>Organic Trade Association (OTA) Policy Conference</td>
<td>Annual policy conference</td>
<td>Updated stakeholders on USDA activities and received feedback during informal meetings with key stakeholder representatives</td>
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<tr>
<td>05/25-26</td>
<td>Processors of AMS-purchased beef, poultry, and egg items</td>
<td>American Commodity Distribution Association</td>
<td>Discussed ways to refine AMS purchase specifications for meat, poultry, egg, and seafood items; result was revisions to several specifications to make them as commercial-like as practical</td>
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<tr>
<td>05/26</td>
<td>Livestock industry representatives, exporters</td>
<td>U.S. Meat Export Federation – Exporter Committee Meeting</td>
<td>Presented information on USDA Process Verified Program (PVP) and Export Verification (EV) Program, plus updates on the status of trade negotiations</td>
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<tr>
<td>07/08-09</td>
<td>Annual Cotton Association Meeting</td>
<td>Invited to speak on quality of the cotton crop and the opportunity to meet with our customers about our cotton crop and the opportunity to meet with our customers about our cotton crop</td>
<td>Updated customers on user fees, notify them of new penalties and interest charges, sample hauling</td>
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<tr>
<td>Ruidoso, NM</td>
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<tr>
<td>06/25</td>
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<tr>
<td>Date</td>
<td>Location/Event</td>
<td>Event Description</td>
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<tr>
<td>New Orleans, LA 06/22-24 Flagstaff, AZ 06/1-3 Monterey, CA 5/26 Pickens, AR</td>
<td>Classing services and provide updates on any new changes services, and possible increase in participation for module averaging program</td>
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<tr>
<td>05/31-06/01 USDA, ARS Ginners School</td>
<td>Opportunity to speak with our gin customers on quality issues from 2015 crop</td>
<td>Explain our services and programs to our gin customers. Provide more details on our module averaging program and what role they play in it for their customers to participate in the program</td>
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<tr>
<td>06/01 Webinars on Organic Integrity Database</td>
<td>National Organic Program hosted two webinars on the Organic Integrity Database: one for the public, and one for organic certifiers.</td>
<td>More than 100 participants joined the public webinar; the purpose was to introduce the latest INTEGRITY release and review future capabilities scheduled for development. The certifier webinar was designed to engage database users to define needs for future development activities.</td>
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<tr>
<td>06/06-10 Pork industry members</td>
<td>World Pork Expo National Pork Board meeting</td>
<td>Educated industry on new regulatory requirements; as part of AMS oversight of the board, monitored board activities; reported on AMS initiatives.</td>
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<tr>
<td>06/13 Poultry and egg industry contacts</td>
<td>U.S. Poultry &amp; Egg Export annual meeting</td>
<td>Shared information with industry members about trends and upcoming activity</td>
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<tr>
<td>06/13 Cattlemen’s Beef Board</td>
<td>Meet and Greet</td>
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<tr>
<td>06/14-15 Sheep industry members</td>
<td>American Lamb Board Summer Board Meeting</td>
<td>As part of AMS oversight of the board, monitored board activities; reported on AMS initiatives.</td>
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<tr>
<td>06/16 Blue Diamond Growers</td>
<td>Introduction Meeting</td>
<td></td>
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<tr>
<td>06/16-17 Sheep industry members</td>
<td>American Sheep Industry Association annual meeting</td>
<td>Updated membership on direct final and proposed changes to the livestock</td>
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<tr>
<td>Date</td>
<td>Event Description</td>
<td>Details</td>
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<tr>
<td>06/20-23</td>
<td>United Fresh 2016 Conference &amp; Expo</td>
<td>This event is an industry-produced trade show and conference held annually which attracts about 10,000 members of the domestic and global produce industry.</td>
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<tr>
<td>06/20-23</td>
<td>United Fresh 2016 Conference &amp; Expo</td>
<td>Met with numerous industry representatives and discussed issues of interest to the industry.</td>
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<tr>
<td>06/22-24</td>
<td>South Mississippi Strikeforce Initiative Conference</td>
<td>The National Organic Program supported Secretary Vilsack’s establishment of the USDA’s StrikeForce Initiative</td>
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</tr>
<tr>
<td>06/22-24</td>
<td>South Mississippi Strikeforce Initiative Conference</td>
<td>Spoke about Organic Certification and Market Opportunities at two Informational USDA StrikeForce Conferences in Ellisville and Summit, Mississippi</td>
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<tr>
<td>06/22-25</td>
<td>Arizona Cotton Growers and Cotton Ginners Joint Annual Meeting</td>
<td>Updated stakeholders from the western U.S. on Program activities and interact with segments and representatives present</td>
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<tr>
<td>06/23</td>
<td>Almond Industry</td>
<td>Met with representatives of the Almond Board of California</td>
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<tr>
<td>06/23</td>
<td>Almond Industry</td>
<td>Informal meet-and-greet to update you on the state of the almond industry</td>
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<tr>
<td>06/23</td>
<td>Raisin Industry</td>
<td>Meeting with Raisin Administrative Committee (RAC) Chairman Monte Schutz of Schutz Farms, and Jeff Milinovich of Central California Raisin Packing Company</td>
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<tr>
<td>06/23</td>
<td>Raisin Industry</td>
<td>The purpose of the meeting was to discuss recent developments in the raisin industry</td>
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<tr>
<td>06/27</td>
<td>USB</td>
<td>Meet with the new chairman</td>
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<tr>
<td>06/29-30</td>
<td>Sustainable Agriculture and Food System Funders Forum</td>
<td>Met with key stakeholders regarding sustainable food systems</td>
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<tr>
<td>07/07</td>
<td>International stakeholders</td>
<td>International Organization for Standardization Technical Committee 34</td>
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<tr>
<td>07/07</td>
<td>International stakeholders</td>
<td>Obtained passage of the ISO Working Group international animal welfare standard; successfully led the U.S. effort</td>
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<tr>
<td>07/11-13</td>
<td>Sorghum industry members</td>
<td>United Sorghum Board Strategy session</td>
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<tr>
<td>07/11-13</td>
<td>Sorghum industry members</td>
<td>As part of AMS oversight of the board, monitored board program and budget planning for FY 17.</td>
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<tr>
<td>Date</td>
<td>Participants</td>
<td>Event/Meeting</td>
<td>Description</td>
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<tr>
<td>07/12</td>
<td>Cattle producers and beef industry members</td>
<td>National Cattlemen’s Beef Association Summer Meeting</td>
<td>Provided information and outreach about market news information</td>
</tr>
<tr>
<td>07/12</td>
<td>Fresh produce industry members</td>
<td>United Fresh Public Policy Conference</td>
<td>Met with industry representatives and discussed issues of interest</td>
</tr>
<tr>
<td>07/13-16</td>
<td>Beef and dairy industry members</td>
<td>Beef Checkoff Program/Cattlemen’s Beef Board Summer Board Meeting</td>
<td>As part of AMS oversight of the board and program, monitored checkoff program activities; reported on AMS initiatives.</td>
</tr>
<tr>
<td>07/14</td>
<td>Sunflower Industry</td>
<td>To discuss allowing facilities and equipment that has processed peanuts or tree nuts to be subsequently used to process sunflower seed butter</td>
<td>This process would potentially put both the safety of allergic consumers and the reputation of the product and industry at risk</td>
</tr>
<tr>
<td>07/18</td>
<td>NASDA</td>
<td>Meet and Greet</td>
<td></td>
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<tr>
<td>07/19-20</td>
<td>Egg industry members</td>
<td>American Egg Board Summer Board Meeting</td>
<td>As part of AMS oversight of the board, monitored board activities; reported on AMS initiatives.</td>
</tr>
<tr>
<td>07/19-21</td>
<td>Soybean industry members</td>
<td>United Soybean Board Summer Board Meeting</td>
<td>As part of AMS oversight of the board and program, monitored checkoff program activities; reported on AMS initiatives.</td>
</tr>
<tr>
<td>07/24</td>
<td>State and Provincial government agricultural marketing officials</td>
<td>National American Agricultural Marketing Officials (NAAMO)</td>
<td>Meet with state partners, and discuss upcoming industry outreach priorities</td>
</tr>
<tr>
<td>07/27-28</td>
<td>Committee meetings &amp; the Board of Directors meeting with the Western Growers Association</td>
<td>Focus was on how PACA may provide outstanding customer service to WGA membership</td>
<td>Better understanding of industry needs and how AMS may provide better customer service</td>
</tr>
<tr>
<td>07/28</td>
<td>Dry bean producers and industry representatives</td>
<td>U.S. Dry Bean Conference</td>
<td>Provided information and outreach about market news information</td>
</tr>
<tr>
<td>08/02-04</td>
<td>Alaska Stakeholder</td>
<td>Collaborated with the Farm Service Agency, Natural Resources Conservation Service, Rural Development, and Food Nutrition Service to build partnerships with and provide Agency-</td>
<td>Approximately 35 attendees received training on select AMS programs that support the development of marketing opportunities for small-to-mid-sized farmers, ranchers, and agribusinesses</td>
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<td>Date</td>
<td>Event/Activity</td>
<td>Description</td>
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<tr>
<td>08/04</td>
<td>Broiler industry members</td>
<td>National Chicken Council Webinar on Certified Responsible Antibiotic Use (CRAU)</td>
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<tr>
<td></td>
<td></td>
<td>Provided, at NCC’s request, information on the CRAU standard and how potential users of the program could apply</td>
<td></td>
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<tr>
<td>08/05</td>
<td>Stakeholder in Baton Rouge, LA</td>
<td>Facilitated a roundtable discussion with Louisiana State officials, agricultural organizations, university extension, and others about local food system development efforts, challenges, and opportunities within the State</td>
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<td></td>
<td>Over 50 people attended. Entered into a Memorandum of Understanding with NRCS, RD, FSA, and the Central Louisiana Economic Development Alliance to assist with the development of Central Louisiana’s local food system</td>
<td></td>
</tr>
<tr>
<td>08/05-12</td>
<td>Inter-American Commission for Organic Agriculture (ICOA) Meeting</td>
<td>Attend the Inter-American Commission for Organic Agriculture (ICOA) annual meeting in Buenos Aires, Argentina.</td>
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<td>USDA is supporting the Commission as part of a larger effort to support activities that support organic integrity in South America; many countries in the region are interested in pursuing organic trade agreements with the United States. USDA presentations and discussions with key stakeholders focused on topics related to organic control systems and trade</td>
<td></td>
</tr>
<tr>
<td>08/15-18</td>
<td>Sorghum industry representatives</td>
<td>United Sorghum Board Summer Meeting</td>
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<td>As part of AMS oversight of the board, monitored board activities; reported on AMS initiatives</td>
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<tr>
<td>08/16-17</td>
<td>Stakeholder meeting in Nevada</td>
<td>Collaborated with the Farm Service Agency, Natural Resources Conservation Service, Rural Development, and</td>
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<td></td>
<td>Approximately 40 attendees received training on select AMS programs that support the development of marketing opportunities for</td>
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<td>Date</td>
<td>Event Details</td>
<td>Key Activities</td>
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<tr>
<td>08/18</td>
<td>Packers and swine producers</td>
<td>Livestock Mandatory Reporting swine stakeholder conference call</td>
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<td>Provided outreach about upcoming changes from the reauthorization of the Livestock Mandatory Reporting Act of 2015</td>
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<tr>
<td>08/19</td>
<td>Livestock industry representatives, exporters</td>
<td>Conference Call with U.S. Meat Export Federation members and users of AMS’ Export Verification (EV) Program</td>
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<td></td>
<td>Provided “lessons learned” from a company’s suspension from the EV Program and information on the new program for Saudi Arabia</td>
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<tr>
<td>08/22-23</td>
<td>Stakeholder meeting in Mississippi</td>
<td>Collaborated with the Farm Service Agency, Natural Resources Conservation Service, Rural Development, and Food Nutrition Service to build partnerships with and provide Agency-specific technical assistance to State USDA programs, community organizations, agri-businesses, foundations, universities, faith-based and other groups that operate in persistent poverty areas</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Approximately 50 attendees received training on select AMS programs that support the development of marketing opportunities for small-to-mid-sized farmers, ranchers, and agribusinesses</td>
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<tr>
<td>08/24</td>
<td>Food industry leaders</td>
<td>Food Industry Thought Leaders Conference</td>
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<td>Presented information on AMS’ Process Verified Program</td>
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<tr>
<td>08/24</td>
<td>Packers and swine producers</td>
<td>Livestock Mandatory Reporting pork stakeholder conference call</td>
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<td></td>
<td></td>
<td>Provided outreach about upcoming report enhancements to represent industry trends</td>
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<td>Date</td>
<td>Event Description</td>
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<tr>
<td>08/24</td>
<td>National Cotton Council Quality Task Force meeting</td>
<td>To address the movement of color throughout the life cycle of a bale of cotton. Provided updates on current and past quality to industry members and discussed quality trends for a possible collaborative study.</td>
<td></td>
</tr>
<tr>
<td>08/24-25</td>
<td>Ethnic (Latino) retailers</td>
<td>Country of Origin Education and Outreach</td>
<td>Provided new understanding and awareness of COOL labeling and recordkeeping requirements in Latino grocery stores.</td>
</tr>
<tr>
<td>08/25-26</td>
<td>Stakeholder meeting in Oklahoma</td>
<td>Collaborated with the Farm Service Agency, Natural Resources Conservation Service, Rural Development, and Food Nutrition Service to build partnerships with and provide Agency-specific technical assistance to State USDA programs, community organizations, agri-businesses, foundations, universities, faith-based and other groups that operate in persistent poverty areas.</td>
<td>Approximately 40 attendees received training on select AMS programs that support the development of marketing opportunities for small-to-mid-sized farmers, ranchers, and agribusinesses.</td>
</tr>
<tr>
<td>08/25-26</td>
<td>National Cotton Council Summer Board of Directors Meeting</td>
<td>Updated stakeholders from all cotton segments on pertinent activities; interacted with NCC membership.</td>
<td></td>
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<tr>
<td>08/30</td>
<td>Produce Marketing Association</td>
<td>Meet and Greet.</td>
<td></td>
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<tr>
<td>08/31</td>
<td>Members of the Food and Drug Law Institute</td>
<td>Webinar to present information on the new GMO Disclosure law. Improved understanding of new law and the process AMS will undertake to develop regulations.</td>
<td></td>
</tr>
<tr>
<td>08/31</td>
<td>Retailer corporate contacts</td>
<td>Webinar with retail corporate contacts. Provided guidance with submission of corrective actions; increased number of adequate responses to non-compliances which ultimately reduces the number of store visits to the same location.</td>
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<td>Date</td>
<td>Event Description</td>
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<tr>
<td>08/31</td>
<td>Annual Supima Cotton Meeting</td>
<td>Opportunity to meet with our customer related to our American Pima cotton classification services and gather information on status of the Pima crop. Learned more about the domestic and international efforts made by the Supima organization to continue to help the demand for American Pima cotton.</td>
<td></td>
</tr>
<tr>
<td>08/29-09/02</td>
<td>Stakeholder meeting in Puerto Rico</td>
<td>Collaborated with the Farm Service Agency, Natural Resources Conservation Service, Rural Development, and Food Nutrition Service to build partnerships with and provide Agency-specific technical assistance to State USDA programs, community organizations, agribusinesses, foundations, universities, faith-based and other groups that operate in persistent poverty areas. Approximately 80 attendees received training on select AMS programs that support the development of marketing opportunities for small-to-mid-sized farmers, ranchers, and agribusinesses. Committed to conduct follow-up meeting with the Puerto Rico Department of Agriculture to further assess how AMS can help enhance marketing of Puerto Rican produced agricultural products.</td>
<td></td>
</tr>
<tr>
<td>09 various</td>
<td>StrikeForce meetings in Oklahoma, Mississippi, &amp; Florida</td>
<td>Underserved minority groups. Focused on detailing AMS opportunities for producers. Six meetings with total participation of almost 300.</td>
<td></td>
</tr>
<tr>
<td>09/01</td>
<td>Peanut Standards Board</td>
<td>To seat new members, receive recommendations for further changes in the peanut standards, and provide preliminary information concerning the revised compliance program. One recommendation was made regarding standards and it is under review.</td>
<td></td>
</tr>
<tr>
<td>09/01-02</td>
<td>National Pecan Shellers Association</td>
<td>To gear up for nominations, assessment collection mechanisms within the industry, and needed forms. Gathered all necessary information for nominations, assessment collections and other information.</td>
<td></td>
</tr>
<tr>
<td>09/01 07/14</td>
<td>Produce industry (Webinars)</td>
<td>AMS Specialty Crops Program Webinar Series Fresh Terminal Market Inspection Basics Importing Fruits, Vegetables, &amp; Specialty Crops Using ACE</td>
<td></td>
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<tr>
<td>Date</td>
<td>Event Description</td>
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<tr>
<td>09/05</td>
<td>Retailer corporate contacts</td>
<td>Provided guidance with submission of corrective actions; increased number of adequate responses to non-compliances which ultimately reduces the number of store visits to the same location</td>
<td></td>
</tr>
<tr>
<td>09/06-07</td>
<td>Stakeholder meeting in Florida</td>
<td>Collaborated with the Farm Service Agency, Natural Resources Conservation Service, Rural Development, and Food Nutrition Service to build partnerships with and provide Agency-specific technical assistance to State USDA programs, community organizations, agribusinesses, foundations, universities, faith-based and other groups that operate in persistent poverty areas</td>
<td></td>
</tr>
<tr>
<td>09/06-08</td>
<td>Pork industry members</td>
<td>Approximately 50 attendees received training on select AMS programs that support the development of marketing opportunities for small-to-mid-sized farmers, ranchers, and agribusinesses</td>
<td></td>
</tr>
<tr>
<td>09/07</td>
<td>Various CEOs</td>
<td>As part of AMS oversight of the board, monitored board program and budget planning for CY 17</td>
<td></td>
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<tr>
<td>09/08</td>
<td>Packers and swine producers</td>
<td>Provided outreach about upcoming report enhancements to represent industry trends</td>
<td></td>
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<tr>
<td>09/10</td>
<td>Cattle industry representatives</td>
<td>Accepted invitation to join and participate in the Livestock Mandatory Reporting working group</td>
<td></td>
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<tr>
<td>Date</td>
<td>Event</td>
<td>Description</td>
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<tr>
<td>09/12</td>
<td>CODEX</td>
<td>Codex Committee on Fruits and Vegetables Event</td>
<td></td>
</tr>
<tr>
<td>09/12</td>
<td>Produce industry members</td>
<td>United Fresh Public Policy Conference</td>
<td></td>
</tr>
<tr>
<td>09/13-15</td>
<td>Beef and dairy industry members</td>
<td>As part of AMS oversight of the beef checkoff program, monitored program and budget planning for FY 17</td>
<td></td>
</tr>
<tr>
<td>09/14</td>
<td>1890 Land-Grant Universities</td>
<td>Six 1890 institutions participated in the meeting, primarily from the Southeast United States. The institutions are taking the information back to their constituents to determine best options for providing such training to their staff and agricultural groups they serve</td>
<td></td>
</tr>
<tr>
<td>09/14</td>
<td>Members of the Food and Drug Law Institute</td>
<td>Improved understanding of new law and the process AMS will undertake to develop regulations</td>
<td></td>
</tr>
<tr>
<td>09/15</td>
<td>Pesticide Data Program Stakeholder Meeting</td>
<td>This meeting gave PDP the opportunity to listen to feedback from its stakeholders in order to frame outreach and planning activities for FY 2017 and forward.</td>
<td></td>
</tr>
<tr>
<td>09/15-16</td>
<td>International representatives</td>
<td>Successfully finalized the first ISO international animal welfare standard</td>
<td></td>
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<tr>
<td>09/15</td>
<td>Ginners Meetings</td>
<td>Updated customers on user fees, notify them of new penalties and interest</td>
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<tr>
<td>09/14</td>
<td>Ginners Meetings</td>
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<tr>
<td>09/13</td>
<td>Ginners Meetings</td>
<td></td>
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<td>Date</td>
<td>Event</td>
<td>Description</td>
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<tr>
<td>09/08</td>
<td></td>
<td>and provide updates on any new changes</td>
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<tr>
<td>09/07</td>
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<td>charges, sample hauling services, and possible increase in participation for module averaging program</td>
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<td>09/01</td>
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<td>08/31</td>
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<td>08/03</td>
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<td>06/23</td>
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<td>06/22</td>
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<tr>
<td>09/16</td>
<td>Food manufacturers and commodity trade associations</td>
<td>Country of Origin Education and Outreach</td>
<td></td>
</tr>
<tr>
<td>09/18-19</td>
<td>Tribal members and industry processors</td>
<td>Great Lakes Intertribal Foods Summit</td>
<td></td>
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<tr>
<td>09/19</td>
<td>Concordia Institute</td>
<td>Concordia Institute Regional Conference</td>
<td></td>
</tr>
<tr>
<td>09/20-23</td>
<td>Small Farms Conference in Virginia Beach</td>
<td>Conduct outreach for grower groups on PACA licensing, outreach on marketing orders, and detailing GAP/GHP and GroupGAP opportunities</td>
<td></td>
</tr>
<tr>
<td>09/21</td>
<td>Egg producers, egg industry members, retail food representatives, and foodservice industry representatives</td>
<td>Meeting with Secretary Vilsack</td>
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<td>Facilitated dialogue on issues related to the transition to cage-free production; facilitated communication between the industry and buyers critical to progress with the transition; encouraged industry and buyers to work together to establish a public-facing definition for “cage-free;” reassured stakeholders of USDA’s continued support, programs, and services to help industry through the transition</td>
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<tr>
<td>Date</td>
<td>Event Description</td>
<td>Stakeholders</td>
<td>Details</td>
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<tr>
<td>09/21</td>
<td>Representatives from food manufacturers responsible for new product development and marketing</td>
<td>Country of Origin Labeling requirements for origin to commercialization</td>
<td>Provided collaborative COOL training for stakeholders based on USDA, FTC, and CBP’s marking requirements</td>
</tr>
<tr>
<td>09/21-24</td>
<td>State Departments of Agriculture</td>
<td>National Associations of State Departments of Agriculture (NASDA)</td>
<td>Met with state partners and discussed upcoming industry outreach priorities</td>
</tr>
<tr>
<td>09/22-24</td>
<td>Organic producers and industry participants</td>
<td>Organic Trade Association: Expo East</td>
<td>Administrator Starmer provided opening remarks to kick off the conference, and Deputy Administrator Miles McEvoy served on a regulatory update panel. Hosted an information booth for the agency and provided information and outreach on market news and other AMS programs.</td>
</tr>
<tr>
<td>09/23-24</td>
<td>Small producers and school representatives</td>
<td>SE Farm to School Conference</td>
<td>Provided information and outreach on market news information</td>
</tr>
<tr>
<td>09/27</td>
<td>Research &amp; Promotion and Marketing Order Boards</td>
<td>Training</td>
<td>Provided training in ethics, AMS Guidelines and Polices and other relevant information related to oversight</td>
</tr>
<tr>
<td>09/28</td>
<td>Broiler industry representatives</td>
<td>National Chicken Council Annual Meeting</td>
<td>Provided, at NCC’s request, members with information on AMS’ Process Verified Program and how to apply</td>
</tr>
<tr>
<td>09/28-29</td>
<td>Catfish producers, processors, retailers, distributors, importers, academia, and government agencies</td>
<td>Workshops</td>
<td>Enlisted stakeholder involvement to guide AMS in developing grade standards for catfish that create the foundation of a USDA catfish grading program, as mandated in the Farm Bill</td>
</tr>
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<td>Numerous Agricultural Industry</td>
<td>AMS representatives attend regular Research and Promotion Board AND Marketing Order Boards meetings</td>
<td>To provide USDA oversight and ensure board compliance with the authorizing statutes</td>
</tr>
</tbody>
</table>
V. Top Issues

Hot Topics

Labeling of Bioengineered Food
On July 29, 2016, President Obama signed into a law a mandatory national bioengineered food disclosure standard (Public Law 114-216). AMS is the USDA Agency responsible for implementing the labeling requirements. AMS has published the new law on its website and provided an opportunity for the public to provide comments and ask questions on the new law via phone and email. The new law requires AMS to conduct a study identifying technical challenges for consumers to access an electronic or digital disclosure. On September 1, AMS published a Request for Information seeking input from vendors and general stakeholders on the study design, which closed on September 15. On September 14, AMS Administrator Starmer delivered to all AMS Deputy Administrators a policy memorandum affirming the new law’s consistency with the National Organic Program (NOP) and ensuring that rulemaking on the new law will not impact the NOP.

Next Steps: AMS is using the comments received on the RFI to develop the solicitation for vendor proposals for the study on the electronic or digital disclosure. However, posting of the solicitation is contingent on funding. AMS is continuing to analyze the requirements of the law, establish funding for staffing and study requirements, determine potential interactions with existing AMS programs, and work within the regulatory process to publish an advanced notice of public rulemaking in the Federal Register.

Georgia Department of Agriculture Poultry Market News Report (Georgia Dock)
On July 20, 2016, AMS discovered that a price report issued by the Georgia Department of Agriculture (GDA) for processed poultry prices (Georgia Dock) was not being properly verified. The price information in the report has been included in an AMS issued market news report since 1993. AMS has been working with GDA officials to seek options to change the methodology of the report so it reflects verifiable market prices, but GDA plans to continue publishing the Georgia Dock report without change until an alternative methodology can be developed. In the meantime, AMS discontinued publishing the AMS Market News report based upon the Georgia Dock report on August 5, 2016. On September 1, AMS met with GDA in Atlanta to discuss the new Federal report and GDA’s current work with the Georgia poultry industry related to a replacement for its GDA Georgia Dock report.

Next Steps: AMS will continue working with GDA and offering technical assistance to develop new report procedures consistent with AMS Market News reporting methodologies and confidentiality guidelines. In addition, AMS is developing a new spot market poultry report in an effort to meet industry needs. The new addition to the report was launched in October 2016.

U.S. District Court Decision on Resolute Forest Products, Inc.
On April 15, 2015, Resolute Forest Products filed a motion for summary judgment claiming that the Softwood Lumber Research and Promotion Order is unconstitutional. USDA has been involved in ongoing deliberation since the initial filing. On May 17, 2016, the U.S. District Court found that USDA’s Softwood Lumber Order was unlawful as promulgated. At a June 1,
2016, hearing held to discuss remedies, the court ordered: (1) USDA and the Softwood Lumber Board are prohibited from collecting further assessments from Resolute under the current Order; (2) USDA and the Board must maintain a balance of funds of not less than $1.1 million under the current Order; and, (3) USDA and Department of Justice (DOJ) shall file a brief supporting USDA’s position that the $1.1 million is assessments paid by Resolute should not be refunded in its entirety. A brief developed by AMS and DOJ for the court was filed on June 30, 2016. Resolute filed its response on July 20, 2016; USDA/DOJ’s reply was filed by the extended due date of August 24, 2016. Subsequent to the briefs being filed, the judge ordered the parties to submit briefs on issues regarding sovereign immunity and the authority of USDA to require the Board to refund assessments to Resolute. The deadlines for USDA and Resolute to submit their briefs are October 18, 2016 and November 1, 2016, respectively. On June 30, 2016, AMS posted external Q&As about the case per the industry’s request.

AMS published a notice on July 20, 2016, notifying industry that a continuance referendum originally scheduled for August 20 will not be held. On July 13, 2016, AMS met with the Office of the Chief Economist (OCE) to discuss analyses necessary for upcoming rulemaking on the de minimis provisions of the order. On August 30, 2016, an interim rule was published in the Federal Register revising the time frame for the continuance referenda under the Softwood Lumber Order. The rule revises the time frame from 5 years (2016) to no later than 7 years (2018). Comments are due by October 31, 2016. On September 1, 2016, Resolute filed a notice of supplemental authority to emphasize its previous arguments about the order in the context of USDA’s August 2016 interim rule. On September 14, 2016, AMS and DOJ decided to file a response to Resolute’s notice of supplemental authority. Our response will clarify the status of the rulemaking and any subsequent referenda on the order.

**R-CALF USA v. USDA/Vilsack**

On May 2, 2016, R-CALF USA filed suit in Federal District Court in Montana against Secretary Vilsack arguing that the Beef Checkoff Program should be promoting only U.S. beef. The complaint argues that the Checkoff Program denies R-CALF USA members in Montana their First Amendment rights since they are required to pay into the Montana chapter of the Checkoff program without a say in the marketing strategy. AMS will soon issue a rule regarding the redirection of beef Checkoff funds so producers have the option of directing their full assessment under the Beef Checkoff go entirely to the National Board. According to R-CALF’s legal challenge, the activities of the National Board are considered constitutionally sound by the Supreme Court, while the activities of the State Beef Councils are not. Thus, by giving producers the option to direct their monies to the National Board, R-CALF’s purported violations of First Amendment rights should be addressed.

On June 7, AMS asked if the Montana Beef Council would comply if a producer requested that they redirect assessments to the Cattlemen’s Beef Board. The Montana Beef Council responded that any redirection request, accompanied by appropriate and timely documentation, would be considered independently and that all state and Federal laws would be considered when making board decisions. The redirection rule was published on July 15, 2016, with a 60-day comment period that closed on September 13, 2016. USDA filed a motion to dismiss the case on August 4, 2016. On August 24, 2016, R-CALF responded to the motion to dismiss. On September 12, 2016, R-CALF also filed a motion for a temporary restraining order (TRO) to prevent USDA from allowing the
Montana Beef Council from retaining half of the assessments. On 9/28/16, USDA filed opposition to the TRO and reply in support of its summary judgment motion. On September 20, 2016, the Court issued an Order for a hearing to take place on October 25, 2016, at 2 p.m. regarding USDA’s Motion to Dismiss and Plaintiffs Motions to Summary Judgement and their Motion for a Temporary Restraining Order.

**Marvin Horne Compliance Actions**

On June 22, 2015, the U.S. Supreme Court ruled in favor of Horne, et al., in *Horne v. USDA* determining the reserve component of the raisin marketing order was unconstitutional as it was considered a taking that would require just compensation. Lower courts ruled in USDA’s favor and held that Mr. Horne met the definition of a handler under the marketing order. Because Mr. Horne never subsequently challenged the ruling by the U.S. Court of Appeals for the Ninth Circuit that he met the definition of a handler, the ruling stands. AMS has eight additional administrative cases against Mr. Horne that were stayed pending the outcome of the Supreme Court’s decision. The administrative cases filed against Mr. Horne for violations in subsequent crop years total approximately $400,000 in assessments owed to the Raisin Administrative Committee, plus civil penalties that may be issued. The administrative cases remain stayed pending the resolution of the cases in the Court if Federal Claims brought by raisin growers seeking compensation for a Fifth Amendment taking under the legal theory decided in *Horne v. USDA*.

In July, AMS authorized an investigation of Marvin Horne’s business transactions as he continues to operate outside the requirements under the Federal marketing order for raisins grown in California. On September 2, 2016, AMS issued administrative subpoenas to obtain records from the Dried Fruit Association and the Pacific/Atlantic Crop Exchange, Inc. (PACE). On September 8, 2016, AMS received a letter from PACE’s counsel requesting additional time to comply with the subpoena. AMS is reviewing a letter drafted in response to PACE’s request for additional time to comply with subpoena. On September 13, 2016, the DFA submitted only a response to the AMS-issued subpoena. Since 2012, DFA inspectors started leaving inspection records with Horne/Lassen Vineyards so that DFA no longer maintains a copy of its records.

**American Egg Board**

The Chief Executive Officer of Hampton Creek, Inc., San Francisco, CA (Hampton Creek) complained that the American Egg Board (AEB) exceeded its mandate by funding a campaign to halt the growth of Hampton Creek. An internal AMS review of the allegations has been completed and was released publicly on October 7, 2016.

**Government Accountability Office (GAO) Initiates Two Audits of AMS**

On September 9, 2016, the GAO announced they were initiating the two subject audits on a Congressional request: “USDA Oversight of National Research & Promotion Programs” and “FOIA Requests Related to R&P Programs.” The objectives of the (first) audit are to determine: 1) the extent to which USDA’s oversight activities ensure program funds are used in a manner consistent with authorizing legislation, and 2) the extent to which USDA has performance measures that enable the agency to assess the effectiveness of the checkoff programs. The objective of the second audit pertains to how FOIAs related to R&P programs are received, processed, and how any exceptions are handled. An entrance conference was held
September 19 with AMS, FAS, and GAO officials. AMS is collecting documents to provide to GAO for their review.

**The USDA Farmers Market**
Located on the corner of 12th and Independence Avenue, SW, the USDA Farmers Market is the Department's own "living laboratory" for farmers’ market operations across the country. The market supports the local economy, increases marketing opportunities for farmers and small businesses, provides access to an assortment of local and regionally sourced products, and increases access to healthy, affordable food in the District of Columbia's Ward 2. In its 21st year of operation, the USDA Farmers Market has experienced tremendous growth and has become a “go to” destination for federal employees and Washington, DC, visitors on Fridays during the spring and summer.

The daytime market hosts approximately 30 produce, prepared food, and cut flower vendors, and the nighttime market hosts approximately 24 vendors. The farmers market upholds the principles of “sourcing locally.” For prepared food vendors to participate in the market, they must demonstrate that the foods they are preparing are using ingredients sourced from local producers. It also conducts a weekly fruit and vegetable education program where shoppers can attend short 10-minute classes and get a "VegUcation" - learning how to pick, prepare and store a particular fruit or vegetable that is in season in the United States.

**Supporting the Next Generation of Agriculture**
AMS is a key leader in the USDA cross-Departmental collaboration to support new and beginning farmers and ranchers and a healthy next generation of agriculture. This effort brings together staff from across the USDA to share information and coordinate policies, programs, and services for the next generation of agriculture, including those new and beginning producers who are looking to access new and emerging market opportunities.

AMS’ leadership is critical in this space, because while new markets often create excitement among new and beginning producers, offering new possibilities for them to know their consumers and capture added value, producers in these market spaces can often find themselves outside the traditional agricultural support system. AMS’ support of local and regional marketing, infrastructure for enhanced market opportunities, and organic production is a key opportunity point for this growing customer segment – and often serves as the bridge for these customers to access the breadth of USDA’s portfolio of customer service.

**Transition of Layer Industry to “Cage-Free” Eggs**
On September 21, 2016, the Secretary of Agriculture and AMS hosted a meeting with leaders in the retail, manufacturing, and foodservice sectors and U.S. egg producers to discuss the challenges in transitioning egg production from conventional caged systems to “cage-free.” The meeting provided USDA an opportunity to show support for the industry and commit its assistance in addressing several of the major hurdles ahead.

A major outcome of the meeting was that all the participants agreed that a clear and commonly accepted definition for “cage-free” was necessary for all parties to have confidence in moving
forward. Participants agreed that efforts to develop a common definition should be led by industry, with support from AMS. The participants also agreed that animal rights and consumer groups should be involved in future discussions, with as much direct communication between these organizations and the industry and food sector as possible. The next meeting has been scheduled for November 30, 2016, and will be convened by the United Egg Producers.

Additional Pending Issues

Peoples Republic of China Government Officials to Visit U.S. Beef Production
China Ministry of Agriculture officials conducted an assessment of the U.S. beef industry from September 11-19, 2016, to determine whether boxed beef products can be traceable to the ranch of origin. FAS, AMS, FSIS, and APHIS accompanied the delegation during the assessment. The opening meeting in Denver, CO, included the USDA agencies and various members of industry. The group continued to Nebraska to review two cow/calf ranch operations, one feedlot, and two slaughter facilities. Industry demonstrated its ability to trace the boxed beef to cattle arriving from slaughter, and the cattle to ranch of origin, through AMS’ program for source and age verification, which would eventually be a part of an Export Verification, developed for China. The delegation then traveled to the State of Washington, where APHIS briefed the delegation on how the single incidence of BSE in December 2003 was handled to ensure that BSE is still a negligible risk in the United States according to OIE standards.

On September 22, 2016, China officially lifted its 13-year ban on U.S. beef. The next step is to negotiate specific export requirements with the Chinese government. This will commence once the Chinese delegation issues its trip report.

Notice Seeking Comments on U.S. Standards for Grades of Catfish and Catfish Products
On July 14, 2016, AMS published a Notice in the Federal Register seeking comments, data, research, and other information to help the Agency carry out the 2014 Farm Bill mandate to establish a voluntary fee-based grading program for catfish and catfish products. AMS is coordinating with the Department of Commerce’s National Marine Fisheries Service (NMFS), which has a program for quality evaluation of product, grading, and certification of fish (including catfish), shellfish, and fish products. We received four comments during the comment period, which ended on September 12, 2016 AMS will conduct two workshops to share information with stakeholders and gain more input to assist in developing grade standards and establishing a USDA grading program for catfish.

Petition to Revise U.S. Beef Standards to Allow Alternate Means of Age Determination in Carcass Beef
On April 13, 2016, AMS received a petition from several industry stakeholders asking the Agency to make changes to allow for dentition as a means of age determination and eligibility for carcass grading. AMS published a Notice in the Federal Register on August 24, 2016, seeking public comments on the changes proposed in the petition. Comments were due by October 24, 2016. Based on an analysis of the comments received, AMS will decide whether to proceed with specific changes to the standards.
Japan to Audit U.S. Beef Production
Japan government officials have set a tentative date of November 7-18, 2016, to visit the United States to audit U.S. beef producers exporting to Japan. Japan is awaiting additional questionnaires from beef producers, and evaluating responses from AMS on the JBS Souderton issue before audit sites are selected and the trip is finalized.

- **JBS Souderton Suspended from Export Verification Programs** - In April 2016, AMS suspended and delisted JBS Souderton from the Export Verification (EV) program because of issues related to the shipment of non-conforming beef products to Korea through Chicago Meat Authority. AMS completed “for cause” audits at all JBS facilities in late May, and subsequent corrective actions and required training in July. AMS provided a summary of the audit findings to Japan in late July and continues to address Japan’s questions about the findings and corrective actions. On August 22, AMS provided info to Japan regarding mislabeled packages from JBS Souderton, which shipped to Japan but did not enter commerce. Japan notified importing companies that it suspended imports of product from JBS Souderton. FAS will keep AMS apprised of any developments.

Development of Industry Standard Definition for “Cage-Free” Eggs
On September 21, 2016, Secretary Vilsack hosted a meeting with key representatives of the grocery and food retail sectors and the U.S. shell egg industry to discuss strategies for meeting the 2026 deadline established by volume food buyers for transitioning to cage-free supplies. All parties agreed that the starting point was for industry to develop a standard definition of the term “cage-free.” The United Egg Producers (UEP) is leading the effort; AMS offered to play a support role and facilitate discussions.

A meeting is tentatively planned for October 27, 2016, in Washington, DC, at which interested egg producers and members of the food retailing sectors will begin developing an agreed-upon definition. Once that definition is developed, UEP and the group will then engage consumer and animal rights organizations.

Cornucopia Institute v. USDA/Secretary Vilsack
On April 19, the Cornucopia Institute filed a complaint with the U.S. District Court for the Western District of Wisconsin on behalf of two organic producers. The complaint charges that USDA violated the Organic Foods Production Act (OFPA) in appointing members to the NOSB who did not meet OFPA qualifications. AMS continues to provide OGC and DOJ with information to support the case as requested.

National Organic Program Freedom of Information Act (FOIA) Lawsuits
The Cornucopia Institute filed eight lawsuits over AMS handling of FOIA requests related to National Organic Program records. AMS continues to coordinate with General Law on case-specific actions, and NOP has awarded a contract to support expanding FOIA needs.

OIG Audit: “National Organic Program – International Trade Arrangements and Agreements”
On March 17, AMS and OIG conducted a meeting to initiate OIG’s audit of NOP’s processes for international agreements supporting organic trade. OIG is near completion of the compliance
portion of the audit and is on schedule to finish fieldwork in September 2016. OIG will schedule a meeting with AMS to discuss audit findings and possible recommendations in the fall.

**Sun-Maid Growers of California Filing Suit Against USDA**

On April 6, 2015, Sun-Maid Growers of California filed a lawsuit in Federal District Court of Washington, DC, seeking to overturn the Secretary’s denial of the company’s November 17, 2014, petition for proposed amendments and hearings on terminating volume control authority from the raisin marketing order.

On August 28, 2015, USDA filed a Motion to Dismiss Sun-Maid’s suit against USDA. The April 23, 2016, hearing on the motion to dismiss was cancelled because of the May 3-4 rulemaking hearing on removing raisin reserve authority from the Federal marketing order for raisins. AMS will draft a Recommended Decision once the hearing record is certified and interested parties are provided the opportunity to file briefs.

**Raisin Compensation Lawsuits**

USDA received three claims for compensation from Lion Farms, LLC, Bruce Ciapessoni et al., and Boyajian et al. in the U.S. Court of Federal Claims. In early December 2015, USDA’s motions to consolidate the Lion Farms and Ciapessoni cases were denied but the cases were all reassigned to one judge. USDA filed motions to dismiss the three cases, concluding with a February 26, 2016 motion to dismiss the Boyajian et al case. Plaintiffs submitted their briefs on May 6, 2016. USDA filed its reply briefs on August 5, 2016.

On August 12, 2016, the Court indicated that oral arguments will be scheduled on USDA’s motions to dismiss and the opponent’s opposition responses. On October 6, 2016, Plaintiff Boyajian filed a motion to substitute Mr. Ray Hickman for Mr. Earl Boyajian as the named plaintiff and class representative.

**Center for Food Safety, et al. v. Vilsack, et al/Sunset.**

After the court dismissed the case because the plaintiffs did not have standing to challenge USDA’s procedures to sunset review of materials on the organic National List, the Center for Food Safety filed an Amended Complaint related to the Sunset Notice litigation on October 30, 2015. On December 10, 2015, USDA filed a Motion to Dismiss the amended complaint. On September 8, 2016, the Court denied USDA’s Motion to Dismiss, finding that the Plaintiffs had alleged sufficient facts to support its standing. On October 11, 2016, the parties filed a status report with the court informing it that the parties were unable to settle the litigation at that time. The parties will file stipulations and a proposed scheduling order by October 17, 2016.

**Center for Food Safety, et al. v. Vilsack, et al/Green Waste:** A second complaint, filed on April 14, 2015, relates to Guidance Document – NOP 5016 (Allowance of Green Waste in Organic Production Systems). On June 20, 2016, the U.S. District Court Judge for the Northern District of California ruled that NOP 5016 must be vacated by August 22, 2016. AMS did so, withdrawing NOP 5016 on August 22 as directed. A Notice to Trade was sent on August 18 to update the organic community. AMS is currently drafting a proposed rule to replace the
guidance with a regulatory rule change, with the opportunity for public comment. The work plan was designated as significant by OMB on August 31. On September 19, 2016, USDA and the plaintiffs executed a settlement agreement for legal fees authorized under the Equal Access to Justice Act.

ISO Technical Specification on Animal Welfare for Food Animals
AMS chairs U.S. representation to the International Organization for Standardization’s (ISO) Technical Committee 34 (TC34)/Working Group 16 (WG), a group of experts in the field of animal welfare assembled to develop industry consensus on technical specification (TS) for food producing animals. On February 8, 2016, the TS was sent for a vote through a three month ballot process. The results of the vote were positive, and AMS notified the U.S. Technical Advisory Group to discuss the next steps in the process. AMS will attend the ISO TC34 plenary meeting in Paris, France, on July 7-8. AMS, as part of the smaller drafting group, is reviewing the comments provided during the vote. The WG is meeting in Paris on September 15-16 to finalize the TS, incorporating edits based on the comments. Once finalized, the intent is to have the TS published by December 1, in time for it to be announced at the next OIE Global Conference on Animal Welfare in December 2016.

Burnette Foods Inc. v. USDA Case Related to the Federal Marketing Order for Tart Cherries
On August 3, 2011, the Plaintiff filed a petition with USDA to be exempt from the Tart Cherry Marketing Order (Order) and to modify certain provisions of the Order under section 15(A) of the Agricultural Marketing Agreement Act of 1937 (AAMA). On December 21, 2015, Judicial Officer (JO) William Jenson confirmed his ruling in USDA’s favor on all of the issues raised in Burnette Foods, Inc.’s petition challenging the tart cherry marketing order, denying Burnette’s administrative 15(A) filing. On January 11, 2016, Burnette appealed the 15(A) decision by filing suit in Federal District Court. In his complaint, Burnette seeks a declaratory judgment to overturn the JO’s order recognizing that tart cherry canners are separately situated from other segments of the tart cherry industry as being arbitrary and capricious. Mr. Burnette contends the Board is improperly structured and that the tart cherry marketing order is unconstitutional because it ignores imported cherries, does not apply to all states, and places a season-to-season reserve requirement on products with short shelf life. On September 9, 2016, the District Court Judge, ruling on USDA’s motion to dismiss the 15(A) case, dismissed 4 of 5 claims fully, and one claim partially. The Judge partially dismissed Burnette’s complaint that the Cherry Industry Administrative Board was improperly structured and stated that he required the entire administrative record to analyze the claim. On September 23, 2016, USDA filed its answer to the remaining count of the complaint.

OGC issued a litigation hold on all Burnette related tart cherry documents and e-mails.

Livestock Mandatory Reporting (LMR) Study
The Agriculture Reauthorizations Act of 2015 specified that USDA complete, by March 1, 2018, a study through AMS and the Office of the Chief Economist, and in consultation with the livestock and meat industry, to analyze current livestock marketing practices; identify future legislative or regulatory recommendations; analyze price and supply information reporting services of USDA related to cattle, swine, and lamb; and, address any other issues that the
Secretary considers appropriate. AMS commissioned a baseline “as is” study of the livestock and meat industry and LMR, which was completed August 2016, to help inform this comprehensive review. To gather feedback from industry stakeholders, AMS will bring members of the industry together in a series of structured stakeholder meetings to openly discuss the marketing methods and current challenges with reporting livestock and meat markets to reach consensus on what each commodity area would like changed in the next reauthorization of LMR. All meetings will be facilitated by the Federal Mediation and Conciliation Service (FMCS). The goal of these meetings is to reach consensus on what each commodity area would like changed in the next reauthorization of LMR. This industry consensus report will provide information for Congress to consider to facilitate an orderly reauthorization of LMR in 2020. The first stakeholder meeting will be held on November 15-16, 2016, in Washington, DC.

**PCRM Litigation - FOIA Request for Beef and Dairy Checkoff Documents**
AMS is working with OGC and DOJ to respond to the allegations of improper processing of FOIA requests and appeals. The FOIA suit was filed against USDA by the Physician’s Committee for Responsible Medicine on April 12, 2013.

PCRM Litigation – PCRM v USDA and HHS On January 6, 2016, PCRM filed a lawsuit in Federal Court in the Northern District of California, against USDA and the Department of Health and Human Services alleging that the government had allowed the food industry and financial inducements to dictate the Dietary Guidelines Advisory Committee’s (DGAC) new recommendations on cholesterol. PCRM is requesting injunctive relief in the suit preventing Defendants from relying on DGAC recommendations. On August 25, 2016, the Court requested additional briefings on the matter. AMS will continue to help OGC and DOJ as requested.

**Humane Society of the United States vs. Vilsack**
In September 2012, the Humane Society of the United States (HSUS) filed suit in the Federal District Court of the District of Columbia against the Secretary of Agriculture under the Administrative Procedure Act (APA) challenging the approval of the National Pork Board’s (Board) purchase of four trademarks including the “Pork, The Other White Meat” (PTOWM) slogan from the National Pork Producers Council (NPPC). On August 14, 2015, HSUS won its appeal for standing. The case is still pending with each party submitting records to the Court. The decision will be based upon the administrative records filed on June 29, 2016. On August 24, 2016, USDA filed additional materials to supplement USDA’s administrative record that was originally filed with the court on June 29, 2016.

**USDA Certified Transitional Program**
AMS is reviewing the Organic Trade Association’s Transitional Certification standard, which was submitted on May 20. The standard would allow AMS to approve Accredited Certifying Agents to verify processes and practices used by producers during the 3-year transition period required by the National Organic Program regulations when moving from conventional to organic production. On September 27, AMS met with OTA to outline the issues, primarily with the label. AMS continues to work with OGC.
The Good Food Institute
On August 8, 2016, the Good Food Institute (GFI) filed a lawsuit against USDA for allegedly refusing to release American Egg Board (AEB) documents under Freedom of Information Act (FOIA) requests. In a complaint filed in the U.S. District Court for the District of Columbia, GFI, a food advocacy group, says USDA did not fulfill three FOIA requests in late 2015 and early 2016 regarding AEB and Hampton Creek's egg-free mayonnaise line. The group is asking that the court force the USDA to release the records and pay legal and search fees.

The USDA Foods Business Management Improvement (BMI)
This project is co-sponsored by the Food and Nutrition Service (FNS), the Agricultural Marketing Service (AMS), the Farm Service Agency (FSA), the Foreign Agricultural Service (FAS), and the United States Agency on International Development (USAID). This project began in September 2015 to redesign business operations and management processes which support ordering, procurement, and distribution of domestic agricultural products in FNS nutrition assistance and International food aid programs.

While each of the five Federal Agencies have unique mission requirements, all utilize the Web-based Supply Chain Management (WBSCM) system’s capabilities and features, including interaction with industry, program recipients, and other governmental agencies. WBSCM is built on SAP commercial software, and was fully implemented in April 2011. Since all Agencies utilize WBSCM, processes and procedures for the applicable Federal Agencies developed through the BMI project need to be integrated into a common business solution and method of operation.

For the domestic nutrition programs, this project was initiated because changes to commercial practices, meal patterns, etc. made it essential that FNS and AMS examine practices and make changes to be more efficient and effective. Concurrently, GAO produced GAO -14-22, INTERNATIONAL FOOD AID Better Agency Collaboration Needed to Assess and Improve Emergency Food Aid Procurement System, and part of their recommendation was for FSA, USAID and FAS to work together and review their business practices.

The project includes stakeholders from Federal and State Agencies, Indian Tribal Organizations, school districts, agricultural product suppliers, freight companies, distributors, and other organizations. These various stakeholders participated in numerous sessions and meetings to document as-is business processes, and participated in sessions to determine potential changes to those business processes to achieve efficiencies and improve the operational management of the nutrition and food aid programs. Next steps include the development of a business case and implementation plan in preparation to operationalize the changes to business processes.

Global Food Safety Initiative
In recent years, international entities, such as the Global Food Safety Initiative (GFSI), have worked to build equivalence and convergence among the various effective food safety management systems in an effort to eliminate redundancy in the audit process for buyers and producers, and to improve the operational efficiency of the food safety certification sector. Major
U.S. corporations, namely Walmart, McDonalds, Cargill, Kroger and Wegmans, sit on the GFSI Board of Directors.

AMS is working closely with GFSI to obtain equivalency under the new GFSI Standard Equivalency Process for Government Entities. This accreditation will allow AMS’ audit program to serve as a single, accredited certification body that can meet buyers’ multiple requirements for audits.

**Pesticide Data Program--Glyphosate**

Glyphosate is an herbicide used to control weeds used in soybeans, corn, cotton, wheat, pasture/hay, orchards/grapes, and fruit and vegetables. In the past, the Pesticide Data Program (PDP), a national pesticide residue monitoring program that produces the most comprehensive pesticide residue database in the U.S., did not routinely test glyphosate because it was not widely used on many of the fruit and vegetables and other products tested and requires a specialized method of analysis. PDP is implemented through cooperation with State agriculture departments and other Federal agencies and selections for testing are made based on EPA’s data needs.

Glyphosate has been a popular topic in agricultural/consumer news. Currently, FDA is testing corn and soybean grains for glyphosate residues. The FDA glyphosate residues testing will provide results to help determine if EPA needs additional data. When FDA results become available, USDA will consult with EPA to ensure we continue to provide quality data to meet EPA’s data needs.

**Process Verified Program (PVP)**

LPS provided independent verification and transparency to issues of increasing importance to consumers by partnering with industry to develop several groundbreaking consumer marketing programs. These include a non-GE/GMO USDA Process Verified Program (PVP) for consumer-facing products and the McDonald’s Responsible Antibiotic Use PVP for chicken, which launched publicly during the Summer Olympics, 5 months earlier than originally planned; the School Food Focus (SFF) Certified Responsible Antibiotic Use PVP for chicken; and a non-GE/GMO USDA Process Verified Program (PVP) for grain. In total, PVPs verify antibiotic-related claims for nearly 15 percent of the U.S. broiler industry, with an additional 12 percent committed by the end of the calendar year. LPS relaunched the PVP after completing all action items related to the OIG audit of the PVP, developing consistent procedures to maintain public and customer confidence in AMS third-party verification services. LPS and AMS Public Affairs developed a comprehensive communications plan to inform customers of the program changes through publishing three PVP blogs and an infographic, updating PVP Web site information, reformatting the PVP listing to highlight process points, partnering with external stakeholders to highlight the PVP in practice, and rolling out PVP updates on the GovDelivery platform.

**PVP Program for Non-GE/GMO Marketing Claim on Yogurt**

Chobani, LLC first submitted an application for an approved Process Verified Program (PVP) for a non-genetically engineered/genetically modified (non-GE/GMO) marketing claim in December 2015. In March, an AMS desk audit of their Quality Manual determined that their program met the requirements for a PVP; however, further evaluation of the company’s
application was suspended due to the increasing likelihood that a Federal law would pass that would address the labeling of GE/GMO foods.

With the signing of the National Bioengineered Food Disclosure Law on July 29, Chobani contacted AMS and renewed their request for PVP approval. AMS is currently evaluating how to proceed with their proposed PVP, in light of the requirements of the new law.

**Timeline**

Note: Not all topics have a timeline – many topics relate to lawsuits and other issue for which a timeline is not available.

**The USDA Foods Business Management Improvement (BMI)**

<table>
<thead>
<tr>
<th>Actions/Decisions</th>
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<tbody>
<tr>
<td>Brief Agency executives on BMI business case and implementation plan</td>
<td>April, 2017</td>
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<tr>
<td>Agency executives approve BMI business case and implementation plan</td>
<td>May, 2017</td>
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<tr>
<td>Agency staff implement prioritized “quick wins” with USDA Foods Stakeholders</td>
<td>June, 2017</td>
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<tr>
<td>Agency staff prioritize WBSCM change projects and tool development to implement new operation procedures</td>
<td>June, 2017</td>
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<tr>
<td>Agency staff develop plans and notional schedules to implement solutions in FY17 &amp; FY18</td>
<td>June, 2017</td>
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**USDA Certified Transitional Program**

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<th>Actions/Decisions</th>
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<tr>
<td>Legal analysis of program options</td>
<td>October – November 2016</td>
</tr>
<tr>
<td>Tentative implementation planning for partial program, based on legal analysis</td>
<td>December 2016</td>
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<td>Tentative program rollout based on steps above</td>
<td>January 2017</td>
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**OIG Audit: “National Organic Program – International Trade Arrangements and Agreements”**

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<th>Actions/Decisions</th>
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<tr>
<td>Initial meetings with OIG to discuss feedback (OIG will drive this timeline)</td>
<td>October 2016</td>
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<tr>
<td>Anticipate receipt of OIG Draft Report</td>
<td>November 2016</td>
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<td>AMS Response to Draft Report</td>
<td>December 2016</td>
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<tr>
<td>Final OIG Report (OIG-driven)</td>
<td>January 2017</td>
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<td>Implementation of Findings</td>
<td>February 2017-February 2018</td>
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### Livestock, Poultry and Seed Programs

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<th>Actions/Decisions</th>
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<tr>
<td>GMO Disclosure: Request for Proposal Announcement for the Electronic or Digital Disclosure Study required by statute</td>
<td>October 2016</td>
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<tr>
<td>Georgia Dock Report: Launch new solution to enhance poultry reporting</td>
<td>October 2016</td>
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<tr>
<td>Catfish Grading: Determine a course of action about developing a standard and voluntary grading program for catfish, based on comments received on a July 14, 2016, <em>Federal Register</em> notice and industry feedback. The comment period closed September 12, 2015.</td>
<td>November 2016</td>
</tr>
<tr>
<td>GMO Disclosure: Award of Contract for Electronic or Digital Disclosure Study</td>
<td>December 2016</td>
</tr>
<tr>
<td>Revisions to Beef Standards (Adding Dentition to Determine Maturity Grouping): Determine whether to proceed with specific changes to the beef standards after evaluating comments received from an August 24, 2016, notice in the <em>Federal Register</em>. The notice asked for feedback on a petition from industry stakeholders. The comment period closes October 24, 2016.</td>
<td>December 2016</td>
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<tr>
<td>GMO Disclosure: Public comment on Electronic or Digital Disclosure Study</td>
<td>March 2017</td>
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<tr>
<td>GMO Disclosure: USDA review of Electronic or Digital Disclosure Study for July 2017 publication</td>
<td>June 2017</td>
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Appendix A: Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tr>
<td>A2LA</td>
<td>American Association for Laboratory Accreditation</td>
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<tr>
<td>AAMO</td>
<td>American Association of Meat Processors</td>
</tr>
<tr>
<td>ACDA</td>
<td>Agricultural Commodity Distribution Association</td>
</tr>
<tr>
<td>ACSA</td>
<td>American Cotton Shippers Association</td>
</tr>
<tr>
<td>ADPI</td>
<td>American Dairy Products Institute</td>
</tr>
<tr>
<td>AEB</td>
<td>American Egg Board</td>
</tr>
<tr>
<td>AFDF</td>
<td>Alaskan Fisheries Development foundation</td>
</tr>
<tr>
<td>AFFI</td>
<td>American Frozen Food Institute</td>
</tr>
<tr>
<td>AgTC</td>
<td>Agriculture Transportation Coalition</td>
</tr>
<tr>
<td>AMA</td>
<td>Agricultural Management Assistance</td>
</tr>
<tr>
<td>AMI</td>
<td>American Mushroom Institute</td>
</tr>
<tr>
<td>AMS</td>
<td>Agricultural Marketing Service</td>
</tr>
<tr>
<td>ANCW</td>
<td>American National Cattle Women, Inc.</td>
</tr>
<tr>
<td>AOSA</td>
<td>Association of Official Seed Analysts</td>
</tr>
<tr>
<td>AOSCA</td>
<td>Association of Official Seed Certifying Agents</td>
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<tr>
<td>APA</td>
<td>Administrative Procedure Act</td>
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<tr>
<td>APHIS</td>
<td>Animal and Plant Health Inspection Service</td>
</tr>
<tr>
<td>ASA</td>
<td>American Soybean Association</td>
</tr>
<tr>
<td>ASI</td>
<td>American Sheep Industry</td>
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<td>ASMI</td>
<td>Alaskan Seafood Marketing Institute</td>
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<td>ASTA</td>
<td>American Seed Trade Association</td>
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<td>AWI</td>
<td>Animal Welfare Institute</td>
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<tr>
<td>BMI</td>
<td>Business Management Improvement</td>
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<tr>
<td>C&amp;A</td>
<td>Compliance and Analysis Program</td>
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<td>C&amp;T</td>
<td>Cotton and Tobacco Program</td>
</tr>
<tr>
<td>CBB</td>
<td>Cattlemen's Beef Board</td>
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<tr>
<td>CCC</td>
<td>Commodity Credit Corporation</td>
</tr>
<tr>
<td>CCQC</td>
<td>California Citrus Quality Council</td>
</tr>
<tr>
<td>CEH</td>
<td>Center for Environmental Health</td>
</tr>
<tr>
<td>CFA</td>
<td>Consumer Federation of America</td>
</tr>
<tr>
<td>CFFA</td>
<td>California Fresh Fruit Association</td>
</tr>
<tr>
<td>CIO</td>
<td>Chief Information Officer</td>
</tr>
<tr>
<td>CLA</td>
<td>CropLife America</td>
</tr>
<tr>
<td>COOL</td>
<td>Country of Origin Labeling</td>
</tr>
<tr>
<td>CPS</td>
<td>Commodity Purchase Service</td>
</tr>
<tr>
<td>CR</td>
<td>Continuing Resolution</td>
</tr>
<tr>
<td>CRAU</td>
<td>Certified Responsible Antibiotic Use</td>
</tr>
<tr>
<td>CSA</td>
<td>Community Supported Agriculture</td>
</tr>
<tr>
<td>Acronym</td>
<td>Description</td>
</tr>
<tr>
<td>---------</td>
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</tr>
<tr>
<td>DGAC</td>
<td>Dietary Guidelines Advisory Committee</td>
</tr>
<tr>
<td>DOT</td>
<td>Department of Transportation</td>
</tr>
<tr>
<td>EV</td>
<td>Export Verification</td>
</tr>
<tr>
<td>FDA</td>
<td>Food and Drug Administration</td>
</tr>
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<td>FFMIA</td>
<td>Federal Financial Management Improvement Act</td>
</tr>
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<td>FISMA</td>
<td>Federal Information Security Management Act</td>
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<td>FMMO</td>
<td>Federal Milk Marketing Order</td>
</tr>
<tr>
<td>FOIA</td>
<td>Freedom of Information Act</td>
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<td>FSMIP</td>
<td>Federal-State Marketing Improvement Program [Grants]</td>
</tr>
<tr>
<td>FVAC</td>
<td>Fruit and Vegetable Advisory Committee</td>
</tr>
<tr>
<td>GFSI</td>
<td>Global Food Safety Initiative</td>
</tr>
<tr>
<td>GIPSA</td>
<td>Grain Inspection, Packers and Stockyards Administration</td>
</tr>
<tr>
<td>GSA</td>
<td>General Services Administration</td>
</tr>
<tr>
<td>IBWA</td>
<td>International Bottled Water Association</td>
</tr>
<tr>
<td>IDFA</td>
<td>International Dairy Foods Association</td>
</tr>
<tr>
<td>IG</td>
<td>Inspector General</td>
</tr>
<tr>
<td>ISO</td>
<td>International Organization for Standardization</td>
</tr>
<tr>
<td>KYF2</td>
<td>Know Your Farmer, Know Your Food</td>
</tr>
<tr>
<td>LMR</td>
<td>Livestock Mandatory Reporting</td>
</tr>
<tr>
<td>LRRS</td>
<td>Legislative and Regulatory Review Staff</td>
</tr>
</tbody>
</table>
PVPO  Plant Variety Protection Office
QSSB  Qualified State Soybean Boards
R&D  Research and Development Associates
R&P  Research and Promotion [Programs]
R-CALF  Ranchers-Cattlemen Action Legal Fund
S&T  Science and Technology Program
SCBG  Specialty Crop Block Grants
SCP  Specialty Crop Program
SCST  Society of Commercial Seed Technologists
SMA  Southwest Meat Association
SNA  School Nutrition Association
STB  Surface Transportation Board
SY  Staff Year
T&M  Transportation and Marketing Program
TIPA  Texas International Produce Association
UEA  United Egg Association
UEP  United Egg Producers
UNECE  United Nations Economic Commission for Europe
USAID  United States Agency on International Development
USAPEEC  USA Poultry and Egg Export Council
USCA  U.S. Cattlemen's Association
USDA  United States Department of Agriculture
USHBC  U.S. Highbush Blueberry Council
USMEF  U.S. Meat Export Federation
USPB  U.S. Potato Board
USTF  U.S. Tuna Foundation
WBSCM  Web-based Supply Chain Management System
WCF  Working Capital Fund
WTO  World Trade Organization
WHAT WE DO: OUR MISSION

APHIS protects the health and value of American agriculture and natural resources. We facilitate the movement of healthy animal and plant resources in the global marketplace, while standing guard against the introduction of pests and diseases that could limit agricultural production and damage export markets. We monitor and respond to invasive species, diseases of wildlife and livestock, and conflicts between humans and wildlife, while also managing and resolving sanitary (animal) and phytosanitary (plant) trade barriers and ensuring the humane treatment of animals. Finally, APHIS ensures that biotechnology-derived agricultural products are safe for release into the environment.

WHO WE ARE: OUR WORKFORCE

APHIS employs 8609 employees (5771 full time/1313 temporary); 29.8% of permanent employees are eligible to retire by 2017; 25% are unionized and 75% are not; D.C/Riverdale, MD, houses 18% of our workforce, with 82% located throughout the U.S. and internationally; 155 employees are located in 18 non-U.S. locations.

WHO WE SERVE: OUR CONSTITUENTS

From overseeing pest/disease eradication, testing livestock/poultry for diseases, and quarantining certain plants' movement, to keeping air travel safe from wildlife-related accidents, ensuring animal welfare, and protecting tree-lined streets, APHIS employees serve all Americans.

KEY UPCOMING DECISIONS

- How should APHIS proceed with implementing new Horse Protection Act regulations that increase protections against soring and defend against likely legal challenges by some groups?
- Should APHIS approve imports of Argentine lemons and EU apples/pears? These actions were proposed based on scientific risk analysis and are consistent with international trade obligations, but U.S. industries are opposed.
- Should we proceed—and if so, how—with a comprehensive revision of APHIS' biotechnology regulations in light of scientific advances since they were established in 1987? How do we address diverse stakeholder interests in regulation of biotechnology?

BUDGET HIGHLIGHTS FY 2016

Of the estimated $1.364 billion in FY 2016:

- 60% is for safeguarding animal and plant health and resolving conflicts with wildlife using appropriated and Farm Bill authorized funds;
- 3% aids in facilitating safe agricultural trade using appropriated funds;
- 15% is fees collected for Agricultural Quarantine Inspection services; and,
- 22% comprises reimbursements from Agency partners for certain services and revenue from various animal and plant health user fees. It also includes appropriated funds to ensure the humane care and treatment of certain animals, to conduct investigative and regulatory enforcement activities, and to support Agency-wide IT and facilities infrastructure needs.
United States Department of Agriculture
2016 Presidential Transition
Animal and Plant Health Inspection Service (APHIS)

I. Organizational Overview

Agency’s Mission/Strategic Plan

Mission:
APHIS’ mission is to protect the health and value of American agriculture and natural resources.

Together with its stakeholders, APHIS promotes the health of animal and plant resources to facilitate their movement in the global marketplace and to ensure abundant agricultural products and services for U.S. customers. APHIS strives to assure its stakeholders that it is on guard against the introduction or re-emergence of animal and plant pests and diseases that could limit agricultural production and damage export markets. At the same time, APHIS also monitors and responds to potential acts of agricultural bio-terror, invasive species, diseases of wildlife and livestock, and conflicts between humans and wildlife. The Agency also manages and resolves sanitary (animal) and phytosanitary (plant) trade barriers and addresses certain issues relating to the humane treatment of animals. Finally, APHIS ensures that biotechnology-derived agricultural products are safe for release in the environment.

The APHIS Strategic Plan outlines the goals, objectives, and performance measures that set the direction of APHIS' work.

Goals and Objectives:
GOAL 1: Prevent the entry and spread of agricultural pests and diseases.
Objective 1.1: Work with foreign governments and partners to keep damaging pests and diseases from entering the United States.
Objective 1.2: Work with foreign governments and partners to prevent the spread of damaging pests and diseases.

GOAL 2: Ensure the humane care and treatment of vulnerable covered animals.
Objective 2.1: Improve the welfare of animals covered under the AWA.
Objective 2.2: Eliminate soring in the Tennessee walking horse industry.
Objective 2.3: Ensure the safe and humane commercial transport of equines for slaughter.

GOAL 3: Protect forests, urban landscapes, rangelands and other natural resources, as well as private working lands from harmful pests and diseases.
Objective 3.1: Reduce damage caused by plant pests and diseases to natural and agricultural resources.
Objective 3.2: Reduce damage caused by wildlife to natural, agricultural, and other resources.
GOAL 4: Ensure the safety, purity, and effectiveness of veterinary biologics and protect plant health by optimizing our oversight of genetically engineered (GE) organisms.
Objective 4.1: Ensure that regulated GE organisms will not pose plant pest risks when released into the environment.
Objective 4.2: Ensure pure, safe, potent, and effective veterinary biologics are available for diagnosis, prevention, and treatment of animals.

GOAL 5: Ensure the safe trade of agricultural products, creating export opportunities for U.S. producers.
Objective 5.1: Ensure the resolution of sanitary and phytosanitary (SPS) issues and trade barriers.
Objective 5.2: Eliminate all remaining bovine spongiform encephalopathy (BSE) barriers to export markets.
Objective 5.3: Improve the export customer experience.

GOAL 6: Protect the health of U.S. agricultural resources, including addressing zoonotic disease issues and incidences, by implementing surveillance, preparedness and response, and control programs.
Objective 6.1: Monitor the health, including incidences and issues related to zoonotic diseases, of U.S. agricultural resources.
Objective 6.2: Ensure effective preparedness and response systems.
Objective 6.3: Ensure effective control, eradication, management, and enforcement programs.
Objective 6.4: Manage conflicts caused by wildlife, detect and control wildlife diseases, and protect threatened and endangered species.
Objective 6.5: Provide and coordinate timely diagnostic laboratory support and services.

GOAL 7: Create an APHIS for the 21st Century that is high-performing, efficient, adaptable, and embraces civil rights.
Objective 7.1: Build and maintain a public-service oriented, inclusive, high-performing workforce by investing in and engaging employees.
Objective 7.2: Build a safe, secure, and efficient workplace by leveraging technology and shared solutions across organizational boundaries.
Objective 7.3: Value the differences offered by a diverse workforce, and leverage those differences to better serve the Agency’s customers.
Objective 7.4: Maximize the return on taxpayer investment in APHIS through stewardship of resources and focused program evaluations.
United States Department of Agriculture
2016 Presidential Transition
Animal and Plant Health Inspection Service (APHIS)

Key mission delivery performance measures

APHIS has six strategic goals and sixteen strategic objectives that contribute towards the Secretary’s priority goals.

**USDA Strategic Goals:** Assist Rural Communities to Create Prosperity So They Are Self-Sustaining, Repopulating, and Economically Thriving. Ensure That All of America’s Children Have Access to Safe, Nutritious, and Balanced Meals.

**USDA Strategic Objectives:** 1.1: Enhance rural prosperity, including leveraging capital markets to increase government’s investment in rural America. 4.4: Protect agricultural health by minimizing major diseases and pets to ensure access to safe, plentiful, and nutritious food.

<table>
<thead>
<tr>
<th>Agency Strategic Goal</th>
<th>Agency Objectives</th>
<th>Key Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal 1: Prevent the entry and spread of agricultural pests and diseases.</td>
<td>Objective 1.1: Work with foreign governments and partners to keep damaging pests and diseases from entering the United States. Objective 1.2: Work with foreign governments and partners to prevent the spread of damaging pests and diseases.</td>
<td>Reduce or mitigate the impact of agricultural pests and diseases by preventing the entry or spread of agricultural pests and diseases.</td>
</tr>
</tbody>
</table>

**Key Performance Measures and Targets:**

APHIS protects U.S. livestock, poultry, specialty crops, corn, cotton, and wheat industries worth more than $195 billion. U.S. agriculture as a whole supports 1 in 12 jobs and provides U.S. consumers with 83 percent of the food we consume. APHIS’ pest and disease prevention efforts help ensure that U.S. farms and ranches remain healthy and productive by keeping devastating pests and diseases from entering the country. APHIS works with many partners, including the U.S. Department of Homeland Security’s Customs and Border Protection (CBP), foreign governments, State departments of agriculture, and a variety of other U.S. government agencies on these prevention programs that help ensure U.S. and international consumers have access to safe, nutritious food. For example, APHIS works jointly with CBP to provide for inspections of imported animal, plant, and other agricultural goods, products, and other articles at U.S. ports of entry to prevent the introduction of harmful agricultural pests and diseases. APHIS also conducts inspections of passenger baggage and cargo leaving Hawaii and Puerto Rico for the continental United States. Demand for inspection services from Hawaii and Puerto Rico has increased in recent years as the number of passenger flights from these islands increased by 8.4 percent between FY 2011 and FY 2015.
APHIS cooperates with foreign governments to prevent the northward spread of two extremely destructive pests into the United States—screwworm from South America and the Mediterranean fruit fly (Medfly) from Central America. In 1976, a screwworm outbreak in Texas resulted in an estimated $113 to $150 million in losses. Nearly four decades later, screwworm damage has been contained because of the APHIS preventative program. This program continues to keep this serious pest away from U.S. livestock by maintaining a barrier against it in Panama through the use of sterile insect technology. Medfly has one of the widest host ranges of any fruit fly pest and is considered one of the most serious agricultural pests in the world. The pest especially threatens high-value specialty crops such as citrus and tree fruit. Maintaining barriers to prevent this pest from entering the United States is imperative, especially considering increasing U.S. consumer demand for imported fruits and vegetables in recent years.

APHIS also cooperates with the Mexican government to eradicate two devastating cotton diseases (the boll weevil and pink bollworm) and prevent them spreading into areas in the United States adjacent to the border. Other activities include maintaining a quarantine buffer in Texas against the spread of cattle fever ticks and diseases such as bovine babesiosis and working with Mexico to control Mexican fruit fly outbreaks along the border that threaten Texas citrus production. In FY 2014, APHIS and its partners in Texas detected cattle fever ticks outside the quarantine zone and since then have been working to control the outbreak. The intensive response effort involves inspecting and treating all premises and livestock within the 222,000 acre temporarily quarantined area as well as measures to address wildlife such as deer that can also carry the ticks.

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>2012 Actual</th>
<th>2013 Actual</th>
<th>2014 Actual</th>
<th>2015 Actual</th>
<th>2016 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of specialty crops directly protected by APHIS’ Specialty Crop Pests program</td>
<td>$11.48 Billion</td>
<td>$11.48 billion</td>
<td>$9.02 Billion</td>
<td>$9.8 billion</td>
<td>$9.8 billion</td>
</tr>
<tr>
<td>Export losses prevented by the APHIS Screwworm program on an annual basis</td>
<td>$53 million</td>
<td>$53 million</td>
<td>$53 million</td>
<td>$54 million</td>
<td>$54 million</td>
</tr>
<tr>
<td>Number of sterile Medfly pupae produced weekly</td>
<td>0.8 billion</td>
<td>1 billion</td>
<td>1 billion</td>
<td>1 billion</td>
<td>1 billion</td>
</tr>
<tr>
<td>Percent of cattle fever tick outbreaks occurring outside the quarantine zone eliminated in less than 12 months</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
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</table>
United States Department of Agriculture  
2016 Presidential Transition  
Animal and Plant Health Inspection Service (APHIS)

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

**USDA Strategic Objective:** 1.1: Enhance rural prosperity, including leveraging capital markets to increase government’s investment in rural America.

<table>
<thead>
<tr>
<th>Agency Strategic Goal</th>
<th>Agency Objectives</th>
<th>Key Outcome</th>
</tr>
</thead>
</table>
| Goal 2. Ensure the humane care and treatment of vulnerable animals. | Objective 2.1: Improve the welfare of animals covered under the Animal Welfare Act.  
Objective 2.2: Reduce the detection of horse soring in the Tennessee walking horse industry. | Provide modern and collaborative tools and services to protect the welfare of animals. |

**Key Performance Measures and Targets:**

The welfare of animals nationwide continues to attract significant media attention and passionate public engagement. APHIS has been front and center in the dialogue, playing the unique Federal role of ensuring the humane care and treatment of millions of animals covered by the Animal Welfare Act (AWA) and the Horse Protection Act. Twenty-seven States, the District of Columbia, and a number of municipalities have enacted laws establishing some form of humane welfare standards for animals. However, none of these laws address all categories of welfare required under the AWA, including veterinary care, food and water, proper sanitation, and housing. Consequently, Federal oversight is necessary to ensure that AWA regulations are consistently applied in all States.

APHIS oversees more than 7,300 licensees and registrants associated with more than 10,000 facilities regulated under the AWA. APHIS inspects facilities (with a focus on re-inspecting noncompliant facilities), educates regulated entities, provides detailed training for inspectors, investigates complaints, and pursues civil penalties and other enforcement measures when necessary. Together, these efforts yielded impressive results: regulated entities maintained an average 95 percent compliance rate with the AWA in the past 5 years. New AWA licensees and registrants present a unique opportunity for APHIS to have a lasting impact on the way they care for their animals and improve program efficiency. APHIS has increased the rigor of its pre-licensing program for dog dealers to ensure that prospective licensees fully understand the AWA’s requirements before obtaining a license, which reduces overall noncompliance over time. The program is tailored to the individual licensee based on an initial discussion, the condition of the facility during the first visit, and developing individualized materials and presentations that focus on specific aspects or issues at each facility.
### Performance Measure

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>2012 Actual</th>
<th>2013 Actual</th>
<th>2014 Actual</th>
<th>2015 Actual</th>
<th>2016 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent of licensees inspected and registrants in substantial compliance of the Animal Welfare Act</td>
<td>95%</td>
<td>96%</td>
<td>96%</td>
<td>95%</td>
<td>97%</td>
</tr>
<tr>
<td>Percent of facilities determined to be in substantial compliance at the first unannounced inspection after receiving a license (conducted 6-9 months later)</td>
<td>N/A</td>
<td>N/A</td>
<td>97%</td>
<td>95%</td>
<td>95%</td>
</tr>
</tbody>
</table>

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

**USDA Strategic Objective:** 2.1 Improve the health of the nation’s forests, grasslands, and working lands by managing our natural resources.

### Agency Strategic Goal

<table>
<thead>
<tr>
<th>Agency Strategic Goal</th>
<th>Agency Objectives</th>
<th>Key Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal 3. Protect forests, urban landscapes, rangelands and other natural resources, as well as private working lands from harmful pests and diseases.</td>
<td>Objective 3.1: Reduce damage to valuable natural and agricultural resources caused by plant pests and diseases. Objective 3.2: Reduce damage to valuable natural and agricultural resources caused by wildlife.</td>
<td>Provide tools and services to protect forests, urban landscapes, rangelands and other natural resources, as well as private working lands from harmful pests and diseases.</td>
</tr>
</tbody>
</table>

**Key Performance Measures and Targets:**

America’s forests, rangelands, and other working lands are valuable resources that provide jobs, support ranches, provide habitat for wildlife, and create recreation opportunities. U.S. forests alone provide economic opportunities and ecosystem services worth an estimated $1.2 trillion. APHIS coordinates national programs that target damage caused by the Asian longhorned beetle (ALB), emerald ash borer, gypsy moth, grasshopper and Mormon cricket outbreaks, thousand cankers disease, depredation from migratory birds, and damage from other wildlife such as beavers and deer.

Together, APHIS and key partners focus on preventing the spread of pests and diseases and mitigating damage they cause. Specific activities include: conducting pest surveys
and inspections to more accurately delimit the infestation of specific pests and diseases and wildlife; developing and implementing control strategies; conducting eradication efforts where appropriate, such as removing or treating host trees or problem wildlife; conducting public outreach and education to enlist the public’s support for these efforts; developing predictive analytical tools and risk-based models to inform trapping and survey work; and establishing new regulatory frameworks to minimize negative impacts on regulated business in quarantine areas, while still protecting American forests and rangelands from the spread of these harmful events. The following are highlights of these cooperative efforts.

Trees provide environmental value as forest and natural canopy and economic value when used in production of wood products. Trees are also an integral part of urban and suburban neighborhoods. ALB threatens forest resources nationwide, as 30 percent of U.S. trees are potential ALB hosts. APHIS is working to eliminate ALB from the United States as a whole; longstanding strategies and collaborations have proven successful as APHIS and other Federal and State partners have eradicated ALB outbreaks from Chicago, Illinois; Islip, Staten Island and Manhattan in New York; and Jersey City and Union and Middlesex Counties, New Jersey. In FY 2014, APHIS completed eradication of the ALB infestation in and around Boston, Massachusetts. These successes prevented multi-billion dollar losses to urban and suburban communities and the maple syrup, timber, tree nursery, trade and tourism industries. APHIS is continuing to address outbreaks in other areas of Massachusetts, Ohio, and New York, including the most recently detected outbreak on Long Island. Although the program has been successful, APHIS and its cooperators continue to improve program delivery and to create more efficient projects. For example, APHIS and cooperators modified both ALB survey and control protocols, resulting in more efficient use of resources required to eradicate the pest. The program continues to study how beetle biology and the time elapsed between surveys impact survey effectiveness, and evaluate an extended timeframe for the application of preventive treatments (potentially saving funds by treating less frequently to achieve the same results).

It is also critical to protect U.S. agricultural crops and rangelands against pest and disease damage. The value of rangeland forage across western States is estimated to average $13 per acre; the comprehensive value of rangeland for use as wildlife habitat, to stabilize soils and filtering water, and for recreation and other uses is two to three times greater than that. Although grasshoppers and Mormon crickets are natural components of rangeland ecosystems, their populations can reach outbreak levels and cause serious damage, especially when accompanied by drought conditions. APHIS’ grasshopper and Mormon cricket program monitors and protects 661 million acres of rangeland worth a total of nearly $8.78 billion. Uncontrolled infestations could cause significant economic losses for U.S. livestock producers by reducing animal food supply in rangeland, therefore forcing producers to buy supplemental feed or sell their livestock at reduced prices. APHIS conducts surveys in western States that provide information to help landowners and managers manage outbreaks. To reduce damage caused by grasshoppers, APHIS applies predictive models that allow early-season treatments using lower levels of insecticides to reduce immature pest populations as an alternative to using more...
expensive and stronger pesticides required to address mature pests. In FY 2015, APHIS applied treatments to 207,401 acres of rangeland, which protected rangeland forage and wildlife habitat on approximately 384,000 acres.

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>2012 Actual</th>
<th>2013 Actual</th>
<th>2014 Actual</th>
<th>2015 Actual</th>
<th>2016 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acreage protected by the Tree Wood Pest Programs (area outside of quarantine)</td>
<td>596 million acres</td>
<td>596 million acres</td>
<td>596 million acres</td>
<td>596 million acres</td>
<td>596 million acres</td>
</tr>
<tr>
<td>Value of forest products and ecosystem services protected (based on acreage protected)</td>
<td>$1.19 Trillion</td>
<td>$1.19 trillion</td>
<td>$1.19 trillion</td>
<td>$1.19 trillion</td>
<td>$1.19 trillion</td>
</tr>
<tr>
<td>Rangeland acreage protected by APHIS’ grasshopper program</td>
<td>661 million acres</td>
<td>661 million acres</td>
<td>661 million acres</td>
<td>661 million acres</td>
<td>661 million acres</td>
</tr>
<tr>
<td>Value of rangeland protected by APHIS’ grasshopper program</td>
<td>$8.78 Billion</td>
<td>$8.78 billion</td>
<td>$8.78 billion</td>
<td>$8.78 billion</td>
<td>$8.78 billion</td>
</tr>
</tbody>
</table>

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

**USDA Strategic Objective:** 3.2: Enhance America's ability to develop and trade agricultural products derived from new and emerging technologies.

<table>
<thead>
<tr>
<th>Agency Strategic Goal</th>
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<th>Key Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal 4. Ensure the safety of genetically engineered organisms and veterinary biologics.</td>
<td>Objective 4.1: Ensure that certain genetically engineered crops that are “regulated articles” as defined in our regulations will not pose plant pest risks when released into the environment. Objective 4.2: Ensure pure, safe, potent and effective veterinary biologics are available for diagnosis, prevention, and treatment of animals.</td>
<td>APHIS will scientifically demonstrate the safety of biotechnology and veterinary biologic products and facilitate their development to benefit producers and consumers.</td>
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</table>
The biotechnology industry—valued worldwide at $280 billion—is constantly developing innovative products of modern biotechnology (including genetically engineered [GE] organisms) that can greatly benefit the public. On the plant health side, GE crops can increase yields or decrease crop losses due to pests and diseases. On the animal health side, veterinary biologics derived from modern technologies help to prevent, diagnose, and treat serious animal diseases. However, before any of these products can be brought to market, it is essential to demonstrate—through rigorous, scientific review—that they do not pose a risk to America’s agricultural and natural resources.

APHIS provides the regulatory controls that ensure new GE crops will not pose plant health risks when released into the environment and that veterinary biologics are safe, pure, potent, and effective. In addition to protecting America’s agriculture, these controls instill confidence in the public and in our trading partners that GE products produced in America are of the highest quality.

APHIS regulates the importation, interstate movement, and field release—or “introduction”—of GE organisms that may pose a risk to plant health. As part of its science-based framework, APHIS requires developers to apply for a permit or notification before introducing these organisms into the environment and conducts thorough scientific analyses to evaluate potential plant risks and environmental impacts before authorizing such introductions. Once a developer can demonstrate that a GE crop does not pose a risk to plant health, the developer can petition APHIS to seek deregulation of the crop. As of the end of FY 2015, APHIS has made a total of 117 determinations of regulated status, increasing the number of products that developers can bring to the marketplace.

APHIS ensures regulatory compliance on the part of the biotechnology community through inspections, educational and outreach efforts, and investigations and audits. In FY 2015, APHIS authorized 1,500 new permits and notifications throughout the United States. The program conducted 688 site inspections (with 96 percent of those inspected found to be in compliance with APHIS’ regulations). In FY 2017, APHIS will inspect more higher-risk sites with a goal that 90 percent of those inspected will be in compliance.

Through its efforts to ensure the safety and effectiveness of U.S. veterinary biological products, valued at $1.35 billion, APHIS safeguards the health of millions of livestock and pet animals and protects domestic and worldwide markets for U.S. animals and animal products, worth $182 billion. APHIS protects animals and animal owners from contaminated, worthless, or dangerous products. The Agency also facilitates the entry of new, innovative products to the market, expanding options for animal owners to protect the health of their animals.
APHIS continuously evaluates its activities and makes adjustments to improve efficiency and effectiveness. APHIS has conducted business process improvement reviews of both its biotechnology regulatory determination reviews and its veterinary biologics licensing reviews with the goal of streamlining the processes and reducing the time required to allow companies to bring new products to market sooner. In FYs 2011–2013, APHIS conducted a series of review of its veterinary biologics licensing process to find time savings. The reviews focused on a range of objectives including the electronic workflow of documents and streamlining of submission processing and testing. As a result, APHIS reduced licensing times by more than 20 percent on average for all biologics. APHIS also initiated a business process improvement effort for its biotechnology reviews in 2012 and has worked since to implement changes to its petition review process, with a goal to reduce the time required for review from an average of 3 years to about 13 to 16 months. The changes included establishing specific timelines for each step, using new management and tracking tools, and getting the public involved earlier to identify risks and controversial issues. By taking these steps, APHIS delivers a more predictable petition process without compromising the quality of the analysis to support our decision making. In FY 2015, using the improved petition process, APHIS reduced the time it takes to evaluate petitions and make a regulatory determination from 3 to 5 years to 1.8 years (on average). APHIS completed eight petitions in total in FY 2015, exceeding its target and bringing the cumulative total of deregulations to 117.

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<tr>
<th>Performance Measure</th>
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<th>2015 Actual</th>
<th>2016 Target</th>
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<tbody>
<tr>
<td>Cumulative number of actions taken by USDA to deregulate biotechnology products based on the scientific determination that they do not pose a plant pest risk to agriculture</td>
<td>93</td>
<td>102</td>
<td>109</td>
<td>117</td>
<td>122</td>
</tr>
<tr>
<td>Percent of field release sites in compliance with biotechnology regulations designed to protect agriculture from plant pests</td>
<td>98%</td>
<td>99%</td>
<td>99%</td>
<td>96%</td>
<td>99%</td>
</tr>
<tr>
<td>Average number of days to issue a product license for veterinary biologics</td>
<td>344 days</td>
<td>341 days</td>
<td>347 days</td>
<td>340 days</td>
<td>340 days</td>
</tr>
</tbody>
</table>

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

**USDA Strategic Objective:** 3.2: Enhance America's ability to develop and trade agricultural products derived from new and emerging technologies.
### United States Department of Agriculture
#### 2016 Presidential Transition
##### Animal and Plant Health Inspection Service (APHIS)

#### Agency Strategic Goal

- **Goal 5.** Ensure the safe trade of agricultural products, creating export opportunities for U.S. producers.

#### Agency Objectives

- **Objective 5.1:** Ensure the resolution of sanitary and phytosanitary issues and trade barriers.
- **Objective 5.2:** Eliminate all remaining bovine spongiform encephalopathy (BSE) barriers to export markets through a deliberate process of engagement with trading partners with BSE restrictions.
- **Objective 5.3:** Improve the export customer experience.

#### Key Outcome

- Resolve sanitary and phytosanitary (SPS) trade barriers, improve international animal and plant health standards, and collaborate with U.S. and foreign partners to build capacity and prevent agricultural pest and disease threats from reaching the United States.

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**Key Outcome:** Resolve sanitary and phytosanitary (SPS) trade barriers, improve international animal and plant health standards, and collaborate with U.S. and foreign partners to build capacity and prevent agricultural pest and disease threats from reaching the United States.

APHIS uses its technical expertise in animal and plant health to resolve sanitary (animal) and phytosanitary (plant) issues that affect export opportunities for U.S. producers, allowing U.S. companies to be competitive in trade. In FY 2015, APHIS retained, expanded, or opened markets worth $2.5 billion for U.S. agricultural exports. The Agency also plays a central role in resolving technical trade issues to ensure the fast and safe movement of agricultural imports and exports. In FY 2014, our overseas employees secured the release of 293 detained shipments of U.S. agricultural products worth more than $25 million. To support these export opportunities, the Agency negotiates animal and plant health certification requirements; assists U.S. exporters in meeting foreign regulatory requirements, ensuring requirements are proportional to risk without being excessively restrictive; and provides technical information to support the safety of U.S. agricultural products destined for foreign markets. APHIS’ employees—including headquarters personnel, field staff, and personnel stationed in 30 countries—play a critical role in the success of these efforts.

One of APHIS’ specific objectives to support U.S. exports is to eliminate all remaining trade barriers related to avian influenza (AI). Several countries restrict U.S. exports of poultry, or poultry products, as a result of non-tariff barriers. This includes sanitary and phytosanitary issues that APHIS addresses, as well as food safety issues that the Food Safety and Inspection Service addresses. In FY 2015, the outbreak of highly pathogenic avian influenza (HPAI) significantly impacted U.S. exports of poultry and poultry products. Over the course of the outbreak, 18 countries imposed restrictions on poultry and poultry products from the entire United States, 38 countries recognized the control measures taken during the outbreak and limited their restrictions to affected zones or
United States Department of Agriculture
2016 Presidential Transition
Animal and Plant Health Inspection Service (APHIS)

States, and 100 other countries had no known restrictions established. By the end of FY 2015, APHIS was able to remove poultry bans from Vietnam, and for certain States shipping poultry and poultry products to Guatemala and Colombia. APHIS coordinates with United States Trade Representative, USDA’s Foreign Agricultural Service, and USDA’s Food Safety and Inspection Service in these animal health discussions.

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</tr>
</thead>
<tbody>
<tr>
<td>Value of expanded and retained markets, new market access, and trade facilitated</td>
<td>$2.56 billion</td>
<td>$2.9 billion</td>
<td>$2.7 billion</td>
<td>$2.5 billion</td>
<td>$2.5 billion</td>
</tr>
<tr>
<td>Number of shipments released (in foreign ports of entry) as a result of APHIS intervention</td>
<td>324</td>
<td>279</td>
<td>273</td>
<td>293</td>
<td>300</td>
</tr>
</tbody>
</table>

**USDA Strategic Goals:** Ensure That All of America’s Children Have Access to Safe, Nutritious, and Balanced Meals. Assist Rural Communities to Create Prosperity So They Are Self-Sustaining, Repopulating, and Economically Thriving.

**USDA Strategic Objectives:** 1.1: Enhance rural prosperity, including leveraging capital markets to increase government’s investment in rural America. 4.4: Protect agricultural health by minimizing major diseases and pets to ensure access to safe, plentiful, and nutritious food.

<table>
<thead>
<tr>
<th>Agency Strategic Goal</th>
<th>Agency Objectives</th>
<th>Key Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal 6. Protect the health of U.S. agricultural resources by implementing surveillance, preparedness and response, and control programs.</td>
<td>Objective 6.1: Monitor the health of U.S. agricultural resources. Objective 6.2: Ensure effective preparedness and response systems. Objective 6.3: Ensure effective control, eradication, management and enforcement programs. Objective 6.4: Manage conflicts caused by wildlife, detect and control wildlife diseases, and protect threatened and endangered species. Objective 6.5: Provide and coordinate timely diagnostic laboratory support services.</td>
<td>Reduce or mitigate the impact of agricultural pests and diseases as well as wildlife damage by providing tools and services—including diagnostic, detection, control, management, and enforcement methods and programs—to protect and enhance animal and plant health.</td>
</tr>
</tbody>
</table>
**Key Outcome:** Reduce or mitigate the impact of agricultural pests and diseases as well as wildlife damage by providing tools and services—including diagnostic, detection, control, management, and enforcement methods and programs—to protect and enhance animal and plant health.

APHIS’ surveillance, preparedness and response, and control activities are designed to quickly detect and address destructive animal and plant pests and diseases and reduce and prevent billions of dollars in damage to agricultural resources each year. They not only ensure children and other consumers in the United States and across the world have access to safe and nutritious food, they also directly support farmers’ efforts to export their products. Healthy farms and ranches and the robust agricultural exports help create a sustainable agricultural system and keep rural America thriving. Along with the programs discussed in the Agency’s Goal 1, these efforts protect U.S. livestock, poultry, specialty crop, corn, cotton, and wheat industries worth more than $193 billion.

The first component of APHIS’ efforts, early detection, is critical to averting economic and environmental damage. Once a pest or disease becomes established or spreads, mitigation costs can reach millions of dollars and result in substantial costs to producers and consumers, as well as irreversible damage to ecosystems. An article published in the *Journal of Veterinary Diagnostics and Investigations* estimated that a detection of FMD identified on day 7 would have an impact of $2.3 billion on the economy; if not identified until day 22, it could have an impact of $69 billion. In monitoring for potentially serious animal diseases, APHIS conducts more than 500,000 diagnostic tests per year on approximately 250,000 animal samples collected. To bolster surveillance efforts, APHIS continues to implement the animal disease traceability program that would allow affected animals to be found quickly in the event of an outbreak. APHIS conducts early detection plant pest and disease surveys—targeting various fruit, vegetable, and honey bee pests—in cooperation with all 50 States, 2 U.S. territories, Tribal and local governments, industry partners, and other stakeholders. In FY 2015, the Agency targeted 118 high-risk pests of national concern for survey in corn, oak, pine, small grains, soybean, and nursery crop commodities, as well as exotic wood boring bark beetles and cyst nematodes.

APHIS also works closely with its State counterparts to address ongoing pest and disease issues and has longstanding partnerships with industry groups. In FY 2014, APHIS and other USDA agencies strengthened their partnerships with the citrus industry and citrus-producing States through the establishment of the Huanglongbing (HLB) Multi-Agency Coordination (MAC) Group. HLB, or citrus greening, is a devastating disease that threatens continued citrus production in the United States unless new tools are found to combat it. In addition to APHIS, the MAC is made up of USDA’s Agricultural Research Service, National Institute of Food and Agriculture, and Risk Management Agency; the Environmental Protection Agency; State departments of agriculture in Florida, Arizona, California, and Texas; and citrus industry organizations in Florida, California, and Texas. The MAC Group is coordinating efforts to identify and support promising tools and solutions that citrus growers can use against HLB, or citrus greening, in the short term, while research continues into long-term solutions.
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</tr>
</thead>
<tbody>
<tr>
<td>Percent of States and Tribes receiving cooperative agreement funds that have a current strategic plan for animal disease traceability</td>
<td>N/A</td>
<td>75%</td>
<td>89%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Percent of high-risk plant pests (as identified on the Priority Pest List) for which early detection surveys were conducted in the United States</td>
<td>79%</td>
<td>86%</td>
<td>88%</td>
<td>93%</td>
<td>93%</td>
</tr>
<tr>
<td>Production value of cotton directly protected by APHIS’ cotton pest programs</td>
<td>$1.7 billion</td>
<td>$1.7 billion</td>
<td>$1.7 billion</td>
<td>$2.06 billion</td>
<td>$2.06 billion</td>
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Organization’s History

The Secretary of Agriculture established the Animal and Plant Health Inspection Service (APHIS) on April 2, 1972, under the authority of Reorganization Plan No. 2 of 1953 and other authorities. However, much of the work that falls under its mission today has been the responsibility of the U.S. Department of Agriculture (USDA) for more than 100 years. In 1883, USDA established the Veterinary Division, the Department’s first regulatory program, forming the foundation of what would become APHIS. One year later, the Veterinary Division became the Bureau of Animal Industry (BAI). Congress created the BAI to promote livestock disease research, enforce animal import regulations, and regulate the interstate movement of animals. Regulatory activities to protect U.S. crops began with the 1912 Plant Quarantine Act and the establishment of the Federal Horticultural Board to enforce the act. In 1928, Federal Horticultural Board was separated into various plant health bureaus. In 1953 the functions of the BAI and the various plant health bureaus became part of USDA’s Agricultural Research Service (ARS).

In 1966, Congress passed the Laboratory Animal Welfare Act, which later became the Animal Welfare Act (AWA). This provided for the regulation of warm blooded animals used in research, bred for commercial sale, exhibited to the public, or commercially transported. The law requires basic standards of animal care to be established and enforced. APHIS’ Animal Care program enforces the provisions of the AWA and also the Horse Protection Act, passed by Congress in 1970. In 1971, the animal and plant regulatory functions were separated from ARS to become an entity known as the Animal and Plant Health Services (APHS) and in 1972 the meat and poultry inspection divisions of the Consumer and Marketing Service (later known as the Agricultural Marketing Service) were added to APHS (putting the “I” into APHIS). (In 1977, however, the Food Safety and Quality Service—now the Food Safety and Inspection Service—was established and took responsibility for meat and poultry inspections.) In 1985, the Secretary of Agriculture designated APHIS as the agency responsible for regulating biotechnology-derived products that affect animal and plant health. In 1985 Congress also transferred the Animal Damage Control (ADC) program from the U.S. Department of the Interior’s U.S. Fish and Wildlife Service to APHIS, where it was later renamed Wildlife Services. In 1987 APHIS’ international programs staff was given Foreign Service status, the agency’s influence in the international arena.

APHIS’ ability to protect animal and plant health was further strengthened by the passage of the 2000 Plant Protection Act and the 2002 Animal Health Protection Act. Both laws consolidated and modernized previous animal and plant health statutes, giving APHIS more tools for safeguarding agriculture and responding to pest and disease threats.
United States Department of Agriculture
2016 Presidential Transition
Animal and Plant Health Inspection Service (APHIS)

Organizational Chart
Biographies of career staff in key leadership positions

Kevin Shea  
Administrator  
202-799-7000, Kevin.A.Shea@aphis.usda.gov

Kevin Shea was appointed Administrator of the U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) on June 18, 2013, after serving as Acting Administrator since June 2012. As Administrator, Mr. Shea carries out the agency's broad mission of protecting and promoting American agriculture, regulating genetically engineered organisms, administering the Animal Welfare Act and carrying out wildlife damage management activities. In addition to his regular duties, Mr. Shea serves on the Secretary's Executive Resources Board and the Secretary's Management Council.

Before becoming Administrator, Mr. Shea served as Associate Administrator since September 2004, ensuring the smooth functioning of the Agency and championing APHIS' unprecedented business process improvement efforts. Starting in 2000, Mr. Shea served as Deputy Administrator for Policy and Program Development, providing leadership for the overall planning and direction of policies, programs and activities at APHIS, as well as being responsible for the Agency's budget, regulation development and environmental compliance programs. From 1992 to 2000 he served as APHIS' Director of Budget and Accounting. Earlier in his career he worked as a budget analyst, Chief of the Program Analysis Branch, and Chief of the Policy Analysis and Development Staff. He also spent one year practicing law in the litigation department of Frank, Bernstein, Conaway and Goldman in Baltimore, MD. Mr. Shea graduated from DeMatha Catholic High School in Hyattsville, MD and the University of Maryland in College Park. He earned a law degree, summa cum laude, from the University of Baltimore School of Law.

A native Washingtonian, Mr. Shea now resides in Crofton, MD.

Michael C. Gregoire  
Associate Administrator  
202-799-7023, Michael.C.Gregoire@aphis.usda.gov

Michael C. Gregoire was appointed Associate Administrator in January 2014. In this position, he works closely with Administrator Kevin Shea, ensuring the smooth day-to-day functioning of APHIS. Mr. Gregoire leads the Agency’s efforts to identify more alternatives to rulemaking to find solutions for the many critical animal and plant health and animal welfare issues facing U.S. agriculture. He also focuses on APHIS policy, budget and administrative issues and the Biotechnology Regulatory Services (BRS) and Plant Protection and Quarantine (PPQ) program areas.

Previously, Mr. Gregoire was Deputy Administrator of the BRS program for six years. In this position, he provided leadership and direction to ensure the safe development and introduction
(importation, interstate movement, and field testing) of genetically engineered organisms. Earlier, Mr. Gregoire served as Deputy Administrator for Policy and Program Development. In this role, he provided leadership and guidance in the overall planning and formulation of USDA policies, programs, and activities. Mr. Gregoire was also responsible for the Agency’s budget, regulation development, and environmental compliance programs.

After receiving his undergraduate degree, Mr. Gregoire worked for 2 years as a Social Welfare Examiner with the Erie County Department of Social Services in Buffalo, New York. He began his Federal career as a Budget Analyst with APHIS in 1978 and served in progressively responsible roles as an analyst and manager. From 1978 until 1992, Mr. Gregoire worked in the APHIS Budget and Accounting Division and served as the Agency’s Budget Officer for several years. From 1992 until 1995, Mr. Gregoire was the Chief of Staff to the APHIS Administrator. In 1995, he assumed a leadership position in the Agency’s information technology organization and was named APHIS Chief Information Officer in 1996.

Mr. Gregoire received his Bachelor of Arts degree in political science from Niagara University in 1976 and a Master’s Degree in public administration from George Washington University in 1983. Mr. Gregoire is a native of Buffalo, New York. He is married and has three children.

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**Dr. Jere L. Dick**
**Associate Administrator**
202-799-7160, Jere.L.Dick@aphis.usda.gov

Dr. Jere L. Dick was appointed Associate Administrator in October 2013. In this position, he works closely with Administrator Kevin Shea, ensuring the smooth day-to-day functioning of APHIS. Dr. Dick leads APHIS’ Business Process Improvement efforts, supports APHIS’ emergency response community, and focuses on the work of Veterinary Services (VS), Wildlife Services (WS), and International Services (IS).

Before becoming Associate Administrator, Dr. Dick was the Associate Deputy Administrator and Chief of U.S. Field Operations for VS for four years. In this critical position, Dr. Dick led Agency efforts to protect, sustain, and improve the productivity, marketability, and health of the nation’s animals, animal products, and biologics. He also played an integral role in protecting the nation from the introduction of dangerous and costly pests and diseases. Dr. Dick cooperated closely with States, foreign governments, industry, and other organizations to ensure that APHIS fulfilled its vital mission of safeguarding American agriculture.

Dr. Dick began his VS career as a field Veterinary Medical Officer in Helena, Montana, in 1988, after owning and operating two private veterinary practices in the State of Washington for nearly 10 years. He went on to hold a variety of critical positions in VS, including Associate Deputy Administrator for Veterinary National Animal Health Programs and Policy Staff, Eastern Regional Director, Area Veterinarian in Charge, Area Epidemiologist, field veterinary medical officer, as well as Incident Commander and Regional Incident Commander on two different disease eradication campaigns.
Dr. Dick received his Doctorate of Veterinary Medicine from Washington State University and his Bachelor of Science degree from Northwest Nazarene University. A native of Denair, California, Dr. Dick currently resides in Laurel, Maryland, with his wife Myrna.

William H. (Bill) Clay  
Deputy Administrator, Wildlife Services (WS)  
202-799-7095, Bill.Clay@aphis.usda.gov

Mr. Clay is responsible for overall planning, coordinating, and direction of the national WS operational and research programs. Before assuming the role of Deputy Administrator in August, 2000, Mr. Clay was the WS Associate Deputy Administrator for a period of 3 years, and was the WS director of the operational support staff for a period of 7 years. Prior to that, he served as the State Director for the WS program in North Dakota, and Assistant to the State Director for the Texas WS program.

Mr. Clay is a native of San Antonio, Texas. He obtained his B.S. degree in Wildlife Management from Texas Tech University, Lubbock, Texas, in December 1974 and is a certified wildlife biologist.

Dr. Jack Shere  
Deputy Administrator, Veterinary Services (VS)/Chief Veterinary Officer  
202-799-7147, Jack.A.Shere@aphis.usda.gov

Dr. Shere joined VS in 1990 as a field veterinary medical officer in Nebraska and Wisconsin and has held many leadership positions since then, including Associate Western Regional Director from 2002 to 2005 and Eastern Regional Director from 2005 to 2013. More recently, Dr. Shere served as VS’ Associate Deputy Administrator since 2013.

Dr. Shere has extensive experience with animal disease outbreaks, including salmonella enteritidis, foot-and-mouth disease in England, low pathogenic avian influenza, Exotic Newcastle Disease (END), and highly pathogenic avian influenza. During the extensive 2002-2003 END outbreak in California, Texas, New Mexico, and Utah, Dr. Shere served as the Joint Area Commander and Incident Commander, leading a massive federal and state eradication effort for nine months until the disease was eradicated from the United States.

Dr. Shere received a Bachelor of Science in Biology and Chemistry in 1981, a Doctor of Veterinary Medicine in 1987, and a Master of Science in Education with a minor in Counseling
in 1988 – all from Iowa State University. He received PhD’s in Poultry Science and Microbiology in 2001 from the University of Wisconsin. He also practiced veterinary clinical medicine for 3 years in Georgia.

Bernadette Juarez
Deputy Administrator, Animal Care (AC)
301-851-2735, Bernadette.R.Juarez@aphis.usda.gov

Ms. Juarez leads the program’s many employees in protecting and ensuring the welfare of millions of animals nationwide that are covered under the Animal Welfare Act (AWA) and the Horse Protection Act (HPA). She also oversees the collaborative work done at AC’s Center for Animal Welfare, building critical partnerships domestically and internationally, while seeking to improve regulatory practices and develop training and educational resources.

Prior to being named Deputy Administrator in February 2016, Ms. Juarez served with APHIS’ Investigative and Enforcement Services (IES), first as Deputy Director for nearly 5 years and then as Director beginning in 2013. As Director, Ms. Juarez was responsible for leading investigations of alleged AWA and HPA violations, as well as all other APHIS-administered statutes and regulations, and pursuing enforcement actions where warranted. She also transformed the unit’s ability to complete investigation and enforcement actions nearly 50% faster by streamlining its business processes and focusing on the highest priority investigations.

Ms. Juarez’s experience enforcing the AWA and HPA began prior to her joining APHIS as a trial attorney in USDA’s Office of the General Counsel from 2002 to 2009. In over 6 years, she represented APHIS in numerous AWA and HPA administrative enforcement proceedings. In 1999, Ms. Juarez completed her Bachelor in Business Administration from the University of New Mexico. She went on to earn her Juris Doctor from American University, Washington College of Law, in 2002.

Although originally from New Mexico, Ms. Juarez currently resides in Silver Spring, Maryland, with her husband Brian and two children, Concetta and Miles.

Osama El-Lissy
Deputy Administrator, Plant Protection and Quarantine (PPQ)
202-799-7163, Osama.A.El-Lissy@aphis.usda.gov

Mr. El-Lissy leads and directs a nationally dispersed staff that safeguards U.S. animal and plant resources from destructive pests and diseases.

For nearly two years before becoming PPQ’s Deputy Administrator, Mr. El-Lissy was the Associate Deputy Administrator responsible for policy and financial management within PPQ. Before that, he directed PPQ’s emergency management, providing national coordination in the preparedness, response, and recovery from plant health emergencies in the United States. This
included working with federal and state governments, industry stakeholders, and subject matter experts to develop and implement comprehensive plans designed to safeguard American agriculture against invasive pest outbreaks such as the recent citrus black spot in Florida, European grapevine moth in California, and potato cyst nematode in Idaho.

From 2000 to 2005, Mr. El-Lissy served as the APHIS National Coordinator for cotton pest programs. In that role, he provided the coordination for national cotton pest programs in the United States and Mexico, including the boll weevil and pink bollworm eradication programs. Mr. El-Lissy’s previous experience includes more than twelve years in the private sector managing large scale pest control and eradication programs. As the director of the Texas boll weevil eradication program from 1994 through 2000, he led one of the largest pest eradication programs in the world, affecting approximately four million acres of cotton and providing services to several thousand cotton producers and landowners.

Mr. El-Lissy earned a Master’s Degree in International Business Administration from Georgetown University, a Master’s Degree in Public Administration from American University, and a Bachelor of Science in Agriculture Production and Entomology from Cairo University.

Bethany Jones, Deputy Administrator, Legislative and Public Affairs (LPA)
202-799-7037, Bethany.X.Jones@aphis.usda.gov

Ms. Jones provides leadership and guidance to effectively communicate APHIS policy developments and program accomplishments. Ms. Jones is responsible for the overall planning and direction of LPA activities, which include media and industry outreach, legislative analysis, Freedom of Information and Privacy Act requests, production of informational materials, and response to media, congressional, intergovernmental, and citizen inquiries about APHIS programs.

Ms. Jones began her career with APHIS in 1990, after graduating from Randolph Macon Woman’s College with a Bachelor of Arts degree in English. She accepted a position as a writer/editor with LPA’s Executive Communications program and has been with LPA ever since. Ms. Jones spent 11 years in LPA’s Public Affairs office where she served in various positions including editor of the Agency’s newsletter, outreach campaign coordinator, international trade public affairs specialist, and Deputy Director of Public Affairs. In 2000, she was named Director of Public Affairs with responsibility for managing the Agency’s media, outreach, publications, web, and audio visual functions. In 2003, Ms. Jones was selected as Associate Deputy Administrator for LPA and then in 2007 as Deputy Administrator.

Beverly Simmons
Deputy Administrator, International Services (IS)
301-851-3775, Beverly.Simmons@aphis.usda.gov

In leading a 300-person staff domestically and overseas, Ms. Simmons directs cooperative efforts with foreign governments to prevent the introduction of high-risk pests and diseases into the
United States. She is also responsible for protecting and expanding overseas markets for U.S. agricultural goods, supporting rural incomes and jobs. Simmons broadens APHIS’ safeguarding system by leading work in developing regions to improve their capacity to detect—and respond—to emerging pests and disease threats.

Previously in APHIS, Simmons served as the Associate Deputy Administrator for Emerging and International Programs of Biotechnology Regulatory Services. In that role, she was responsible for developing new programs and initiatives to meet the evolving nature of APHIS’ biotechnology regulatory framework, and for advancing its international objectives.

Before joining APHIS, she was the Assistant Deputy Administrator of the Office of Scientific and Technical Affairs of USDA’s Foreign Agricultural Service. In that role, Simmons led the Agency’s efforts to develop strategic and tactical approaches to address technical, sanitary and phytosanitary barriers to agricultural trade. As director of the biotechnology group, she coordinated program and policy development for agricultural biotechnology trade-related issues. Other positions within FAS include Assistant Deputy Administrator for International Trade Policy and Assistant to the Deputy Administrator for Commodity and Marketing Programs. Simmons has also served as Agricultural Attaché at the U.S. Embassy in London. Simmons earned her undergraduate and graduate degrees in business/marketing and agricultural and resource economics from the University of Maryland at College Park.

Christine Zakarka
Deputy Administrator, Policy and Program Development (PPD)
301-851-3112, Christine.A.Zakarka@aphis.usda.gov

Ms. Zakarka provides leadership for the overall planning and directions of policies, programs and activities at APHIS. She is also responsible for the Agency’s budget, regulation development, and environmental compliance programs.

Prior to her recent appointment, Ms. Zakarka served since 2001 as Chief of PPD’s Planning, Evaluation, and Monitoring staff. In that role, she was responsible for developing the Agency’s strategic and operational plans, evaluating the effectiveness and efficiency of APHIS programs, and analyzing and improving business processes. Ms. Zakarka has also held numerous other positions in APHIS, including as a Manager of Information Technology Planning and as an Employee Development Specialist. She has served on several temporary managerial details, including Acting Director for the Agency’s Conflict Prevention and Management Program, Acting Director of the National Veterinary Services Laboratories in Ames, Iowa, and most recently, Acting Assistant Human Resources Director.

Ms. Zakarka obtained her Bachelor’s degree in Urban Planning from Fordham University and her Masters degree from University of Maryland University College.
Marilyn L. Holland
Deputy Administrator, Marketing and Regulatory Programs Business
202-799-7065, Marilyn.L.Holland@aphis.usda.gov

Ms. Holland is responsible for providing human resource management, financial management, and administrative services to support the objectives of the Animal and Plant Health Inspection Service (APHIS), the Agricultural Marketing Service and the Grain Inspection, Packers and Stockyards Administration. Ms. Holland also provides a variety of support services to APHIS, including information technology management, emergency management, and investigative services.

Ms. Holland led APHIS’ Modernization Project Management Office from 2011-2012. Prior to that assignment, she was APHIS’ Chief Information Officer from 2008 through 2011. Ms. Holland came to APHIS in 2006 as the Deputy Chief Information Officer. She has also worked in the area of IT Management at USDA’s Office of the Chief Information Officer and Agricultural Stabilization and Conservation Service (now Farm Service Agency). She began her career at USDA as a financial analyst in the Farmers Home Administration (now Rural Development).

Ms. Holland holds a Bachelor of Arts in History and a Master’s in Business Administration from Georgetown University.

Kenneth E. Johnson (Ken)
Director, Office of Civil Rights, Diversity and Inclusion (OCRDI)
202-799-7012, Ken.E.Johnson@aphis.usda.gov

Mr. Johnson is responsible for providing leadership, direction, coordination, evaluation and support to the APHIS Formal and Informal Complaint Programs; Cultural Transformation and Diversity and Inclusion Programs; Tribal Consultation and Outreach Programs; Civil Rights Compliance Program; and Minority Outreach and Special Emphasis Programs.

During his 37-year Federal Career, Mr. Johnson spent 10 years with the Agricultural Marketing Service, 2 years with the Office of the Assistant Secretary for Civil Rights, and 25 years with the Animal and Plant Health Inspection Service. He has held positions such as Special Programs Consultant to the Administrator; Acting Director, USDA Center for Minority Farmers; Director, Emergency Planning and Response Division; Director of the Riverdale/Washington Business Site; Director, Resource Management, Wildlife Services; Branch Chief, Procurement Policy and Safety Management; Budget Analyst; Administrative Officer; and Agricultural Marketing Specialist.

In addition to his Federal service, Ken served 9 years as an elected member of the Prince George's County Maryland Board of Education. During his tenure on the Board, his colleagues elected him Chairman of the Board three times.
Michael J. Firko, Ph.D.,
Deputy Administrator, Biotechnology Regulatory Services (BRS)
301-851-3941, Michael.J.Firko@aphis.usda.gov

Dr. Firko provides leadership and direction to ensure the safe development and introduction (importation, interstate movement, and field testing) of genetically engineered organisms. Dr. Firko’s USDA career spans more than 26 years, most of which he spent at APHIS, along with several years at the Agricultural Research Service. In fact, Dr. Firko first joined APHIS to work for Biotechnology, Biologics and Environmental Protection—the predecessor to BRS. The majority of Dr. Firko’s APHIS career, however, has been with the Plant Protection and Quarantine (PPQ) program, where he served in a number of leadership positions.

As APHIS’ Executive Sponsor for ePermits, Dr. Firko led the Agency’s transition to an on-line, electronic permitting system. He also led the creation of PPQ’s Remote Pest ID system, which uses digital images to help identify intercepted pests and expedite cargo clearance. In addition, Mike led PPQ’s Plant Pest Molecular Diagnostics Laboratory, the National Plant Pest Identification Services, and the Plant Germplasm Quarantine program. Following the terrorists attacks on Sept. 11, 2001, Dr. Firko helped create and subsequently led the Federal Select Agent Program until his move to BRS in 2011.

Dr. Firko joined BRS as the Acting Associate Deputy Administrator in July 2011, and was officially named to that position in March 2012. A little more than a year later, in May 2013, he was asked to serve as BRS’ Acting Deputy Administrator. In addition to his BRS responsibilities, Dr. Firko currently serves on USDA’s Science Council as the Marketing and Regulatory Program’s mission area representative. In that role he facilitates and supports cross-Department coordination and collaboration of science-related activities.

Dr. Firko received his Doctorate degree in Biology from the University of Pennsylvania in 1986. Dr. Firko was born in New Jersey, and has lived and worked in Colorado, Alabama, Pennsylvania, North Carolina, Massachusetts, Mississippi, Texas, and Maryland.
Organizational Budget and Financial Management

Animal and Plant Health Inspection Service

Budget Authority FY 2009-2016

(Dollars in Thousands)

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<td>2009-2016</td>
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**Discretionary**

**Safeguarding and Emergency Preparedness/Response**

Animal Health Technical Services

Aquatic Animal Health

Avian Health

Cattle Health

Equine, Cervid & Small Ruminant Health

National Veterinary Stockpile

Swine Health

Veterinary Biologies

Veterinary Diagnostics

Zoonotic Disease Management

Subtotal, Animal Health

Agricultural Quarantine Inspection (Appropriated)

Cotton Pests

Field Crop & Rangeland Ecosystems Pests

Fest Detection

Plant Protection Methods Development

Specialty Crop Pests

Tree and Wood Pests

Subtotal, Plant Health

Wildlife Damage Management

Wildlife Services Methods Development

Subtotal, Wildlife Services

Animal & Plant Health Regulatory Enforcement

Biotechnology Regulatory Services

Subtotal, Regulatory Services

Contingency Fund

Emergency Preparedness & Response

Subtotal, Emergency Management

Subtotal Safeguarding and Emergency Preparedness/Response

Safe Trade and International Technical Assistance

Agriculture Import/Export

Horse Protection

Subtotal, Animal Welfare

Agency-Wide Programs

APHIS Information Technology Infrastructure

Physical/Operational Security

Decentralized GSA Rental and DHS Security Payments

Subtotal, Agency Management

Congressional Unidentified Funding

Buildings and Facilities

Subtotal, Appropriated

General Provisions 1)

Animal and Plant Health Emergency Funding Transfers 2)

Discretionary, Subtotal

Mandatory

Farm Bill Authorized Plant Health Programs 3)

Trust Funds

Agricultural Quarantine Inspection User Fees

Mandatory Subtotal

Recovery Act Funds

Supplemental

Transfers for Congressional Relations Support

Reimbursements and Offsetting Collections

Total

Congress provided $469,000 in FY 2009 and $2.6 million in FY 2010 through general provisions in the appropriation for the planning and design of an agricultural pest facility in Hawaii.

Congress provided $20 million in 2-year funding through a general provision in the FY 2014 appropriation, and an additional $5.5 million in 2-year funding through a general provision in the FY 2016 appropriation for the Multi-Agency Contingency Fund.

The Animal and Plant Health Protection Act adopted by Congress will provide the Secretary of Agriculture with the authority to transfer funds to APHIS for use in controlling outbreaks of insects, plant diseases, and animal and poultry diseases. However, Congress provided $469,000 in FY 2009 and $2.6 million in FY 2010 through general provisions in the appropriation for the planning and design of an agricultural pest facility in Hawaii.

The Animal and Plant Health Protection Act grant the Secretary of Agriculture authority to transfer funds to APHIS for use in controlling outbreaks of insects, plant diseases, and animal and poultry diseases. Although Congress provided $20 million in 2-year funding through a general provision in the FY 2014 appropriation, and an additional $5.5 million in 2-year funding through a general provision in the FY 2016 appropriation for the Multi-Agency Contingency Fund.
Congressional Actions

Congress provided $469,000 in FY 2009 and $2.6 million in FY 2010 through general provisions in the appropriation for the planning and design of an agricultural pest facility in Hawaii. This funding was related to a FY 2007 Senate requirement for APHIS to conduct a feasibility study on the construction of a multi-species fruit fly facility in Hawaii. APHIS had an existing, but defunct, fruit fly facility in Waimanalo, Hawaii. APHIS closed down the Waimanalo facility in 2002 due to a variety of structural and technical problems. APHIS used the funds provided to conduct the feasibility study as directed. The study’s findings included that the existing building needed to be demolished and that the cost of a new multi-species facility was an estimated $35 million in 2011 dollars. Congress did not provide funding to construct the new facility. APHIS used the remaining general provision funding to demolish the old building. APHIS continues to have an irradiator in Waimanalo where Mediterranean fruit flies produced by the California Department of Food and Agriculture are sterilized for use in preventive release programs in California.

The FY 2011 Full-Year Continuing Resolution removed $27 million from APHIS’ appropriation related to approximately 45 Congressionally directed projects. This funding covered a variety of activities, ranging from specific wildlife damage mitigation projects to pre-departure inspections of passenger baggage from Hawaii to the continental United States to projects related to specific animal and plant disease mitigation programs. Without funding, APHIS permanently discontinued many of the specific projects.

Congress provided $20 million in 2-year funding through a general provision in the FY 2014 appropriation for the Multi-Agency Coordination (MAC) Group for Huanglongbing (HLB), or citrus greening. HLB is a devastating disease that threatens U.S. citrus production, valued at $3.1 billion in 2013. APHIS established the HLB MAC framework to identify and support promising tools and solutions that growers can use to fight HLB in their groves. Congress provided an additional $5.5 million in the FY 2016 appropriation for the HLB MAC that is available until the end of FY 2017. Since FY 2014, APHIS has funded more than 30 projects carried out by State cooperators, universities, private companies, and Federal agencies. The projects focus on control methods targeting the insect vector that spreads HLB, therapies for HLB-infected trees, early detection methods for finding newly infected trees, and ways to sustain new citrus plantings. Some promising tools developed include thermotherapy (heat treatment) to keep HLB-infected trees productive, biological control of the insect vector, and new grove management strategies—such as lowering the pH of soil and water to allow better uptake of nutrients—that keep trees productive.
United States Department of Agriculture
2016 Presidential Transition
Animal and Plant Health Inspection Service (APHIS)

Agency Actions and Authorities

In FY 2012, APHIS restructured its budget with Congressional approval through the appropriations process. APHIS shifted from pest and disease-specific line items toward a commodity-based approach. For example, the previous budget structure had separate line items for bovine tuberculosis and brucellosis as well as another focused on animal disease surveillance. APHIS combined portions of each of these line items into the Cattle Health line item. On the plant side, APHIS combined line items for addressing exotic fruit flies, plum pox virus, golden nematode, and others into the Specialty Crop Pests line item. The APHIS budget went from approximately 45 line items to 30. APHIS pursued this change to provide flexibility to address the most pressing pest and disease issues facing a particular industry or commodity.

When pest or disease outbreaks that pose a serious economic threat to American agriculture require funding beyond that available, emergency funds may be needed. The Plant Protection Act and the Animal Health Protection Act grant the Secretary of Agriculture authority to transfer funds to APHIS for use in controlling outbreaks of insects, plant diseases, and animal and poultry diseases. Although the Secretary is authorized to transfer funds from any USDA agency or corporation, the funds are typically transferred from the Commodity Credit Corporation (CCC). Each year, APHIS’ appropriation also emphasizes this authority. In FY 2015, APHIS received approximately $1 billion in emergency funds transferred from the CCC to address the largest animal outbreak in history – that of notifiable avian influenza. In past years, APHIS has received transfers of emergency funds to address plant pests such as Asian longhorned beetle and European grapevine moth and animal pest or disease outbreaks such as bovine tuberculosis and cattle fever ticks.

Also, in FY 2015 the Department decentralized its General Services Administration (GSA) rent account. The appropriated budget included a new line item totaling $42.5 million to cover APHIS’ portion of this account.

In FY 2016, APHIS implemented new rates for the Agricultural Quarantine Inspection user fees. The new rates were designed to increase overall revenue as well as ensure that the fees for each conveyance covered the costs associated with that conveyance. The Agency expects to see the impact of the new user fee rates in FY 2017.
Enterprise Workforce Data

**Permanent Workforce FY 2009-FY 2016**

- **Headquarters***
- **Field Offices**
- **Total STAFF**

*HQ equals Riverdale, MD and Washington, DC

**Pay System Distribution**

- GS 1-GS 4: 1.75%
- GS 5-GS 7: 19.08%
- GM/GS 13-GS 15: 26.43%
- GS 8-GS 12: 49.52%
- Foreign Service: 0.45%
- Wage System: 2.06%
- ES/SES/SL: 0.71%
United States Department of Agriculture
2016 Presidential Transition
Animal and Plant Health Inspection Service (APHIS)

Current Permanent Workforce by Location

- Headquarters*: 35.9%
- Regional Offices: 22%
- Non-U.S. Locations: 21.3%
- Top 4 States with most APHIS staff: 18%
- All Other Stateside Locations: 3%

*HQ equals Riverdale, MD and Washington, DC

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Number of Staff Years</th>
<th>Percentage of Staff Years</th>
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<tbody>
<tr>
<td>Animal Health</td>
<td>1,518</td>
<td>20%</td>
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<tr>
<td>Plant Health</td>
<td>1,885</td>
<td>24%</td>
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<tr>
<td>Wildlife Services</td>
<td>791</td>
<td>10%</td>
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<tr>
<td>Safe Trade and International Technical Assistance</td>
<td>180</td>
<td>2%</td>
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<tr>
<td>Agricultural Quarantine Inspection User Fee Collection</td>
<td>1,250</td>
<td>16%</td>
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<tr>
<td>Other</td>
<td>2,108</td>
<td>27%</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>7,732</strong></td>
<td><strong>100%</strong></td>
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USDA’s Animal and Plant Health Inspection Service (APHIS) employs a workforce of 8609 employees of whom 5771 are permanent. Of these permanent employees, the following are full-time and part-time:
- Full-time: 5669 employees
- Part-time: 85 employees
- APHIS employs an additional 5 full-time seasonal employees and 12 intermittent employees to provide support during busier months.
- In addition to its permanent workforce, APHIS employs 1313 temporary employees and 1525 term employees.

Of the total permanent staff, 25% are unionized and 75% are not unionized.

Of the total permanent staff, 60% are in the following mission-critical positions:
- General Biological Science
- Veterinary Medical Officer
- Wildlife Biologist
- Animal Health Technician
- Information Technology
- Plant Protection and Quarantine Technician
- Biological Technician
- Human Resources Specialist
- Microbiologist

Of our total permanent workforce, 29.8% are eligible to retire within the next year; if term and temporary employees are included, 21.6% are eligible to retire as of November 1, 2016.

Our headquarters is located in Washington, D.C. and nearby Riverdale Maryland, which together house 18% of our workforce, a total of 1056 employees.

82% of the APHIS workforce are located in the field throughout the United States and internationally.

- Of these employees, 21.8% are located in 4 regional offices:
  - Fort Collins, CO, site of the National Wildlife Research Center, the Western Regional Animal Care office and the Centers for Epidemiology and Animal Health;
  - Raleigh, NC, location for the Center for Plant Health Science and Technology and Eastern Regional Animal Care office;
  - Ames, IA, site of the National Veterinary Services Laboratories and Center for Veterinary Biologics; and
- 59.9% are elsewhere, with a large number of these employees teleworking from their homes.
United States Department of Agriculture
2016 Presidential Transition
Animal and Plant Health Inspection Service (APHIS)

- 155 employees are located in 18 non-U.S. locations. These employees develop international strategies and partnerships, help protect and expand U.S. agricultural exports abroad, and assist foreign partners in building their animal and plant health infrastructures, helping to reduce the likelihood of undetected agricultural threat pathways into the United States.

II. Policies and Regulations

Statutory Authorities

The Secretary of Agriculture established the Animal and Plant Health Inspection Service (APHIS) on April 2, 1972, under the authority of Reorganization Plan No. 2 of 1953 and other authorities. The mission of the Agency is to protect the health and value of American agriculture and natural resources.

APHIS operates under the following general authorities:

- 7 U.S.C. 450 Talmadge-Aiken Act (cooperation with States)
- 7 U.S.C. 7759 Miscellaneous Receipts
- 31 U.S.C. 9701 Miscellaneous Receipts
- 7 U.S.C. 3291a(3) Authority to provide technical assistance and training
- 7 U.S.C. 5680 Farm Security and Rural Investment Act of 2002—reporting on SPS issues and trade barriers
- 7 U.S.C. 5925 Food, Agriculture, Conservation, and Trade Act of 1990—authorizes funding for national honeybee pest survey
- 7 U.S.C. 2279g Marketing Services; cooperative agreements

Animal and Plant Safeguarding and Emergency Preparedness/Response

APHIS monitors plant and animal health domestically and throughout the world and uses the information to control pests and diseases and set effective agricultural import policies to prevent the introduction of foreign plant and animal pests and diseases. Sanitary (animal) and phytosanitary (plant) (SPS) regulations can have a significant impact on market access for the United States as an exporter of agricultural products. APHIS plays a central role in resolving technical trade issues to ensure the smooth and safe movement of agricultural commodities into and out of the United States.
United States Department of Agriculture
2016 Presidential Transition
Animal and Plant Health Inspection Service (APHIS)

Authorities:

Animal Health:

7 U.S.C. 8301-8317  The Animal Health Protection Act
49 U.S.C. 80502  28-Hour Law (feed, water, and rest for animals)
19 U.S.C. 1202, Part I, Item 100.01  Purebred animal duty-free entry
7 U.S.C. 1622  Section 203 of the Agricultural Marketing Act of 1946
7 U.S.C. 1624  Section 205 of the Agricultural Marketing Act of 1946
7 U.S.C. 430  Section 101(d) of the Organic Act of 1944
7 U.S.C. 3801-3813  Swine Health Protection Act
7 U.S.C. 851-855  Anti-hog cholera serum and hog cholera virus
7 U.S.C. 2274  Firearms (tick inspectors)
7 U.S.C. 1901 note  Transportation of Equines to Slaughter
21 U.S.C. 151-159  Virus-Serum-Toxin Act
21 U.S.C. 113a  Authority to establish research facilities for FMD and other diseases
21 U.S.C. 618  Section 18 of the Federal Meat Inspection Act, as amended, as it pertains to the issuance of certificates of condition of live animals for export
7 U.S.C. 8401  Title II, Subtitles B and C of the Agricultural Bioterrorism Act of 2002
7 U.S.C. 8318  Section 10504 of the Farm Security and Rural Investment Act of 2002 (training of accredited veterinarians)

Plant Health:

7 U.S.C. 7701-7772; 7781-7786  Plant Protection Act
7 U.S.C. 1581-1611  Title III, Federal Seed Act
7 U.S.C. 2801 note; 2814  Federal Noxious Weed Act
7 U.S.C. 281-286  Honeybee Act
7 U.S.C. 2279e and 2279f  Title V of the Agricultural Risk Protection Act of 2000 (penalties for interfering with inspection animals)
16 U.S.C. 1531-1544  Endangered Species Act (plants)
16 U.S.C. 3371-3378  Lacey Act (importation or shipment of injurious mammals, birds, fish)
7 U.S.C. 8401 and 8411  Title II, Subtitle B, of the Agricultural Bioterrorism Protection Act of 2002
Wildlife

Through its Wildlife Services program, APHIS protects agriculture from detrimental animal predators through identification, demonstration, and application of the most appropriate methods of control. APHIS also develops methods to control animals and pests that are detrimental to agriculture, wildlife, and public safety.

Authority:

7 U.S.C. 426-426d  
Control of predatory and other wild animals

Animal Welfare

The Agency conducts regulatory activities to ensure the humane care and treatment of certain animals and horses as required by the Animal Welfare Act of 1966 as amended (7 U.S.C. 2131-2159), and the Horse Protection Act of 1970 as amended (15 U.S.C. 1821-1831). These activities include inspection of certain establishments that handle animals intended for research, exhibition, and sale as pets, and monitoring of certain horse shows.

Authorities:

7 U.S.C. 2131-2159  
Animal Welfare Act
15 U.S.C. 1821-1831  
Horse Protection Act

Important Policies and Regulations

APHIS publishes an average of 120 to 150 documents in the Federal Register each year, ranging from notices regarding the Paperwork Reduction Act, notices of availability for environmental assessments or for risk assessments used to make market access decisions, to interim rules establishing or expanding domestic quarantined areas for plant pests or to adjust the status of States with regard to animal health programs, to proposed and final rules that make substantive changes or updates to our animal welfare and plant and animal health regulations. Fiscal year 2015 was a typical year in terms of the number and types of documents published: 96 notices, 18 final rules (2 of which were economically significant, the remainder not significant), 14 proposed rules (2 of which were significant, the remainder not significant), and 4 interim rules. Of the current regulatory and non-regulatory actions being tracked, roughly 15 percent are significant/economically significant, 20 percent are not significant, and the remainder are waived or not subject to OMB review.

Regulatory Actions Published in the Last Year:

The proposed rule for amending the horse protection regulations would, among other things, amend the regulations to provide that APHIS (rather than industry) will train and license inspectors inspecting horses for compliance with the Horse Protection Act. (The Horse Protection Act prohibits soring, a cruel and inhuman practice where certain gaited breeds of horses are subjected to irritants to enhance their gait and provide a competitive advantage in shows,
exhibitions, sales and auctions.) We are also proposing several changes to the list of devices, equipment, substances, and practices that can cause soring or are otherwise prohibited under the HPA and regulations. (Published: 7/26/16; Comments due: 10/26/16)

The **proposed rule for the importation of live sheep, goats, and certain other non-bovine ruminants, and products derived from sheep and goats, with regard to transmissible spongiform encephalopathies such as bovine spongiform encephalopathy (BSE) and scrapie** would remove BSE-related import restrictions on sheep and goats and most of their products, and add import restrictions related to transmissible spongiform encephalopathies for certain wild, zoological, or other non-bovine ruminant species. The conditions for the importation of specified commodities would be based on internationally accepted scientific literature and would more closely align our regulations with guidelines set out in the World Organization for Animal Health’s Terrestrial Animal Health Code. (Published: 7/18/16; Comments due: 9/16/16)

The **proposed rule to update our National Environmental Policy Act regulations** would clarify and amend the categories of action for which we would normally complete an environmental impact statement or an environmental assessment for an action, expand the list of actions subject to categorical exclusion from further environmental documentation, and set out an environmental documentation process that could be used in emergencies. (Published: 7/20/16; Comments due: 9/19/16)

The **proposed rule for establishing de minimis exemptions from the Animal Welfare Act** would amend the AWA regulations in response to a 2014 Farm Bill amendment to the Act that provides the Secretary of Agriculture with the authority to determine that animal dealers and exhibitors are not required to obtain a license under the Act and regulations if the size of the business conducting AWA-related activities is determined by the Secretary to be de minimis. The proposal would establish de minimis thresholds for businesses breeding, selling, or exhibiting regulated animals and include the thresholds in the regulations. Dealers and exhibitors operating at or below the thresholds determined for their AWA-related business activity would be exempted from Federal licensing requirements established under the Act and regulations. (Published: 8/4/16; Comments due: 11/2/16)

The **proposed rule for the importation of lemons from Argentina** would allow for the importation of lemons from Argentina under certain conditions. (Published: 5/10/16; Comments due: 8/10/16).

The **final rule for user fees for agricultural quarantine and inspection services** amended the user fee regulations by adding new fee categories and adjusting current fees charged for certain agricultural quarantine and inspection services that are provided in connection with certain commercial vessels, commercial trucks, commercial railroad cars, commercial aircraft, and international passengers arriving at ports in the customs territory of the United States. We also adjusted and removed the fee caps associated with commercial trucks, commercial vessels, and commercial railcars. This rule allows us to recover the costs of the current level of activity, to account for actual and projected increases in the cost of doing business, and to more accurately
align fees with the costs associated with each fee service. (Published: 10/29/15; Effective 12/28/15)

The **interim rule for highly pathogenic avian influenza** (HPAI) in response to the outbreaks that occurred 2014 to 2015 addressed indemnity claims paid to owners and contractors to ensure that contractors are compensated appropriately. Specifically, we provided a formula that allows us to split indemnity payments between poultry and egg owners and parties with which the owners enter into contracts to raise or care for the eggs or poultry based on the proportion of the production cycle completed. This requirement is intended to prevent the introduction of HPAI into commercial facilities due to substandard biosecurity practices. (Published and effective: 2/9/16)

The **proposed rule for marine mammals** would ensure that the minimum standards for the humane handling, care, treatment, and transportation of marine mammals in captivity are based on current industry and scientific knowledge and experience. (Published: 2/3/16; Comments due: 5/4/16).

The **proposed rule for the select agents program** is part of the biennial review to amend and republish the list of select agents and toxins that have the potential to pose a severe threat to animal or plant health, or to animal or plant products, as required by the Agricultural Bioterrorism Protection Act of 2002. (Published: 1/19/16; Comments due: 3/21/16).

The **proposed rule for brucellosis and tuberculosis** (TB) would shift the focus of the domestic regulations from disease prevalence to disease management, better reflecting today’s low prevalence rates for these diseases. In addition, it revises the TB- and brucellosis-related import requirements to make these requirements clearer and assure that they more effectively mitigate the risk of introduction of these diseases into the United States. (Published: 12/16/15; Comments due: 5/16/16).

**Upcoming Regulatory Actions:**

The **proposed rule for part 340** would amend the regulations regarding the importation, interstate movement, and environmental release of certain genetically engineered organisms to bring the regulations into alignment with provisions of the Plant Protection Act. The revisions would also update the regulations in response to advances in genetic science and technology and the agency’s accumulated experience in implementing the current regulations, as well as reduce the burden on regulated entities. This is the first comprehensive review and revision of the regulations since they were established in 1987.

The **final rule to establish performance standards for importation and interstate movement of fruits and vegetables (Q56 expansion)** would expand the current notice-based process for the importation of fruits and vegetables subject to certain mitigations to include all imported fruits and vegetables, regardless of the mitigations identified in the pest risk analysis for the commodity. This will eliminate the need for those rulemakings and free up regulatory
development resources to work on other pending regulatory changes that impact APHIS program delivery. APHIS will maintain a list of all approved fruits and vegetables and their corresponding import requirements on its Web site.

The **final rule for scrapie**, among other things, would amend the regulations by changing the risk groups and categories established for individual animals and for flocks, increasing the use of genetic testing as a means of assigning risk levels to animals, reducing movement restrictions for animals found to be genetically less susceptible or resistant to scrapie, and simplifying, reducing, or removing certain recordkeeping requirements.

The **final rule for select agents** biennial review to amend and republish the list of select agents and toxins that have the potential to pose a severe threat to animal or plant health, or to animal or plant products, as required by the Agricultural Bioterrorism Protection Act of 2002.

The **proposed rule for plant pest regulations (part 330)** would revise our regulations regarding the movement of plant pests, propose criteria regarding the movement of soil, the movement and environmental release of biological control organisms, and propose to establish regulations to allow the importation and movement in interstate commerce of certain types of plant pests without restriction by granting exceptions from permitting requirements for those pests.

The **proposed rule for domestic quarantines (part 301)** would, instead of pest-specific regulations, establish a consolidated regulatory framework that would pertain to all plant pests for which the Administrator has established a domestic quarantine program. The proposed framework would establish a process to add or remove domestic quarantine programs without requiring rulemaking.

This **final rule for the forfeiture regulations** would bring our forfeiture regulations into compliance with the Civil Asset Forfeiture Reform Act of 2000. It also amends the requirements for determining the value of seized property, increases the monetary threshold of those cases proceeding through judicial forfeiture, provides for the assessment of storage costs of seized property, and makes the regulations easier to understand.

This **final rule for wood packaging material** from Canada would amend the regulations for the importation of unmanufactured wood articles to remove the exemption that allows wood packaging material from Canada to enter the United States without first meeting the treatment and marking requirements of the regulations that apply to wood packaging material from all other countries.

**Overview of the policy/regulation review process**

Pursuant to its authority under the Animal Health Protection Act, Plant Protection Act, Animal Welfare Act, and other statutes, APHIS promulgates rules as necessary to support the efforts of its regulatory programs (Animal Care, Biotechnology Regulatory Services, Plant Protection and Quarantine, and Veterinary Services). Regulatory priorities are established in a variety of ways.
United States Department of Agriculture
2016 Presidential Transition
Animal and Plant Health Inspection Service (APHIS)

In rare cases, APHIS has statutory deadlines that come out of the Farm Bill or other laws, such as the Agricultural Bioterrorism Protection Act of 2002. Market access (trade) requests are prioritized according to a master list developed in cooperation with the Foreign Agriculture Service. Other regulations are marked as priorities based on Administration policy goals, the need to address an urgent situation, or as deliverables to leverage U.S. market access requests. The prioritization process is fluid, changing regularly depending on Secretarial/Administration priorities.

APHIS has developed procedures to streamline internal regulatory clearance processes as much as possible. The Agency routinely provides the Office of the General Counsel (OGC) a prioritized list of pending rules, to help that office prioritize its review of pending regulations and to anticipate upcoming demands, and conducts briefings for USDA, OMB, and other agencies to facilitate clearance of high priority rules. In implementing the regulations, the Agency relies on a variety of manuals and guides, all of which are made available to the public on the Agency website.

Both the Animal Health and Plant Protection Acts give APHIS broad authority to address emergency situations through the issuance of Emergency Action Notifications and Federal Orders. These are both emergency regulatory mechanisms. A Federal Order is issued by the agency to generally regulate an area or put in place a general control. Federal Orders are effective immediately and contain specific regulatory requirements; they may prohibit or restrict entry of a regulated article, or they may prohibit or restrict interstate movement. For example, APHIS may quarantine a county with several growers in it using a Federal Order. An Emergency Action Notification (EAN) provides notice that a specific action must take place to mitigate a specific threat. For example, APHIS may issue an EAN to a grower requiring that they perform a quarantine treatment, or to a shipper requiring the treatment, re-export, or destruction of a shipment presented for entry into the United States.

A Federal Order remains in effect until it is revised by another Federal Order, rescinded, or until an interim rule on the subject is published. If APHIS determines the situation addressed by a Federal Order is going to be long term, the Agency will either establish regulations or implement a non-regulatory solution, at which point the Federal Order is no longer necessary.

An emergency action may be triggered by a finding of a quarantine pest or confirmed case of a recognized foreign animal disease; an occurrence of a new or emerging pest or disease that poses a significant threat to plant health, animal health, public health, the food supply, or the economy; or an outbreak that is unusually widespread and thus strains Federal, State, and producer resources. In any animal or plant health emergency, APHIS works closely with State, local, Tribal, and other appropriate Federal officials, as well as industry, to determine the scope and approach of the regulatory response. Guidelines are outlined in documents such as APHIS’ Foreign Animal Disease Preparedness and Response Plan. The Plant Protection Act and the Animal Health Protection Act grant the Secretary of Agriculture authority to transfer funds to APHIS for use in controlling outbreaks of insects, plant diseases, and animal and poultry diseases. Although the Secretary is authorized to transfer funds from any USDA agency or corporation, the funds are typically transferred from the Commodity Credit Corporation.
With regard to regulation of biotechnology, APHIS has processes in place to ensure the safe importation, interstate movement, and field testing of certain genetically engineered (GE) organisms (plants, insects, or microbes). All regulated introductions of GE organisms must be authorized by APHIS’ Biotechnology Regulatory Services (BRS) under either its permitting or notification procedures. BRS issues permits for introductions of GE organisms that pose a plant pest risk; applicants must provide scientific information for BRS to review before the program issues the permit. BRS’ notification procedure is an administratively-streamlined alternative to a permit. The GE organism must meet specified eligibility criteria, and the introduction must meet certain pre-defined performance standards.

When a developer has collected enough evidence that a GE organism poses no more of a plant pest risk than an equivalent non-GE organism, the developer may petition BRS to determine non-regulated status for the GE organism. If BRS approves the petition, the GE organism may then be introduced into the United States without any further regulatory oversight by APHIS.

In recent years, BRS has undertaken a number of business process improvement projects that have enabled APHIS to meet its goal of safely moving important new technology to market faster, according to timeframes established in the new process. BRS also developed and implemented a related project aimed at increasing use of the extension process described in its biotechnology regulations, optimizing it to achieve faster de-regulations while maintaining a high standard of protection of plant health. This process applies in cases where an applicant is seeking de-regulation of a new genetically engineered plant that is very similar to one or more already de-regulated.

APHIS’ Center for Veterinary Biologics (CVB) regulates veterinary biologics (vaccines, bacterins, antisera, diagnostic kits, and other products of biological origin) to ensure that products available for the diagnosis, prevention, and treatment of animal diseases are pure, safe, potent, and effective. CVB reviews license applications for veterinary biologics production facilities, as well as for the products themselves; reviews applications for permits to import these products; establishes licensing, testing, and permit requirements and procedures; and reviews production methods, labels, and supporting data involved in the licensing and permit process. CVB’s prelicense testing involves evaluating parent materials (master seeds and cells) and final products to, among other things, ensure purity, safety, and potency and that the manufacturer is able to reproduce quality product.

CVB also conducts postlicense quality control monitoring. Manufacturers submit samples of each serial of all licensed veterinary biologics to CVB, which are stored for the shelf life of the product. All serials are required to be tested by the manufacturer prior to sale. CVB monitors the reliability of manufacturers’ quality control programs by conducting confirmatory testing of randomly selected serials; the unit also tests products as part of investigations resulting from consumer or manufacturer concerns.

CVB has undertaken several business process improvement projects over the past several years, which have resulted in in the unit streamlining its processes for license submissions, reviews, and issuances. This, in turn, has enabled the veterinary biologics industry to safely move important
new technologies to market faster. CVB has also taken steps to create simpler label claim requirements to make it easier for veterinarians and animal owners to understand what products do and don’t do.

**GAO and OIG Audits and other significant reports**

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<th>Report Name</th>
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<tr>
<td>APHIS Wildlife Services – Wildlife Damage Management (33601-02-41)</td>
<td><a href="https://www.usda.gov/oig/webdocs/33601-0002-41.pdf">https://www.usda.gov/oig/webdocs/33601-0002-41.pdf</a></td>
<td>OIG reviewed APHIS’ wildlife damage management activities, controls over cooperative agreements, our management information system, and hazardous materials and equipment accountability.</td>
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<td>Controls Over Genetically Engineered Animal and Insect Research (50610-16-TE)</td>
<td><a href="https://www.usda.gov/oig/webdocs/50601-0016-TE.pdf">https://www.usda.gov/oig/webdocs/50601-0016-TE.pdf</a></td>
<td>OIG reviewed APHIS’ controls over genetically engineered animal and insect research, including policies used to prevent their release into the environment.</td>
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39
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<th>Topic</th>
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<th>GAO Summary</th>
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<td>Antibiotic Resistance: Agencies Have Made Limited Progress Addressing Antibiotic Use in Animals (GAO 11-801)</td>
<td><a href="http://www.gao.gov/products/GAO-11-801">http://www.gao.gov/products/GAO-11-801</a></td>
<td>GAO reviewed the extent to which Federal agencies collected data on antibiotic use and antibiotic resistance in animals for consumption. They also reviewed how Federal agencies have conducted research on alternatives to current antibiotic use, and have informed producers and veterinarians about appropriate antibiotic use.</td>
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<td>Homeland Security: Agriculture Inspection Program Has Made Some Improvements, but Management Challenges Persist (GAO 12-885)</td>
<td><a href="http://www.gao.gov/products/GAO-12-885">http://www.gao.gov/products/GAO-12-885</a></td>
<td>GAO performed a follow up audit related to the transfer of certain agricultural inspection functions to DHS in 2003. GAO reviewed the extent to which Federal agencies implemented GAO’s prior recommendations and how USDA and DHS use data on arrivals, inspections, and interceptions to manage the program.</td>
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<td>Future Biotechnology Products and Opportunities to Enhance Capabilities of the Biotechnology Regulatory System. (National Academy of Sciences National Research Council Studies. DELS-BLS-15-16)</td>
<td><a href="http://www8.nationalacademies.org/cp/projectview.aspx?key=49773">http://www8.nationalacademies.org/cp/projectview.aspx?key=49773</a></td>
<td>USDA, EPA, and FDA are funding the study, due before the end of FY 2016, as part of the process to modernize the regulation of biotechnology products. The report will answer the questions “What will the likely future products of biotechnology be over the next 5-10 years? What scientific capabilities, tools, and/or expertise may be needed by the regulatory agencies to ensure they make efficient and sound evaluations of the likely future products of biotechnology?”</td>
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III. Congressional Relations and Issues

Overview

Key issues are listed in alphabetical order below.

1. Agricultural Security

Issue Summary:

In 2003, the Federal Government designated the Food and Agriculture Sector as a critical infrastructure sector, recognizing its significant contribution to national security and the economy. Protecting the Nation’s food and agricultural critical infrastructure is an important responsibility shared by Federal, State, local, Tribal, and territorial governments and private sector partners. Since 2003, the sector has successfully built public-private partnerships that improved information sharing, created forums to share best practices, and developed tools and exercises to improve incident response and recovery.

Interruption of operations within the sector could have a potentially devastating impact on the Nation’s public health and economy. For example, the highly pathogenic avian influenza outbreak of 2015 cost the Federal government nearly $1 billion just in response, clean up, and indemnity costs. That didn’t include lost export markets, temporary shortages, or price increases for certain poultry and their products, lost jobs, and people who saw their livelihoods put in grave danger. The Animal and Plant Health Inspection Service (APHIS) works every day to protect the Food and Agriculture Sector by preventing the entry and spread of agricultural pests and diseases, ensuring the safe trade of agricultural products, and protecting the health of U.S. agricultural resources, including addressing zoonotic disease issues and incidences.

Current Status/Executive Branch Position:

The U.S. Department of Agriculture, Food and Drug Administration, and Department of Homeland Security released an updated Food and Agriculture Sector-Specific Plan in 2015. The plan outlines key accomplishments to reduce sector risk, improve coordination, and strengthen security and resilience capabilities. It also identifies Sector partners, risks, goals, and priorities.

Member/Committee Interest and APHIS Response:

There has been increasing interest in the 114th Congress in agricultural security. APHIS expects continued interest in the 115th Congress.
House Agriculture Committee:
In March 2016, the Committee held a hearing, “Defending American Agriculture Against Foreign Pests and Diseases”, at which APHIS and U.S. Customs and Border Protection testified about their efforts to protect U.S. agriculture against both intentional and unintentional threats. This followed a November 2015 hearing, “American Agriculture and Our National Security,” during which a former U.S. ambassador and an academic discussed the relationship between U.S. national security and agriculture.

Senate Agriculture Committee:
Chairman Pat Roberts (R-KS) has long had a focus on agricultural security, having previously served as Chair of the Senate Select Committee on Intelligence. He also indicated interest in having the Department of Homeland Security’s National Bio- and Agro-Defense Facility (NBAF, see related Hot Topic) constructed on the campus of Kansas State University. NBAF will be a state-of-the-art, biocontainment laboratory for the study of diseases that threaten both America’s animal agricultural industry and public health.

In June 2016, APHIS, the Central Intelligence Agency, and the National Counterterrorism Center provided a classified briefing to Roberts—at his request—on intentional and unintentional threats to agriculture. His staff has indicated he may consider an additional briefing or hearing on the issue.

2. **Antimicrobial Resistance (AMR)**

Issue Summary:

In recent years, there has been growing consensus in the public and the scientific community that bacteria that cause disease in people and animals are developing more resistance to the antibiotics, including those used in animal agriculture.

The Food and Drug Administration (FDA) is the primary regulatory agency for antibiotic use in animals. However, USDA and FDA work together closely to identify and mitigate emerging threats to America’s food supply. Under the Animal Health Protection Act, APHIS works to detect, control, or eradicate any disease or pest of livestock. APHIS operates the National Animal Health Monitoring System (NAHMS), which collects data on farm management and animal health practices, as well as on the prevalence and economic importance of livestock diseases and associated risk factors. FDA relies on the science-based information that APHIS and other USDA agencies generate about antibiotic drug use, AMR patterns, and livestock and poultry management practices to inform its policy and regulatory decisions. FDA also taps into USDA’s extensive network of collaborative relationships with producers and industry organizations as part of its outreach.

In 2014, USDA and its other Federal partners developed a National Strategy for Combatting Antibiotic-Resistant Bacteria, which outlined an array of possible initiatives to address the issue. In December 2014, USDA released its own AMR Action Plan. Under the plan, APHIS and other USDA agencies are using an integrated, One Health approach for surveillance and monitoring,
United States Department of Agriculture  
2016 Presidential Transition  
Animal and Plant Health Inspection Service (APHIS)

research and development, and education and outreach. For its part, APHIS is determining patterns, purposes, and impacts of antibiotic use in food animals and monitoring antibiotic drug susceptibilities of bacterial organisms in food-producing animals and associated products and production environments.

For more background, see the Hot Topics paper on AMR.

Member/Committee Interest and APHIS Response:

Sen. Dianne Feinstein (D-CA) and Rep. Louise Slaughter (D-NY):
Feinstein and Slaughter introduced companion bills in their respective chambers that would prevent the introduction of new medically important antibiotics for use in animal agriculture unless FDA demonstrated that the antibiotics would not contribute to increased AMR. They have introduced similar legislation in a previous Congress, although the committees have taken no action on the bill. Both offices have actively engaged APHIS and USDA on the issues. They have written several letters and have asked for occasional briefings and updates on USDA and APHIS initiatives on the issue. Senators Kirsten Gillibrand (D-NY), Elizabeth Warren (D-MA) have also been actively engaged on the issue.

3. Apples and Pears from the European Union

Issue Summary:

In January 2016, at the request of the European Union (EU) and after an analysis of risk, the Animal and Plant Health Inspection Service (APHIS) published a proposed rule that would grant market access to the United States for fresh apples and pears from eight EU countries. This is a routine market-access request, which is in line with international trading obligations to which the EU and the United States hold other countries.

Currently, several EU countries can import fresh apples and pears into the United States under a preclearance process that eliminates potential plant pests and diseases. The proposed rule would allow importation of apples and pears using a systems approach, which would allow these countries to meet their phytosanitary (plant health) obligations in fields and packing houses, which combines a series of risk mitigation measures, instead of the preclearance program.

As APHIS was developing the rule, Poland asked to be included in the market-access request. Because that country’s pests were previously identified and analyzed in published materials and did not require additional mitigation strategies, APHIS determined that it did not need to perform a separate pest risk analysis.

The apple industry has expressed concerns that Polish apples could increase risk to the U.S. apple industry. The industry is also concerned with the economic impact of EU apples, as the EU may be able to ship apples to eastern U.S. markets for less than U.S.-origin apples from the west coast.
Current Status/Executive Branch Position:

APHIS is finalizing the final rule, which would open the U.S. market to apples from certain EU countries, including Poland, treated under a systems approach. APHIS plans to conduct an annual audit of the systems approach and works with the Department of Homeland Security’s Customs and Border Protection to carry out inspections of arriving apple shipments to ensure compliance with the U.S. import requirements.

Member/Committee Interest and APHIS Response:

The House and Senate Agriculture Committees:
The Committees have questioned APHIS’ actions on the proposed rule, and the apple industry has asked Committee staff to express industry’s reservations about the market access request. In September 2016, APHIS briefed the Committees and legislative assistants on its regulatory process and its international trading obligations. APHIS informed the Committee that the system of overlapping safeguards that would be in place under the rule would ensure the health and safety of U.S. apples from foreign pests and disease.

Members from Apple-Producing States:
Numerous members from apple-producing states (including Washington, New York, Michigan, and Idaho) wrote letters objecting to the rule, specifically urging more consultation with stakeholders and questioning the decision to not conduct a full pest risk analysis for Poland. Many of these members sent staff to briefings with the Agriculture Committees in September 2016. Notable Senators interested include: Patty Murray (D-WA); Maria Cantwell (D-WA); Debbie Stabenow (D-MI); Kirsten Gillibrand (D-NY); Charles Schumer (R-NY); and Sen. Mike Crapo (R-ID). Notable Representatives interested include: Fred Upton (R-MI); Mike Simpson (R-ID); Bob Goodlatte (R-VA); Suzan DelBene (D-WA); Rick Larsen (D-WA); Dan Newhouse (D-WA); and Cathy McMorris Rodgers (D-WA).

4. Argentine Lemon Imports

Issue Summary:

In 2013, Argentina requested consultations with the United States through the World Trade Organization (WTO) regarding market access for Argentine lemons. In response, in April 2014 APHIS completed a pest risk analysis, and in June 2015 conducted a site visit, both to assess the potential risk any plant pests in Argentina would pose to the United States. In May 2016, APHIS used this information to publish a proposed rule that would allow the importation of lemons from Northwest Argentina under a systems approach. The systems approach would require safeguards to effectively mitigate pest risk. In September 2016, after an extended comment period that ended on August 10, 2016, APHIS conducted another site visit during peak growing season to verify that Argentina had implemented the proposed mitigation measures. APHIS has since shared with industry and other stakeholders that its site visit confirmed that Argentina has a system of safeguards in place to mitigate any pest risk.
See related Hot Topics paper for additional background.

**Current Status/Executive Branch Position:**

APHIS has determined Argentina’s implementation of the systems approach will mitigate pest risk on imported lemons. The current Administration believes the rule is necessary to strengthen the trade relationship with Argentina and avoid issues with the WTO. If the Office of Management and Budget (OMB) designates the rule not significant, APHIS intends to publish a final rule by December 2016. If the rule is designated significant, publication would likely be 3 to 4 months later. APHIS will notify interested congressional offices of the final rule, and expects some discontent, but likely no significant congressional action. Industry may file suit.

**Member/Committee Interest and APHIS Response:**

Representatives of lemon-producing states (CA and AZ) have opposed the rule, while several representatives of states with large ports who believe there would be an economic benefit to granting market access support it.

**Senate Appropriations Committee:**

Senate Appropriators included language in the FY 2017 agriculture appropriations bill requiring APHIS to conduct a site visit in Fall 2016 and allow industry to review the results of the visit, and that APHIS conduct a full economic analysis if the economic impact of the rule is determined to exceed $100 million annually.

**House Appropriations Committee:**

House Appropriators included a provision prohibiting work on a final rule until USDA certifies it has completed site visits and a pest risk assessment, and until OMB certifies that the economic analysis required for economically significant rules has been completed. APHIS briefed Agriculture Subcommittee majority staff in September 2016, and they indicated that the Agency’s scientific justification was stronger than industry opposition claims.

**Rep. Julia Brownley (D-CA):**

In the House, Brownley has led congressional efforts to prevent or delay implementation of a final rule. Her district produces the most lemons in the country. APHIS met with the Congresswoman and explained the science behind the proposed rule as well as our economic analysis. She has repeatedly requested that APHIS conduct an additional site visit to Argentina and provide industry a visit report and an opportunity to weigh in.

**Sen. Dianne Feinstein (D-CA):**

In the Senate, Feinstein has led the coordinated effort to oppose the proposal, sending letters to USDA and the President, drafting an appropriations directive, and requesting information on the rule.
Sen. John McCain (R-AZ):
Representing the second largest lemon-producing state in the United States, McCain has written USDA several times in opposition to the rule, and has twice requested that the comment period be extended for a total of 60 days. USDA extended the comment period by 30 days.

DE and PA Delegation:
Members of the DE and PA delegations, including Rep. Robert Brady (D-PA) and Sens. Pat Toomey (R-PA), Chris Coons (D-DE), Bob Casey (D-PA), and Thomas Carper (D-DE) support the rule, as they believe it will bring economic benefits to their local ports.

5. Biotechnology and Part 340 Regulation Revisions

Issue Summary:
APHIS protects plant health from genetically engineered (GE) crops that pose a plant pest risk—such as causing disease or damage to other crops or plant products in the United States. If a GE product requires APHIS oversight, developers must apply for an APHIS permit or notification and adhere to APHIS’ regulations to maintain adequate confinement of a regulated organism while being moved or during field trials. After developers have the scientific information that they believe is sufficient for us to conclude that a GE organism is unlikely to pose a plant pest risk, they can petition APHIS for nonregulated status. If APHIS grants nonregulated status, the GE organism may be freely moved or planted without APHIS authorization or other APHIS regulatory oversight.

APHIS has developed a proposed rule to update its biotechnology regulations, all within the Agency’s current statutory authority under the Plant Protection Act (PPA) and our regulations at 7 CFR part 340. USDA uses science-based regulatory systems to allow for the safe development, use, and trade of products derived from new agricultural technologies. USDA continues to regulate the importation, interstate movement, and field-testing of newly developed genetically engineered (GE) organisms that qualify as “regulated articles” to ensure they do not pose a threat to plant health before they can be commercialized. These science-based evaluations facilitate the safe introduction of new agricultural production options and enhance public and international confidence in these products. As a part of this effort, the Animal and Plant Health Inspection Service (APHIS) will publish a proposed rule to revise its regulations regarding the regulation of GE organisms.

Recent media reports have focused on APHIS’ regulation of GE organisms and products created with newer gene editing technologies such as CRISPR, which can modify the genetics of organisms without introducing new material. In April 2016, APHIS determined that a mushroom developed by Penn State and waxy corn developed by DuPont Pioneer using CRISPR technology did not fall under APHIS’ biotechnology regulation because no genetic material from plant pests was inserted into the final genomes.

For more background, see related Hot Topics papers.
Current Status/Executive Branch Position:

In September 2016, USDA sent the proposed rule to the Office of Management and Budget (OMB) for its review as part of the formal rulemaking process. When that review process is complete, USDA intends to publish the proposed rule for public comment.

Member/Committee Interest and APHIS Response:

House and Senate Agriculture Committees:
Both Republican and Democratic Committee leadership have been generally supportive of biotechnology, indicating that the Federal government should not overregulate the technology but should conduct an appropriate review when there may be a risk to agriculture. Both Committees have been actively engaged on the issue, and APHIS regularly updates them on the progress of its regulatory revisions and other significant biotechnology issues. The Senate Agriculture Committee held a hearing on agriculture biotechnology in October 2015 at which APHIS, the Environmental Protection Agency, and the Food and Drug Administration testified. Both majority and minority Senators asked witnesses several times to affirm that they had identified no safety concerns with the GE products that had been approved or deregulated.

A February 2016 briefing with staff of both Committees on the scope of the regulatory revisions was generally received well. The Committees have not taken an active position on efforts to update the regulations. In 2016, much of their focus was on GE labeling legislation, and the Committees expressed concern about how introducing a new dynamic with the proposed rule would impact their ability to reach compromise legislation. As APHIS moves forward with the proposed rule, we can expect the questions we receive on the issue to mirror any concerns industry raises. The Committees have also been interested in general in how APHIS regulates new technologies such as CRISPR and gene editing.

House Appropriations Committees:
The FY 2017 House Agriculture Appropriations report notes that there have been no proven instances of harm to agriculture or the environment from GE plants on the market or under current APHIS regulations. It encourages APHIS as it updates the biotechnology regulatory system to maintain the benefits of the current system while finding greater efficiencies and “include advances in biotechnology methodology”.
6. **Black Vulture Predation**

**Issue Summary:**

Increased populations of black vultures in the southeastern United States are causing costly damage to personal property, as well as natural and agricultural resources. For example, the birds have been observed killing newborn calves and other livestock and some consider their roosting to be a nuisance.

Vultures are protected under the Migratory Bird Treaty Act, which is enforced by the U.S. Fish and Wildlife Service (FWS). Accordingly, the public cannot kill or destroy the birds, their nests, or their eggs without a permit from FWS. Those affected by the birds have complained about the FWS permitting process, including the length of time it takes to get a permit and the costs associated with it.

APHIS’ Wildlife Services program is charged with reducing conflicts between humans and animals to protect human and animal health as well as agricultural and natural resources. In support of that, APHIS provides technical assistance to the public on short- and long-term measures they can carry out to provide relief from or eliminate problematic wildlife. APHIS also helps producers with direct management on a reimbursable basis; those actions include non-lethal hazing or, when properly permitted by FWS and appropriate, lethal methods.

**Current Status/Executive Branch Position:**

No legislation is pending. However, APHIS continues to offer its technical assistance and direct operational assistance to those who request it.

**Member/Committee Interest and APHIS Response:**

**Rep. Scott DesJarlais (R-TN):**

DesJarlais has raised his constituents’ concerns to the Secretary and other USDA officials at several House Agriculture Committee hearings. Livestock producers in his district are upset with the losses of young cattle and how the FWS permitting process prevents them from being more proactive to stop losses. He also joined with Rep. Bob Goodlatte (R-VA) in 2014 to write to USDA with concerns about impacts on producers.

**Rep. Brad Wenstrup (R-OH):**

Wenstrup’s office has reached out to APHIS directly with questions about the permitting process, and the types and kinds of assistance APHIS can offer. His office has indicated their dissatisfaction with the permitting process and, in cooperation with the Ohio Farm Bureau, he has considered asking for a formal review or report by APHIS on the number of vultures in his area and the damage they cause. His intent is to use the data to make the case that FWS should make it easier for producers to get predation permits for vultures.
7. Brucellosis and Bovine Tuberculosis Program

Issue Summary:

Brucellosis and bovine tuberculosis (TB) are contagious diseases that negatively impact animal health and animal production, and can negatively affect international trade. On December 16, 2015, APHIS published a proposed rule to update its brucellosis and bovine TB program regulations. Under the proposed rule, APHIS would, among other things, move from categorizing the disease statuses of entire States—or large regions within States—to establishing standards that States and Tribal Nations would meet for disease surveillance, epidemiological investigations, and affected herd management. By using program compliance rather than disease prevalence—which is already extremely low—to determine statuses, States and Tribes will no longer run the risk of status downgrades and statewide restrictions and testing requirements if sporadic cases of the diseases appear. Rather, they can focus their disease control efforts on specifically designated herds or areas.

Current Status/Executive Branch Position:

APHIS officials are carefully reviewing all issues raised in the comments received and considering the need for changes to the proposed provisions.

Member/Committee Interest and APHIS Response:

Although APHIS developed the regulations collaboratively with States, Tribes, and industry, stakeholders have now raised concerns about the perceived burden on States and industry, raising congressional interest.

Senate Appropriations Committee:
The Committee included a directive in its FY 2017 Agriculture Appropriations report for APHIS to report to Congress on the amount of State and Federal funding needed to implement the rule prior to finalizing it. Initially, Sen. Jerry Moran (R-KS) had proposed language requiring withdrawal of the rule and the formation of a stakeholder group to address concerns.

House Agriculture Committee:
Committee staff requested a briefing in May 2016 based on concerns raised by Member offices, but postponed the briefing indefinitely. Ranking Member Collin Peterson (D-MN), along with Rep. Pete Sessions (R-TX), wrote USDA with concerns about the economic impact of testing required under the rule on the captive deer and elk industries. Committee Member Dan Benishek (R-MI) also asked about the rule and the impact on his state’s affected cattle herds during a March 2016 hearing.
8. **Cattle Fever Tick**

**Issue Summary:**

Cattle fever (bovine babesiosis) is a severe and often fatal disease of cattle transmitted by cattle fever ticks (CFT) and southern cattle ticks. APHIS’ Cattle Fever Tick Eradication Program (CFTEP) aims to eliminate the disease from the U.S. cattle population and works cooperatively with the Texas Animal Health Commission (TAHC). In 1943, APHIS and TAHC eradicated cattle fever and the ticks from the continental United States, with the exception of a permanent quarantine “buffer” zone between Texas and Mexico—a country where these ticks remain well established. Today, this permanent buffer zone extends more than 500 miles from Del Rio, TX, to the Gulf of Mexico. APHIS has requirements to ensure that cattle in this zone or imported from Mexico do not spread the ticks into free areas. Given the role of wildlife in spreading CFT, APHIS and TAHC have been working with the U.S. Fish and Wildlife Service (FWS) to develop a strategy for eradicating these ticks in wildlife, particularly deer and non-native nilgai antelope, on FWS properties in Cameron County, TX.

See related Hot Topics paper for additional background.

**Current Status/Executive Branch Position:**

APHIS committed $2.4 million from its contingency fund in FY 2015 to expand CFT eradication efforts in Cameron and Willacy Counties in Texas. In FY 2016, APHIS committed an additional $1.7 million in contingency funds to continue those efforts, as well as to address quarantined trace pastures in Kleberg and Starr Counties, Texas. All of these counties are represented by Congressman Filemon Vela (D-TX), except Starr, which is represented by Henry Cuellar (D-TX).

APHIS has made progress on several fronts. The Agency has developed herd plans with all of the private land owners in the area and with FWS and State officials for the wildlife refuge. The Food and Drug Administration recently signed a Memorandum of Understanding with APHIS to allow cattle feeders with ivermectin-treated corn to be placed around the quarantine area to help reduce the spread. Additionally, APHIS will begin using a CFT vaccine in the quarantined area this year. Even with this progress, APHIS expects this to be a multi-year effort, as the results of implementing these actions will be realized over time.

**Member/Committee Interest and APHIS Response:**

**Rep. Filemon Vela (D-TX):**
In July 2016, Vela held a forum on CFT, with Subcommittee on Livestock and Foreign Agriculture Chairman David Rouzer (R-NC) and Ranking Member Jim Costa (D-CA) participating. Vela wanted to raise awareness of the threat of CFT if allowed to spread, and to raise concerns about FWS’ role and restrictions on and around Federal refuge land in TX. Please see the relevant discussion under Hot Topics for more discussion of the FWS’ role and
restrictions. Congressman Vela held other meetings with APHIS and USFWS and inquired about the issue at congressional hearings.

Sen. John Cornyn (R-TX):
Cornyn’s staff have had several briefings with APHIS to better understand APHIS’ role in the CFT effort as well as to inquire about how USFWS is working with APHIS, TAHC, and producers to address CFT. He and Vela also sent a letter to USFWS raising concerns about their cooperation.

Rep. Henry Cuellar (D-TX):
In recent years, Cuellar has inquired on occasion about assistance to impacted ranchers.

9. Citrus Health

Issue Summary:

The presence in the United States of exotic citrus diseases, especially citrus canker, sweet orange scab, and Huanglongbing (HLB, aka citrus greening), hampers the success of commercial citrus industries to produce, harvest, process, domestically move, and internationally export healthy fruit and clean plant stock. APHIS supports citrus health-related activities through its Citrus Health Response Program (CHRP) and its leadership in USDA’s HLB-Multiagency Coordination (MAC) Group. CHRP’s mission is to compile best practices to sustain the U.S. citrus industry, maintain grower's continued access to export markets, and safeguard citrus-growing States against a variety of citrus diseases and pests. The HLB-MAC coordinates the Federal, State, and industry response and supports research to provide producers with the practical tools and solutions they need in the near-term to allow them to remain economically viable until longer-term solutions are developed.

CHRP funding (within the Specialty Crop Pest line item) was $48.8 million in FYs 2015 and 2016, with $41.891 million requested in FY 2017. APHIS received $20 million to use in FYs 2014 and 2015 for the HLB-MAC program, and an additional $5.5 million in FY 2016.

See related Hot Topics paper for additional background.

Current Status/Executive Branch Position:

Secretary Vilsack created the HLB MAC Group in December 2013 to foster greater coordination among Federal and State agencies in responding to citrus greening. The FY 2017 President’s budget did include a decrease of $7.223 million for the Citrus Health Response Program (CHRP) to reduce the Federal cost-share.

Member/Committee Interest and APHIS Response:

Representatives of citrus-producing States, particularly Florida and California, have been strong supporters of APHIS efforts to protect U.S. industry from citrus pests and diseases.
Rep. Tom Rooney (R-FL):
Rooney, through his position on the House Agriculture Appropriations Subcommittee, has been a prominent supporter of APHIS’ citrus health efforts. He regularly seeks increased funding for the program and worked closely with the Appropriations Committee for the past several years to secure funding for the HLB-MAC program. Rooney has hosted APHIS at several events in DC and FL to discuss citrus health efforts with the industry, and his staff participated in a 2016 tour of HLB-MAC projects in FL. Rooney co-chairs the Congressional Citrus Caucus, which hosted a forum in 2016, coordinated by APHIS, to hear from HLB-MAC and Agricultural Research Service (ARS)-funded researchers about their progress.

Rep. David Valadao (R-CA):
Valadao has also been supportive of APHIS’ citrus health efforts through his role on the Agriculture Appropriations Subcommittee. In 2014, he held a meeting in CA with the citrus industry in support of the HLB-MAC. He co-chairs the Congressional Citrus Caucus.

Rep. Filemon Vela (R-TX):
Vela is the most prominent voice in the TX delegation on citrus issues. He co-chairs the Congressional Citrus Caucus and participated in the 2016 forum on USDA-funded citrus research. He also hosted the former Under Secretary for Marketing and Regulatory Programs for a stakeholder meeting on citrus issues in TX in 2014.

Other Member Interest:
Reps. Bill Posey (R-FL), Dennis Ross (R-FL), Ruben Hinojosa (D-TX), Henry Cuellar (D-TX), and Sens. Feinstein (D-CA), Bill Nelson (D-FL), and John Cornyn (R-TX) occasionally request information on citrus issues.

10. Farm Bill Section 10007

Issue Summary:
APHIS, through its Plant Protection and Quarantine (PPQ) program, is charged with implementing Section 10007 of the 2014 Farm Bill to prevent the introduction or spread of plant pests and diseases that threaten U.S. agriculture and the environment. Under the Farm Bill, APHIS provides funding to strengthen the nation’s infrastructure for pest detection and surveillance, identification, and threat mitigation, while working to safeguard the nursery production system.

Section 10007 funding is split between two programs: the Plant Pest and Disease Management and Disaster Prevention Program (PPDM) and the National Clean Plant Network (NCPN). The first program solicits project suggestions from cooperators, principally State and local governments and universities. A panel of USDA, State, and industry representatives evaluates these projects on specific goal areas that represent critical needs and opportunities to strengthen, prevent, detect, and mitigate invasive pests and diseases. The NCPN supports established university and government clean plant centers to develop, maintain, and provide foundation
stock of select specialty crops. Industry and others use the stock material to start or regrow clean plant orchards, vineyards, groves, and other commercial plantings should plant pests or disease strike.

The Farm Bill provides $62.5 million in Commodity Credit Corporation funding each year from FY 2014-FY 2017 and $75 million per year in FY 2018 and beyond. At least $5 million must go to NCPN each year.

See the related Section 10007 Hot Topics paper for more information.

**Current Status/Executive Branch Position:**

For the PPDM program, APHIS solicits project suggestions from cooperators on an annual basis and accepted proposals for six weeks through August 2016. The joint USDA-State-Industry panel is evaluating those suggestions and developing a spending plan, which it plans to release by January 2017. Once released, APHIS will enter into cooperative agreements with the entities that proposed the projects, and the Agency will oversee their progress.

APHIS has also used portions of PPDM funding to initiate emergency programs for emerging and high-priority pests impacting agricultural resources, such as the giant African snail in Florida, the European grapevine moth in California, and the coconut rhinoceros beetle in Hawaii.

For NCPN, APHIS solicited grant projects from August 17 through October 26, 2016. Grants support established university and government clean plant centers to develop, maintain, and provide foundation stock of select specialty crops. In 2016, APHIS and cooperators supported 22 clean plant centers and associated programs in 17 States representing specialty crops including fruit trees, grapes, citrus, berries, sweet potatoes, roses and hops.

**Member/Committee Interest and APHIS Response:**

There has been broad support for the program and recognition that the funding allows APHIS to expand its mission and leverage partnerships to better protect American agriculture. The cooperative review panel has generated considerable support for the annual allocation decisions.

**The House and Senate Agriculture Committees:**

Congress originally created this program in the 2008 Farm Bill. The House and Senate Agriculture Committees renewed their support for the program in the 2014 Farm Bill, making the program permanent, expanding funding, and consolidating the NCPN (which had been a separate program) with PPDM under one section.

Per the Farm Bill language, APHIS submits an annual report to the Chairman and Ranking Members of the House and Senate Agriculture Committee on the PPDM program action plans to mitigate the threats posed by high consequence plant pests and diseases.
11. **Farm Bill Pest and Disease Program for Livestock**

**Issue Summary:**

Section 10007 of the 2014 Farm Bill provides funding, administered through APHIS, to prevent the introduction or spread of plant pests and diseases that threaten U.S. agriculture and the environment. APHIS provides funding for pest detection and surveillance, identification, and threat mitigation, as well as to safeguard the nursery production system. The program, which was first authorized in the 2008 Farm Bill, provides $62.5 million in Commodity Credit Corporation funding each year from FY 2014-FY2017 and $75 million per year in FY 2018 and beyond. See the related Section 10007 papers for more information.

The Animal Agriculture Coalition (AAC) developed a concept paper proposing that Congress create a similar program to support livestock pest and disease efforts. AAC is comprised of most major animal and animal-related commodity organizations as well as related organizations representing veterinary medicine, animal science and various livestock sectors or animal agriculture interests in the United States. The proposal would build on the 2014 Farm Bill’s authorization of the National Animal Health Laboratory Network. Like its plant analog under Section 10007, APHIS would receive mandatory funding to support efforts by states, industry, universities, and other interested groups to reduce the impact of high-consequence animal diseases, provide rapid detection and response capabilities to respond to animal diseases, develop disease prevention and mitigation technologies including vaccines, prevent the entrance and spread of foreign animal diseases into the United States, and identify and support critical research needs. Particular interest has been raised about using a portion of the funding for foot and mouth vaccine, though the National Pork Producers Council has objected, preferring that funding instead go to fully fund vaccines.

**Current Status/Executive Branch Position:**

Since 2008, APHIS has successfully implemented the Farm Bill program for plant pests and diseases, with much support from stakeholders and Congress. APHIS met with AAC in spring 2016 and provided feedback on their proposal and will continue to work with those interested in the program, including stakeholders and Congress.

**Member/Committee Interest and APHIS Response:**

Some on the House Agriculture Committee have shown interest in the AAC proposal. During a March 2016 hearing, “Defending American Agriculture Against Foreign Pests and Diseases”, Livestock and Foreign Agriculture Subcommittee Chairman David Rouzer (R-NC) asked APHIS Administrator Shea if such a program would be beneficial. Shea indicated that he saw benefit in such a program, referencing several plant health successes under the Section 10007 program and noting that APHIS has had a reduction in its animal health staffing levels in recent years due to budget cuts.
12. Feral Swine

Issue Summary:

APHIS’ Wildlife Services program is charged with reducing conflicts between humans and animals to protect human and animal health as well as agricultural and natural resources. In support of that mission, in FY 2014, APHIS asked for and received $20 million in funding to create a new nation-wide program to reduce the impact of feral swine. APHIS estimates that feral swine cause at least $2 billion in damage to natural resources, agriculture, and personal property each year. Additionally, they carry potentially damaging diseases, including classical swine fever, swine influenza and pseudorabies.

APHIS’ feral swine program provides a national framework that works closely with State partners to tailor a program that meets the needs of the State. In some places, that means elimination of an entire population of feral swine in a State. In other areas, such as in Texas, the program focuses on reducing their numbers and minimizing the damage they cause. Beyond direct control of populations, APHIS also conducts disease testing and research into new methods and techniques to help reduce their populations.

See the related Hot Topics paper on Feral Swine for more information.

Current Status/Executive Branch Position:

Despite a tough appropriations environment, Congress authorized a new program in 2014, and has appropriated $20 million annually for this nationwide program.

Member/Committee Interest and APHIS Response:

The program has broad support throughout Congress, as the significant damage caused by widespread feral swine populations has raised awareness of the issue.

Rep. Mike Conaway (R-TX), Chairman of the House Agriculture Committee:
In 2015, Conaway visited a feral swine field operation in Texas to see the tools and techniques APHIS and its partners use. He expressed his appreciation of the tour and indicated support for the program.

Senators Martin Heinrich (D-NM) and Tom Udall (D-NM):
Prior to the unveiling of the national program, APHIS conducted a pilot program in New Mexico to demonstrate the effectiveness of APHIS’ proposed approach. Both Senators wrote letters of support for that program.

The House and Senate Agriculture Committees:
In the 2014 Farm Bill, the Committees included a “Sense of Congress” provision that feral swine is a threat to domestic swine and the agriculture industry, and that the Secretary should prioritize a program of eradication under the Animal Health Protection Act.
13. **Foot-and-Mouth Disease (FMD) Vaccine**

**Issue Summary:**

FMD has the potential to be the most economically significant foreign animal disease that could strike the United States. Thanks to the strong control measures APHIS has in place through its authority under the Animal Health Protection Act, there has not been an outbreak of FMD in the United States since 1929.

Should the disease be detected, APHIS will consider the use of vaccines as one of its control and eradication tools. APHIS can rapidly obtain vaccines through the North American Vaccine Bank, which is currently housed at the Plum Island Animal Disease Center in New York, but current availability (around 2.5 million doses) would only be enough to address a small outbreak. APHIS estimates that it would need a minimum of 25 million doses for each of the 10 FMD strains of greatest risk to North America, which would cost approximately $130 million to purchase and store. APHIS’ current appropriation for FMD preparedness is $1.4 million.

See the Hot Topics paper on FMD Vaccine for more information.

**Current Status/Executive Branch Position:**

APHIS has had discussions with industry on how to address the gaps in vaccine coverage. Those discussions included Federal-industry cost sharing, which has been opposed by the cattle and swine industries. Other options include a potential Farm Bill program on livestock readiness. (See the related Congressional Issues paper on that for more background.)

**Member/Committee Interest and APHIS Response:**

The House Agriculture Committee:
The Committee has generally been interested in FMD preparedness. They held a hearing in February 2016 on FMD, at which the National Pork Producers Council (NPPC) raised concerns about APHIS’ preparedness for an outbreak, namely due to limited vaccine supplies. Following a July 2015 hearing on avian influenza, Rep. David Rouzer (R-NC) asked follow-up questions for the record about APHIS’ vaccine strategy for FMD.

APHIS occasionally receives inquiries from individual Member offices about the Agency’s preparedness for an FMD outbreak.

14. **Fruit Fly Sterile Release Facilities**

**Issue Summary:**

U.S. agriculture is at risk from exotic fruit flies that could enter the United States across our southern border as well as through infested host plants, fruits, and vegetables that unintentionally or illegally enter the country. Because the larvae of these exotic species can feed on more than
400 host plants and render fruit inedible, they are among the most destructive pests of fruits and vegetables around the world.

APHIS’ use of the Sterile Insect Technique (SIT) has remained a key component of its cooperative exotic fruit fly control programs for over 30 years. SIT involves the mass-rearing of sterilized exotic fruit flies. When released, sterile male fruit flies mate with wild females, which disrupts natural breeding and the production of progeny because the female’s eggs remain unfertilized. Through continuous releases, this form of mating disruption significantly reduces wild fly populations and aids eradication. APHIS operates domestic SIT facilities that receive, rear, and release hundreds of millions of sterile Mexflies and sterile male Medflies each week for ongoing preventive release efforts and domestic outbreak eradication campaigns against these two pests. The Texas SIT facility is located at Moore Air Base in Rep. Ruben Hinojosa’s (D-TX) district. In Florida, the Sarasota facility is in Rep. Vern Buchanan’s (R-FL) district. The Los Alamitos, CA facility is in Rep. Alan Lowenthal’s (D-CA) district.

See related Hot Topics paper for additional background.

Current Status/Executive Branch Position:

The facilities used to produce sterile insects in Texas, California, and Florida have inefficiencies that lead to production losses, and, in some cases, pose health and safety concerns for workers. APHIS estimates it will need approximately $112 million over the next few years to replace the current facilities. This would enable APHIS to produce sterile Mexflies and Medflies at full capacity and provide contingencies for potential outbreaks, as well as reduce the costs for quarantine campaigns. During summer 2016, APHIS completed a report outlining projected construction and funding needs to replace these facilities. Several congressional offices have requested this report since 2015, and APHIS plans to informally share it with them once it completes USDA review. APHIS expects continued questions about funding needs and whether USDA will formally request funding.

Member/Committee Interest and APHIS Response:

Rep. Filemon Vela (D-TX):
The citrus industry has worked closely with Vela to urge support to replace the Moore Air Base Mexican Fruit fly rearing and release facility. Vela occasionally requests updates on the facilities report that APHIS was developing through his staff or the House Agriculture Committee. He and/or his staff have visited the facility three times in the past 2 years.

House Agriculture Committee Chairman Mike Conaway (R-TX):
Following a February 2015 House Agriculture Committee hearing, Conaway submitted questions for the record to the Secretary about fruit fly facility needs and plans for construction. In 2016, Conaway again submitted a question for the record following a hearing with the Secretary, asking how much USDA had requested in the FY 2017 budget to renovate or replace the TX facility. USDA has not requested funding.
Rep. Tom Rooney (R-FL):
During hearings for the FY 2016 budget, Rooney (R-FL) questioned APHIS’ capacity to produce sufficient quantities of sterile Mexfly.

House Agriculture Appropriations Subcommittee:
APHIS briefed Republican Committee staff on the facilities in spring 2016. They were interested in the current state of the facilities, capacity, and plans to address facility needs.

15. Highly Pathogenic Avian Influenza

Issue Summary:
In December 2014, APHIS identified highly pathogenic avian influenza (HPAI) in wild birds, kicking off the largest animal disease outbreak in U.S. history. Since that time, 21 states detected cases of HPAI. Fifteen states found cases in poultry, which impacted 233 premises (212 commercial, 21 backyard) and over 50 million birds. The majority of commercial cases were in Minnesota (109) and Iowa (71). In 2016, APHIS responded to an additional case of HPAI in Indiana. USDA sought and received Commodity Credit Corporation (CCC) funding for HPAI response operations. At this point in time, APHIS has obligated expenditures from that $1 billion of over $645 million for response operations (e.g. cleaning, disinfection, euthanasia, and disposal) related to the 2014/2015 and 2016 cases and paid over $206 million in indemnity to producers for the cost of the birds from both outbreaks. In addition, APHIS has spent over $60 million on activities which APHIS outlined in the Fall Plan it released in summer 2015 to improve our readiness for a future outbreaks. The remainder has been on hold for potential outbreaks.

See related Hot Topics papers for additional background.

Current Status/Executive Branch Position:
The Administration made over $1 billion available to address the 2015-2016 outbreak and has sought to enhance APHIS’ capability to respond. The FY 2017 President’s budget request included an increase of $30.338 million to improve APHIS’ readiness for responding to animal health emergencies, in part based on lessons learned during the HPAI outbreak. The request includes funds to hire and train veterinarians, animal health technicians, and others to enable us to reduce start-up times during emergencies, ensure a coordinated response, and quickly carry out investigations and response operations to minimize the potential for continued spread of animal pathogens, among other things. The House Appropriations Committee provided $24.268 million, and the Senate Appropriations Committee provided $28.821 million.

Member/Committee Interest and APHIS Response:
There was broad congressional interest in the HPAI outbreak, particularly after the number of impacted producers rapidly climbed several months into the outbreak. The House and Senate Agriculture Committees as well as the Senate Homeland Security Committee held hearings while
the Agriculture Appropriations Committees requested regular updates, particularly regarding APHIS’ requests to transfer funding from the Commodity Credit Corporation to use in the response. More localized interest came from state delegations impacted by the disease. If another significant outbreak were too occur, APHIS would expect a similar level of interest, particularly if trade is impacted.

Iowa Congressional Delegation:
Rep. Steve King (R-IA) was one of the most heavily involved Members on this issue, holding several meetings and calls with APHIS leadership. Initially, he wanted APHIS to work with companies he recommended to help incinerate and dispose of birds, and made recommendations on how required equipment could be configured to handle the large numbers of birds. As the outbreak wound down, a number of King’s producers complained that a contractor hired to help with the outbreak, Clean Harbors, damaged their properties or owed them money for various reasons. King eventually decided to take the issues up with the company, as APHIS suggested.

Sen. Joni Ernst (R-IA) also regularly followed this issue and requested updates. Iowa turkey and egg producers have been advocating for APHIS to change its indemnity calculator to increase payments they would receive for birds taken during an HPAI outbreak, and Ernst has supported their efforts through inquiries to APHIS and at congressional hearings. She also held a producer roundtable during the outbreak.

Congressman David Young (R-IA) inquired several times about the issue through the House Appropriations Committee and was briefed by APHIS in response to producer concerns.

Minnesota Congressional Delegation:
Rep. Collin Peterson (D-MN) and Sens. Amy Klobuchar (D-MN) and Al Franken (D-MN) engaged regularly on the issue, requesting routine updates on the outbreak and answers to producer questions. APHIS leadership had multiple meetings and calls with Peterson, who supported APHIS’ overall response efforts and the Agency’s decision not to compensate producers for downtime losses that they were requesting. Peterson has also advocated on behalf of turkey and egg industry requests that APHIS make adjustments to how it calculates indemnity payments. (APHIS implemented an updated egg layer calculator on Oct. 1, 2016.) Klobuchar and Franken raised concerns over delays in depopulation and disposal of poultry in infected facilities, timing for producers to restock their facilities with birds, and funding for impacted producers.

Other Members of Note:
House Agriculture Committee Chairman Mike Conaway (R-TX), along with Rep. Peterson, met with APHIS officials in September 2015 to understand issues around the indemnity calculator and producer concerns.
16. **Horse Protection Act**

**Issue Summary:**

APHIS administers the Horse Protection Act (HPA) and is charged with ending the abusive practice of horse soring and restoring fair competition within the walking horse industry. Horses have typically been sored through the application of caustic chemicals or foreign substances, often in concert with mechanical equipment known as action devices (“chains” and performance package “pads”) to intensify pain and cause a higher gait. While many observers believe that soring remains a major and pervasive problem, the industry and its supporters believe that the practice has been substantially curtailed. In July 2016, APHIS published a proposed rule that would bring responsibility for training and licensing horse show inspectors directly under the control of APHIS, which would end the current system whereby the industry trains and oversees inspectors; and it would eliminate the use of stacked pads and chains and other “action devices,” as well as foreign substances, which many people contend contribute to the soring of horses. These changes are consistent with Office of the Inspector General (OIG) and The American Veterinary Medical Association recommendations.

There are competing bills in the 114th Congress to address the HPA. H.R. 3268, the Prevent All Soring Tactics (PAST) Act, introduced by the House’s two veterinarians, Reps. Ted Yoho (R-FL) and Kurt Schrader (D-OR), has over 260 cosponsors. Companion legislation (S. 1121) introduced by Senators Kelly Ayotte (R-NH) and Mark Warner (D-VA), has 49 cosponsors. Both bills were also introduced in the 113th Congress with similar levels of support. The PAST Act aims to achieve the same goals as APHIS’ proposed rule, with the exception that it increases penalties for violations of the HPA.

A faction in Congress that opposes the PAST Act and APHIS’ proposed rule has introduced competing legislation. The Horse Protection Amendments Act of 2015 (H.R. 4105/S. 1161), introduced by Rep. Scott Desjarlais (R-TN) and Sen. Lamar Alexander (R-TN), have 8 and 4 cosponsors, respectively. They would amend the HPA to create a single, national Horse Industry Organization whose membership would be appointed by the Agriculture Commissioners of Tennessee and Kentucky and industry. Related bills in the 113th Congress had similar levels of support. It appears both the PAST Act and Horse Protection Amendments Act of 2015 will die in the 114th Congress. However, their sponsors have introduced similar bills over several Congresses, and it is expected they will again be introduced in the 115th Congress.

See related Hot Topics paper for additional background.

**Current Status/Executive Branch Position:**

The Administration published the proposed rule to bring responsibility for training and licensing horse show inspectors directly under the control of APHIS, and eliminate the use of stacked pads and chains and other “action devices,” as well as foreign substances. The proposed rule closely tracks with recommendations made by the Office of the Inspector General in a program audit. The comment period on the proposed rule ended in late October.
Member/Committee Interest and APHIS Response:

House Appropriations Committee Chairman Hal Rogers (R-KY):
Chairman Rogers has questioned APHIS’ conclusions about the extent of soring and urged greater collaboration with industry rather than new regulations, and has inserted language in appropriations reports to that effect. In June 2016, he sent an oversight letter requesting detailed data on APHIS’ HPA security costs, a list of security incidents against APHIS inspectors, numbers of employees present at HPA-regulated events, and requested certification that no individuals in APHIS have consulted or engaged with any non-governmental entity as the Agency developed its proposed rule.

House Agriculture Committee Majority:
Committee staff have regularly engaged APHIS on the HPA on behalf of Member Scott Desjarlais (R-TN). The majority has generally not taken a side on the issue and instead tried to ensure that the Agency is providing requested information to the Congressman’s office. With recent staff changes, it is unclear if and how the Committee will engage on this issue in the future.

Rep. Bob Goodlatte (R-VA):
In the past year, former House Agriculture Committee Chairman Goodlatte has taken an active role in opposing APHIS’ enforcement activities around the HPA. In addition to advocating on behalf of several constituents who claim they were incorrectly found noncompliant with the HPA, Goodlatte has proposed in correspondence and a meeting with APHIS that third-party veterinarians serve as arbiters when an APHIS and industry inspector disagree as to whether a horse is sore. APHIS has indicated that USDA is not authorized to delegate its decision-making authority to private veterinarians, and it would not be appropriate or in the best interests of enforcing the law.

Other Interest:
Although the PAST Act has received broad, bipartisan support in the House and Senate during the last two Congresses, it has never been brought up for a vote, except in 2014 when the Committee on Commerce, Science and Trade approved it. Senate Majority Leader Mitch McConnell is a cosponsor of the Horse Protection Amendments Acts of 2015 and 2014 and generally opposes any stricter HPA regulation.

PAST Act sponsors Rep. Yoho and Sens. Ayotte and Warner, along with cosponsor Sen. Dianne Feinstein (D-CA) have regularly engaged on the issue in recent years, reaching out to USDA to support rulemaking efforts and putting out supportive press releases. The big push to gain broad congressional support for the PAST Act, however, came from Rep. Ed Whitfield (R-KY), who introduced the original PAST Act in the 112th Congress. However, he was the target of an Ethics Committee investigation following allegations to Ethics Committee Members by the Performance Show Horse Association regarding his relationship to the Humane Society. Mr. Whitfield ultimately stepped back from his role as lead PAST Act advocate before retiring from Congress.
17. **Inspection of Agricultural Research Service (ARS) Facilities**

**Issue Summary:**

In January 2015, the *New York Times* published a lengthy investigative piece alleging animal welfare violations at the U.S. Meat Animal Research Center (MARC), an ARS facility in Nebraska that works to improve livestock health and production.

In response, the Secretary directed ARS and the APHIS to implement a plan to ensure that APHIS inspects ARS facilities that use animals for agriculture or production research. Additionally, the U.S. House of Representatives placed a directive in the fiscal year (FY) 2016 omnibus appropriation, instructing ARS to enter into an agreement with APHIS under which APHIS would conduct animal welfare inspections—as it does for non-governmental entities regulated under the Animal Welfare Act (AWA)—at ARS facilities.

APHIS enforces the Animal Welfare Act (AWA) and conducts inspections of regulated entities to ensure they are providing animals with appropriate care under the AWA. APHIS conducts pre-license inspections to verify that facilities are meeting all pertinent AWA requirements. Once a facility passes that inspection, our inspectors will conduct regular and routine unannounced inspections to verify compliance with AWA regulations.

APHIS and ARS agreed to a Memorandum of Understanding, which outlines the process through which APHIS will ensure ARS facilities are complying with AWA regulations. When evaluating ARS’ compliance with the AWA, APHIS will rely on both the AWA regulations and standards as well as the standards of care for farm animals used in research, as set forth in the Federation of Animal Science Societies’ Guide for the Care and Use of Agricultural Animals in Agricultural Research and Teaching (commonly referred to as the Ag Guide).

For more background, see the Hot Topics paper on the Inspection of ARS Facilities.

**Current Status/Executive Branch Position:**

APHIS began conducting precompliance visits in August 2015 at ARS facilities to ensure that each facility understands its obligations under the AWA. These precompliance inspections will be complete in early October 2016. In November 2016, APHIS’ Animal Care program will conduct unannounced inspections at the 37 ARS facilities registered with APHIS. Inspection reports will be available for public review on the APHIS website.

**Member/Committee Interest and APHIS Response:**

*House Appropriations Committee:*

The Committee (particularly the Democratic staff) has had strong interest in the issue, and has had regular meetings with ARS and APHIS about the issue and asked for regular updates and documentation of the progress toward implementing the inspection process.
The 2016 omnibus appropriations bill included strong language requiring ARS to work with APHIS on the inspection process, and to regularly share inspection reports with the Committee. It also held back over $57 million of the ARS appropriation until the Secretary certified that ARS had updated its animal welfare policies and that each facility had a fully functioning Institutional Animal Care and Use Committees (IACUC) to oversee research at those facilities. The Secretary provided that attestation in July 2016.

Sen. Corey Booker (D-NJ) and Rep. Earl Blumenauer (D-OR):
Booker and Blumenauer introduced companion bills in February 2015 that would amend the AWA to require inspections at Federal research facilities that conduct livestock research. The legislation did not advance, and APHIS’ and ARS’ actions have largely eliminated the need for legislation.

Rep. Brad Ashford (D-NE):
Ashford asked the Secretary for an update on actions taken at a February 2015 House Agriculture Committee hearing.

18. Marine Mammal Rule

Issue Summary:

In February 2016, APHIS published a proposed rule that would update the Agency’s standards for the humane care of marine mammals, as part of its responsibilities under the Animal Welfare Act. APHIS is reviewing the comments it received and intends to finalize the rule as soon as it can.

APHIS previously updated these regulations in 2001 as part of a negotiated rulemaking process that included direct input from a variety of stakeholders. Soon after, APHIS began developing a proposed rule to address areas where the negotiated rulemaking process could not identify consensus between welfare groups and industry. In August 2015, APHIS announced a withdrawal and re-submission of the proposed rule to OMB to ensure that the basic standards for marine mammals were based upon the most recent and accurate scientific knowledge and industry experience.

The current proposed rule uses that recent scientific data to amend the standards for water quality, indoor and outdoor facilities, variances, and interactive activities. The proposed changes are intended to better ensure the humane handling and treatment of marine mammals in a way that is practical and enforceable. The difficulty in developing a rule has been resolving conflicting views about the necessity for prescriptive rules on things like tank sizes (which ultimately were not adjusted in the proposed rule) and the presumed increased costs imposed on the regulated entities.
Current Status/Executive Branch Position:

APHIS is working to respond to comments to the proposed rule and hopes to publish a final rule by the end of the calendar year.

Member/Committee Interest and APHIS Response:

Reps. Adam Schiff (D-CA) and Jared Huffman (D-CA); Sens. Dianne Feinstein (D-CA) and Barbara Boxer (D-CA):
Schiff, Huffman, Feinstein and Boxer have written several letters urging swift action by USDA and OMB on the proposed rule. They have also expressed concern that the proposed rule did not increase the tank size requirements for marine mammals. During rule development, staff requested several briefings to learn more about APHIS’ plans for the proposed rule, and to urge prompt development of the rule.

Senate Appropriations Committee:
In FY 2016, the Committee included a provision in its agriculture appropriations bill that would require APHIS to issue the proposed rule within six months of the bill’s passage. The House version did not include a similar provision.


Issue Summary:

The principal facilities that study and diagnose foreign animal diseases of livestock in the United States are currently located at the Plum Island Animal Disease Center (PIADC) in New York. The facility houses APHIS and Agricultural Research Service and the Department of Homeland Security’s (DHS) foreign animal disease research, diagnostics and training. PIADC lacks the infrastructure to work with BSL-4 zoonotic agents and has inadequate space, which results in a backlog of experiments, and faces increased demand for high-bio-containment laboratory space.

To replace the PIADC, DHS was appropriated $234 million in FY 2006-FY 2013, $404 million in FY 2014 and $300 million in FY 2015 to complete the funding needed for full construction of the NBAF in Manhattan, Kansas. Kansas committed a total of $307 million toward the construction of NBAF. The total cost of the project from design through final construction is $1.25 billion. In May 2015, construction of the NBAF main laboratory began.

Current Status/Executive Branch Position:

DHS, USDA, and Kansas State University have made substantial progress in development and construction of the new facility. NBAF is scheduled to become fully operational in 2023. USDA and DHS are working together to identify the necessary budgetary requirements to ensure a timely stand-up of the laboratory.
Member/Committee Interest and APHIS Response:

Kansas Congressional Delegation:
Given the location of NBAF, the Kansas congressional delegation has followed its development closely and supported funding for its construction.

In June, APHIS, the Central Intelligence Agency, and the National Counterterrorism Center briefed Senate Agriculture Committee Chairman Pat Roberts (R-KS) on threats to agriculture, and much of the Senator’s conversation centered on the need for NBAF. His staff has indicated he may consider an additional briefing or hearing on agriculture security.

The Senate Appropriations Committee’s (chaired by Sen. Jerry Moran, R-KS, in the 114th Congress) FY 2017 Agriculture Appropriations bill encourages DHS and USDA to work together on a plan for the future operation of NBAF, including consideration of the appropriate agency to manage the facility.

20. **Protecting Aquaculture**

Issue Summary:
APHIS, acting through its Wildlife Services program, is charged with managing damage caused by wildlife and thereby protecting agriculture, natural resources, property, and human health and safety. In FY 2015, APHIS through management efforts helped aquaculture facilities in 13 states. Annual fish production in the United States is valued at $1.4 billion, while the aquaculture industry incurs approximately $25 million in costs associated with damage and damage prevention due to Federally protected species of birds.

In recent years, aquaculture producers, particularly those in southern states, have asked for increased support to protect their fish from fish-eating birds such as cormorants. Prior to 2011, much of this damage management had been funded by now-canceled Congressional earmarks.

APHIS provides direct operational assistance to haze and disperse problematic birds to alleviate the damage they cause. Additionally, APHIS operates a wildlife research field station in Mississippi that develops new and innovative methods to deter damage from birds.

For more background, see the Hot Topics paper on Predator Damage Management.

Current Status/Executive Branch Position:

In 2016, the Appropriations Committees approved an additional $600,000, for a total of $988,000, in funding for APHIS’ aquaculture program operations and research. APHIS used $400,000 to provide direct assistance to producers in Mississippi. Additional funding will go toward service in other areas of the Mississippi Delta and for research.
Member/Committee Interest and APHIS Response:

The Appropriations Committees:
The Committee has included appropriations language in support of APHIS’ aquaculture program, and approved the $600,000 increase in the Agency’s budget.

Rep. Terry Sewell (D-AL):
Sewell spoke with Secretary Vilsack when he was in her district about support for catfish farmers who were suffering losses from cormorants and from a specific parasite spread by pelicans. APHIS added an additional wildlife specialist in Alabama to provide direct operational assistance to 85 state producers so they can conduct their own damage management. APHIS is conducting research on methods to reduce transmission of the parasite.

21. Regulation of Select Agents

Issue Summary:

USDA and the Department of Health and Human Services (HHS) share joint responsibility for the oversight of select agents and toxins. Within those two departments, APHIS and the Centers for Disease Control and Prevention (CDC) manage the Federal Select Agent Program (FSAP), which oversees the possession, use and transfer of biological select agents and toxins, which have the potential to pose a severe threat to public, animal or plant health or to animal or plant products.

Entities such as private, State, and Federal research laboratories; universities; and vaccine companies that possess use or transfer select agents must be registered with FSAP. If the select agent they work with affects animal and plant health, they must register with APHIS. If it affects human health, they must register with CDC. For those select agents that fall under both jurisdictions, entities can choose who their lead agency will be.

Facilities must meet safety requirements, including biosecurity and physical security measures that ensure the safety and security of the agents and toxins and to prevent their release. APHIS and CDC regularly inspect facilities that use or transfer these agents to ensure compliance. They also inspect each other’s facilities to eliminate any potential conflicts.

See related Hot Topic paper on Readiness and Select Agents for more information.

Current Status/Executive Branch Position:

In 2014, there were several high profile incidents where CDC and the Department of the Army inadvertently released or transferred select agents without proper security or following safety protocols. As a response, the Federal government stood up several review panels to make recommendations to improve FSAP. APHIS and its partners are implementing those recommendations.
Member/Committee Interest and APHIS Response:

The House Energy and Commerce Committee:

The Committee has held two hearings on select agents at which APHIS has testified in recent years. A July 2014 hearing focused on the incidents at CDC and Federal oversight of the program. The Committee primarily focused on CDC and that Agency’s lapses, pointing out that APHIS and the Government Accountability Office (GAO) had observed numerous problems during audits. APHIS explained its oversight role to the committee.

On September 23, 2016, APHIS testified before the same committee to respond to a GAO audit that primarily focused on inactivation of select agents. APHIS testified about a proposed rule it is finalizing to strengthen the select agent program and which will incorporate more controls and clear guidance on how to evaluate the inactivation of select agents. Proposed changes would also enforce guidance and policies on improper activation by those the agency regulates.

Sen. Jon Tester (D-MT) and Steve Daines (R-MT):

The Senators have requested that APHIS remove Brucella abortus from the select agents list, which they hope would spur additional research into brucellosis. APHIS and CDC jointly review the select agent lists every two years, and intend to issue a final rule in fall 2016 to remove B. abortus from the list. However, some Department of Homeland Security officials have opposed this action and it remains to be seen what position the Administration will take.

Congressional Reports:
Per Public Law 107-188, APHIS and CDC jointly prepare a report on the number and nature of thefts and losses of select agents to Congress. The report goes to the leadership in the House and Senate.

22. Wolf Predation and Control

Issue Summary:

APHIS, acting through its Wildlife Services (WS) program, is charged with managing damage caused by wildlife and thereby protecting agriculture, natural resources, property, and human health and safety. In FY 2015, APHIS, through its wildlife management efforts, protected more than 6.5 million head of cattle, sheep, and goats, valued at more than $2.5 billion.

APHIS plays a major role in managing damage caused by wolves in the United States. APHIS personnel work with State wildlife agencies, the U.S. Fish and Wildlife Service (FWS), and Tribal Nations to conduct wolf damage management programs and to provide additional services to capture and mark wolves for research and population monitoring purposes. To avoid or reduce predation, APHIS provides technical assistance (advice, education, and educational materials) to producers on preventative, nonlethal measures, which are then implemented by producers themselves. However, if those techniques do not work, APHIS can provide direct operational assistance to lethally remove wolves under permits from the Federal or state
management agency. Most of this work is cooperatively funded with appropriated money and funding from State or local sources. In FY 2015, APHIS responded to more than 1,000 incidents of reported wolf depredations on livestock or other resources, and removed 385 wolves (one unintentionally).

Please see Hot Topics paper on Predator Damage Management for more background.

Current Status/Executive Branch Position:

APHIS, through its statutory authority under the Animal Damage Control Act, continues to provide technical assistance and advice to producers on how to handle damage due to wolves and other livestock predators. Where appropriate, APHIS conducts direct operational activities to remove problematic predators.

Member/Committee Interest and APHIS Response:

Senator Amy Klobuchar (D-MN) and Rep. Collin Peterson (D-MN): Klobuchar and Peterson wrote to the Secretary to ask that USDA fully fund wolf control activities in Minnesota. Primary regulatory control for wolves in the state is managed by FWS. In recent years, APHIS and the State have each provided $110,000 to protect private property and agricultural resources. APHIS intends to continue that agreement into the future, contingent upon funding.

Senators Al Franken (D-MN), Debbie Stabenow (D-MI) and Tammy Baldwin (D-WI) wrote similar letters in support of APHIS continuing wolf-damage management in their respective states. APHIS responded that it could fund the agreement with the State of Minnesota where wolves are categorized as threatened. However, wolves in Wisconsin and Michigan have a different status under the Endangered Species Act and cannot be removed for livestock predation reasons. Accordingly, APHIS can only remove wolves when human health or safety is directly impacted and permitted by wolf management agencies.

Rep. Peter DeFazio (D-OR): DeFazio is APHIS’ wildlife program’s most vocal critic in Congress, and he has objected to the program’s use of lethal methods for wolf control and other activities.

Relevant Committees

House Committee on Agriculture
- Subcommittee on Biotechnology, Horticulture and Research oversees Biotechnology Regulatory Services and Plant Protection and Quarantine
- Subcommittee on Livestock and Foreign Agriculture oversees Veterinary Services, Animal Care, and Wildlife Services, International Services

House Committee on Appropriations, Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies oversees appropriations for the APHIS
IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

Animal and Plant Health Inspection Service’s (APHIS) Relationships with Other USDA Agencies

Agricultural Marketing Service (AMS) and Grain Inspection, Packers and Stockyards Administration (GIPSA)
APHIS, AMS, and GIPSA make up USDA’s Marketing and Regulatory Programs mission area, which facilitates domestic and international marketing of U.S. agricultural products and ensures the health and care of animals and plants. APHIS provides a number of support services to AMS and GIPSA (see Shared Service Provider to Other Agencies, below).

Agricultural Research Service (ARS)
Together, APHIS and ARS operate the National Centers for Animal Health (NCAH) in Ames, Iowa, which meets national needs for animal health research, diagnosis, and product evaluation to improve the Nation’s competitiveness in domestic and world markets and protect against emerging diseases. NCAH provides greater efficiencies in operations between the two agencies and fosters a collaborative research and service culture. At NCAH, APHIS is responsible for animal health diagnostics, regulatory activities, and emergency response through its National Veterinary Services Laboratories (NVSL) and Center for Veterinary Biologics (CVB). ARS—through its National Animal Disease Center (NADC)—is responsible for conducting basic and applied research on livestock and poultry diseases that are of major economic importance to U.S. agriculture and applies the results to animal disease prevention and control programs. Through NVSL, APHIS provides diagnostic services, reagents, and training; supports responses to animal health emergencies; and manages the National Animal Health Laboratory Network (NAHLN). At CVB, APHIS ensures that veterinary biologics (vaccines, bacterins, antisera, diagnostic kits, and other products of biological origin) available for the diagnosis, prevention, and treatment of animal diseases are pure, safe, potent, and effective.

APHIS and ARS also conduct research at the Department of Homeland Security (DHS)-owned Plum Island Animal Disease Center (PIADC) in Orient Point, New York. At PIADC, APHIS operates the Foreign Animal Disease Diagnostic Laboratory, the only laboratory in the Nation...
United States Department of Agriculture  
2016 Presidential Transition  
Animal and Plant Health Inspection Service (APHIS)

that can conduct initial diagnostic testing for foot-and-mouth disease, one of the most significant livestock diseases. At this facility, APHIS also develops novel diagnostic tools and provides diagnostic testing for foreign animal diseases (FADs), and conducts training for Federal and State veterinarians who serve as first responders during FAD outbreaks. ARS’ Foreign Animal Disease Research Unit at PIADC conducts research on high-consequence FADs to increase understanding and develop useful interventions—including vaccines—and diagnostic tools.

APHIS and ARS also meet national needs for plant health research in areas such as plant pest and disease identification, detection, commodity treatment, and management. ARS scientists work extensively with APHIS to conduct basic and applied research on introduced plant pests that are of major economic importance to U.S. agriculture, and APHIS applies the results to plant health exclusion and management programs. Both APHIS and ARS collaborate closely on the development and transfer of scientific and diagnostic technologies to stakeholders in the private sector. In addition, APHIS and ARS have an agreement that allows APHIS to conduct animal welfare inspections of ARS facilities that perform animal research designed to improve livestock health and production.

National Institute for Food and Agriculture (NIFA)
APHIS, ARS, and NIFA work on research, quarantine, and outreach activities associated with the National Clean Plant Network (NCPN), which was created to protect U.S. specialty crops such as grapes, nuts, fruit trees, citrus, berries, hops, sweet potato, and roses from the spread of economically harmful plant pests and diseases. The NCPN produces and distributes plant material free of targeted plant pathogens and pests to specialty crop producers to ensure global competitiveness and protect the environment. NIFA and APHIS also support the National Plant Diagnostic Network, a consortium of plant diagnostic laboratories at land grant universities, other Federal agencies, State departments of agriculture, and other entities throughout the country that quickly detect and identify pests and pathogens of agricultural concern. On the animal health side, APHIS and NIFA work cooperatively with the American Association of Veterinary Laboratory Diagnosticians on the NAHLN, a network of laboratories that use common testing methods and data standards to process diagnostic requests and share information regarding certain animal diseases.

Food Safety and Inspection Service (FSIS)
APHIS and FSIS each have a role in USDA’s efforts to promote a safe, secure, healthy food supply. APHIS works to ensure healthy livestock and poultry, and FSIS works to ensure that the meat, poultry, and eggs derived from these animals is safe, wholesome, and correctly labeled and packaged. APHIS and FSIS have complementary responsibilities relative to animal health surveillance, diagnostic testing, investigations, tracebacks, and response to evidence of disease. APHIS collects samples for surveillance purposes; conducts tests at its laboratories; performs epidemiological traces of animals and animal products; and works to mitigate disease outbreaks in food-producing animals. FSIS performs food safety inspection activities at slaughter establishments nationwide.

APHIS and FSIS have a memorandum of understanding outlining collaborative efforts relative to the inspection, collection, and examination of imported cooked meats for under processing;
animal health slaughter surveillance activities; and information sharing. The agencies have an additional memorandum of understanding to assess the root cause in outbreaks of foodborne illness in humans.

APHIS and FSIS each have animal welfare authorities. FSIS administers the Humane Methods of Slaughter Act, which requires that livestock at Federally inspected establishments be handled and slaughtered in a humane way. APHIS administers the Animal Welfare Act (AWA), which protects certain animals bred for commercial sale, used in research, exhibited to the public, or transported commercially; however, the AWA does not extend to animals used for food, fiber, or other agricultural purposes.

**Foreign Agricultural Service (FAS)**

FAS is responsible for promoting U.S. agriculture overseas and providing food assistance and other international capacity building. APHIS works closely with FAS and the U.S. Trade Representative (USTR) to maintain a coordinated, strategic approach to resolving animal and plant health (sanitary and phytosanitary) issues that can become barriers to agricultural trade. APHIS’ technical experts build relationships with their agricultural health and regulatory counterparts in other countries and use scientific principles to make the case for American agricultural exports, explaining to foreign officials why U.S. commodities are safe to import. APHIS headquarters and overseas staff, many collocated with FAS, maintain contact with FAS colleagues to resolve regulatory issues that may arise with U.S. exports and address animal and plant health issues that are preventing full market access for U.S. products. APHIS also provides FAS information to maintain awareness of new or emerging pests and diseases in those countries that may impact U.S. policy for importing agricultural products.

**Forest Service (FS)**

APHIS, FS, and States cooperate under the Animal Damage Control Act of 1931, as amended, to manage animal damage on National Forest System lands. These activities include wildlife damage management through direct control, as well as technical assistance to achieve desired management objectives. APHIS carries out animal damage management activities on National Forest System lands mostly to minimize livestock losses from predation by coyotes, black bears, and other predators. On request and under agreements, APHIS also conducts activities to control animal damage caused by small mammals and other animals to National Forest System resources, such as timber stands and roads. APHIS and FS also work cooperatively to safeguard U.S. forestland from potentially devastating pests and diseases.

**APHIS’ Relationships with Other Federal Agencies**

**U.S. Department of Health and Human Services, Centers for Disease Control and Prevention (CDC)**

APHIS works with CDC to address complex issues that have the potential to impact animal and human health. ‘One Health’ approaches to these issues have become more important as interactions among people, animals, and the environment increase and evolve. About 75 percent of recently emerging infectious diseases affecting humans are of animal origin, and nearly 60 percent of all human pathogens are zoonotic, meaning they can move between people and
animals. Through its One Health Coordination Office and the placement of a liaison at CDC, APHIS applies its animal health expertise as part of a multidisciplinary approach to these issues.

APHIS and CDC also jointly operate the Federal Select Agent Program. Through this program, APHIS and CDC oversee the possession, use, and transfer of biological select agents and toxins, which could pose a severe threat to public, animal, or plant health.

In addition, APHIS collaborates extensively with CDC on rabies management in wildlife to protect human and animal health and to reduce the significant economic and social costs of this disease. APHIS and CDC work closely on enhanced rabies surveillance, oral rabies vaccination programs in 16 States, and rabies-related research projects focused on prevention and control strategies.

U.S. Department of Health and Human Services, Food and Drug Administration (FDA) and U.S. Environmental Protection Agency (EPA)
APHIS, FDA, and EPA work together to ensure that products of biotechnology and those derived from them are safe for farmers to use, safe for animals and humans to consume, and safe for the environment. Under the Coordinated Framework for the Regulation of Biotechnology (which is currently being modernized to help ensure appropriate oversight and transparency into the future), the three agencies regulate these products based on their characteristics and intended uses, ensuring the safety of organisms used in agriculture and industry, pesticides, foods, and animal feeds.

APHIS and FDA also work together closely to identify and mitigate emerging threats to America’s food supply, such antimicrobial resistance in human and animal health. In addition, APHIS works with EPA to identify quarantine treatments for certain agricultural pests. For example, EPA has registered and authorized methyl bromide—the use of which is restricted and reduced each year because it depletes the ozone layer—to control agricultural pests that affect crops like strawberries, for which no technically and economically feasible alternatives or substitutes are available.

U.S. Department of Homeland Security, Customs and Border Protection (CBP)
APHIS and CBP work collaboratively at the Nation’s borders and ports of entry to safeguard American agriculture and natural resources and to carry out agricultural quarantine inspection (AQI) activities to intercept and keep out any foreign agricultural pests that could affect U.S. agriculture, trade, and commerce. Following the establishment of DHS in 2003, the AQI function at ports of entry (with the exception of inspections of imported plants) transferred from APHIS to CBP. APHIS continues to assess risks associated with imports, set import regulations and inspection policies, inspect imported plant shipments, train CBP agricultural specialists and detector dog teams, monitor fumigations and other treatments of imported commodities, and provide the scientific support necessary for the program, among other things.

CBP enforces APHIS regulations at ports of entry. CBP’s primary focus is on inspection of conveyances, cargo, and passenger baggage at ports of entry; data collection; documenting violations; and targeting based on analysis. APHIS works with CBP to determine where
collective efforts should be focused so resources are efficiently utilized to mitigate damage to agriculture and natural resources. APHIS continues to collect AQI user fees and transfers a portion of the AQI collections to CBP to cover that agency’s costs.


Under the Department of Homeland Security’s *National Response Framework*, USDA has the primary role for coordinating Emergency Support Function (ESF) #11 – Agriculture and Natural Resources assistance during Presidentially declared disasters. Since receiving delegated authority in March 2006, APHIS has fulfilled this primary role for USDA, working with its ESF #11 partner agencies—USDA’s Food Safety and Inspection Service and Food and Nutrition Service, and the Department of the Interior—to assist when the President issues a disaster declaration for a State and FEMA requests ESF #11 assistance. APHIS has an ESF #11 coordinator in each of FEMA’s 10 regions and a national coordinator in the Washington, D.C., area who communicate regularly with FEMA, participate in interagency meetings and planning activities, and coordinate ESF #11 assistance during disasters as part of the Federal response team. The coordinators in the FEMA regions also reach out to other USDA agencies to address inquiries from FEMA. Since 2006, FEMA has activated ESF #11 to respond to more than 100 disasters, including the Deepwater Horizon oil spill in the Gulf of Mexico and Superstorm Sandy, which caused an estimated $65 billion in total damage along the East Coast, from Maine to North Carolina.

**U.S. Department of the Interior (DOI), Fish and Wildlife Service (FWS)**

APHIS works with the FWS to further the purposes of the migratory bird conventions, the Migratory Bird Treaty Act, the Bald and Golden Eagle Protection Act, the Fish and Wildlife Coordination Act, the Endangered Species Act (ESA), the National Environmental Policy Act (NEPA), and other pertinent statutes. APHIS coordinates with FWS to address human-wildlife conflicts arising from migratory birds and obtains migratory bird depredation permits from FWS when necessary to resolve wildlife damage. As required by Executive Order 13186, APHIS and FWS have a memorandum of understanding focusing on avoiding or minimizing adverse impacts on migratory birds and strengthening migratory bird conservation through enhanced collaboration.

APHIS also consults with FWS on some biological assessments conducted under NEPA in response to petitions to deregulate certain genetically engineered (GE) crops. The ESA requires such consultations in cases where the Agency determines that a GE crop “may affect, but is not likely to adversely affect” some endangered species.

**U.S. Department of Justice (DOJ)**

APHIS may refer serious violations of APHIS-administered laws to the DOJ through USDA’s Office of the Inspector General and/or Office of the General Counsel. DOJ may pursue civil or criminal action, as appropriate.
United States Department of Agriculture
2016 Presidential Transition
Animal and Plant Health Inspection Service (APHIS)

U.S. Department of Transportation, Federal Aviation Administration (FAA); U.S. Department of Defense (DOD); EPA; DOI, FWS; and National Transportation Safety Board (NTSB)
APHIS has a memorandum of understanding with FAA to strengthen airport safety by addressing wildlife conflict issues, conducting hazard mitigation operations, maintaining and interpreting the FAAs wildlife strike database, educating the airport community on wildlife strike risks and hazards management, and conducting research. The Agency has an additional agreement with FAA and the National Association of State Aviation Officials to increase hazard awareness and information sharing in every State to improve airport safety.

APHIS has a memorandum of understanding with the DOD to address wildlife conflicts associated with military bases and aircraft to protect military personnel and property. DOD provides funding for APHIS to provide direct assistance for, and research into, wildlife hazards at 106 domestic military airbases and 3 overseas airfields. APHIS provides additional assistance at joint-use civil/military airfields. APHIS also assists DOD, on request, in complying with the Sikes Act to achieve natural resources management goals. APHIS has a memorandum of agreement with DOD, EPA, FAA, and FWS outlining mission areas and facilitating coordinated aviation protection responsibilities and activities.

When requested by NTSB, APHIS responds to aircraft incidents to assist with investigations. It can determine whether wildlife caused the incident and the species involved.

Shared Service Provider to Other Agencies
APHIS works closely with MRP agency leaders and managers to provide human resources services to the MRP mission area’s 14,000 employees. APHIS also provides human resources operational support to USDA’s FAS and Natural Resources Conservation Service (headquarters-based employees) as well as the Merit Systems Protection Board. These services include:

- Recruiting and hiring high-caliber personnel;
- Providing insurance and retirements benefits information;
- Administering processes for salaries, promotions, recognitions, and benefits in a timely manner;
- Providing policy guidance on performance and labor management;
- Providing supervisors with training and tools to support and counsel their employees;
- Creating a supportive and diverse workplace culture to attract and retain talent;
- Promoting the health, safety, and security of employees;
- Planning for workforce and succession needs;
- Offering seminars on employee leadership development;
- Providing coaching, mentoring, and leadership transition services to managers; and,
- Supporting employee development through AgLearn courses available online.

APHIS provides financial management services to AMS, FAS, FSIS, and GIPSA. A cadre of APHIS analysts, accountants, and managers direct and carry out program business activities related to receiving, reviewing, and preparing accounting information for input into USDA’s financial management system; preparing, analyzing, and disseminating financial reports,
including quarterly financial statements; and conducting a sound financial management program for these agencies.

APHIS also provides AMS and GIPSA with accounting, financial operations, travel management, and auditing services, including:

- Program and policy formulation, account classification, billing and collections, examination and certification, accounting and control, adjustments, financial reports, systems and procedures, and liaison activities;
- Accounts receivable services, including examination and certification, purchase card program management, foreign allowance, billing and collections, debt management, and tort claims;
- Travel policy and issuance interpretation, centrally billed account coordination, and individually billed account management; and,
- Internal control policy formulation and liaison activities.

APHIS provides realty services to USDA’s National Appeals Division and a variety of acquisitions and asset management services to AMS and GIPSA, including:

- Acquisitions assistance;
- Printing, distribution, mail, and copier solutions;
- Guidance regarding contracting, the Purchase Card Program, the Contracting Officer Warrant System, and services/requirements of USDA’s Office of Small and Disadvantaged Business Utilization;
- Fleet management coordination and guidance on fleet/gas card requirements;
- Realty, real, and personal property management and guidance;
- Facility and conference center management;
- Information technology awards procurement (GIPSA); and,
- Management of architectural and engineering services procurement for planning, design, construction, utilities, alterations, repairs, and installation of fixed equipment in GIPSA-owned and –leased facilities.

APHIS also provides a number of security, safety, and emergency management services to other agencies, including:

- Physical security support (AMS and GIPSA);
- Operating three shared Homeland Security Presidential Directive-12 compliant Personal Identity Verification card enrollment and activation stations that are part of the General Services Administration’s USAccess Program and serving as the USAccess Program role administrator for AMS and GIPSA by managing the agencies’ sponsor, adjudicator, registrar, security officer, and activator roles;
- Support for AMS’ random drug testing program;
- Pre-employment, random, reasonable suspicion, and post-accident drug testing support to FAS;
- Workers’ compensation support to AMS and FAS;
- Relocation facilities within the National Capital Region to support GIPSA continuity of operations;
• Webinar-based ergonomics training for employees of all Federal Departments and Agencies; classroom-based training for ARS (Ames, Iowa), FAS, and the United States Secret Service; ergonomics evaluations for FAS and some ARS employees; and access for all Federal employees to APHIS’ ergonomics lab in Riverdale, MD;
• Classified National Security Information support to AMS and ARS;
• Workplace violence prevention training, and assessment and investigation support to FAS; and,
• Representing USDA as the coordinating agency for Emergency Support Function #11 of the National Response Framework.

APHIS provides information technology and related support to MRP agencies, including:
• Video teleconferencing communications support to AMS;
• Full telecommunications mission area control officer services to GIPSA;
• Support for physical security access systems at seven GIPSA locations;
• Support to AMS and GIPSA for publishing agency notices, directives, and other formal documents;
• Support to GIPSA for designing and ordering agency forms; reviewing rules and regulations to ensure that information collection requirements are met; records management; and,
• Support to AMS for issuances, including support for agency notices, directives, and other formal documents.

Stakeholder group overview

The following is a list of State, industry, and nongovernmental organizations that have an interest in APHIS policies and activities. Given the breadth and depth of APHIS’ mission, the Agency has an extensive list of stakeholders that it communicates with regularly on multiple issues. This list is not all inclusive, but does highlight some of the Agency’s more active or vocal stakeholders. The briefs include background about the organizations’ missions, identify key leadership positions, and provide information about important APHIS issues. The stakeholders are broken into seven categories: union organizations; general agriculture organizations, consumer advocacy organizations, international regulatory organizations, state-level organizations, animal organizations, and plant organizations.

Union Organizations:

American Federation of Government Employees (AFGE)
https://www.afge.org/

AFGE is the largest Federal employee union, representing 670,000 Federal and D.C. Government workers nationwide and overseas. AFGE has been nationally affiliated with the AFL-CIO since its founding in 1932. AFGE’s national office is located in Washington, D.C.; J. David Cox is the national president.
Employees associated with various APHIS, Agricultural Research Service (ARS), and Agricultural Marketing Service (AMS) programs are AFGE members. These include non-supervisory animal health technicians and clerical employees with APHIS-Veterinary Services’ (VS) Cattle Fever Tick Eradication Program (AFGE Local 3106: Doug Anderson, president); non-professional VS employees in Puerto Rico and the Virgin Islands (AFGE Local 2614: Awilda Morales, president); and all non-professional employees with ARS’ National Animal Disease Laboratory and APHIS’ Science, Technology, and Analysis Services and Program Support Services (Division of Information Technology) in Ames, Iowa (AFGE Local 2315: Sheree Wolf, president). The National Meat Graders Council, AFGE Local 2223 (Heather Tenhoff, president), represents all permanent, full-time meat commodity graders within AMS’ Livestock, Poultry, and Seed Program.

Issues of concern to AFGE local affiliates revolved around selections for supervisory positions; alleged unfair labor practice related to investigative interviews; random vehicle/employee inspections; and tour-of-duty changes and changes in duty stations for certain employees.

American Federation of State, County and Municipal Employees (AFSCME)
http://www.afscme.org/

According to the organization’s Web site, AFSCME is the Nation’s largest and fastest growing public services employees union, with more than 1.6 million working and retired members. AFSCME represents all professional and non-professional employees employed by the Foreign Agricultural Service (FAS) in the Washington, D.C., metropolitan area, including professional and nonprofessional schedule B employees with re-employment rights and Schedule B employees without re-employment rights. An important issue to AFSCME is renegotiating telework provisions of the collective bargaining agreement to conform with Office of Personnel Management guidance.

Lee Saunders is the national AFSCME president.

National Association of Agriculture Employees (NAAE)
http://www.aginspectors.org/

NAAE represents all nonprofessional (non-clerical and non-managerial) employees in APHIS’ Plant Protection and Quarantine (PPQ) program, as well as professionals in the GS-401 series (PPQ officers, Smuggling Interdiction and Trade Compliance officers, etc.). APHIS is involved in ongoing negotiations with NAAE regarding changes made to the methyl bromide use label and grievances and a request regarding educational requirements for the 401 series. NAAE working groups are also looking at reviewing GS-11 positions in the 401 series and possibilities for increasing the number of GS-12 positions.

The NAAE has no central office; Mike Randall is the current national president.
United States Department of Agriculture
2016 Presidential Transition
Animal and Plant Health Inspection Service (APHIS)

National Association of Plant Protection and Quarantine Office Support Employees (NAPPQOSE)
https://sites.google.com/site/nappqose/home

NAPPQOSE represents most of the administrative/office support employees within APHIS-PPQ. The organization is primarily concerned about the number of employees attending training related to government-owned vehicles. Cynthia C. Ross is NAPPQOSE’s president.

American Foreign Service Association (AFSA)
http://www.afsa.org/

AFSA, which has represented the foreign affairs community since 1924, represents all foreign service officers within APHIS’ International Services program and FAS. APHIS is involved in ongoing negotiations with AFSA regarding specific employees in a collective bargaining agreement. AFSA’s offices are located in Washington, D.C.; Barbara Stephenson is AFSA’s president.

General Agriculture Organizations:

American Farm Bureau Federation (AFBF)
www.fb.org

AFBF is a nongovernmental, voluntary organization that provides a national-level voice for farm and ranch families. The AFBF mission is to enhance and strengthen the lives of rural Americans and to build strong, prosperous agricultural communities. AFBF has an affiliate bureau in all 50 states.

Priority APHIS issues for AFBF include passage of the Trans-Pacific Partnership agreement to expand export markets and farmer access to biotechnology. The AFBF has worked cooperatively with APHIS on outreach and training activities related to biotechnology regulation and has provided comments on APHIS’ revised regulations for genetically engineered (GE) organisms. The AFBF is also preparing to advocate for more funding in the 2018 Farm Bill.

The AFBF is located in Washington, D.C. and Zippy Duvall is AFBF’s President. Mace Thornton is the Executive Director, Communications.
Consumer Advocacy Organizations:

Center for Food Safety (CFS)
http://www.centerforfoodsafety.org

CFS is a national non-profit public interest and environmental advocacy organization that works “to protect human health and the environment by curbing the use of harmful food production technologies and by promoting organic and other forms of sustainable agriculture.” CFS also promotes educational materials for consumers about organic foods and products. CFS uses legal actions, scientific and policy reports, books, campaigns and other materials to advocate for market changes through their “True Food Network.” CFS also pursues legal cases and has sued APHIS on numerous issues, including some of our GE deregulations and most recently over APHIS responses to CFS requests under the Freedom of Information Act (FOIA). Almost half of FOIA requests received in APHIS’s Biotechnology Regulatory Services program are from CFS.

In general, CFS opposes genetic engineering, with specific interests in changes to biotechnology regulations, the development of “superweeds,” and economic losses to organic and identity-preserved crop farmers by the unintended presence of GE material.

CFS national headquarters are in Washington, D.C., and Andrew Kimbrell is the Executive Director.

Center for Science in the Public Interest (CSPI)
http://www.cspinet.org/

Founded in 1971, CSPI’s mission is to educate the public, advocate government policies that are consistent with scientific evidence on health and environmental issues, and “counter industry’s powerful influence on public opinion and public policies.” CSPI covers both animal and plant health issues.

APHIS issues of interest to CSPI include all aspects of the Agency’s biotechnology program. CSPI’s goal is to “provide responsible information about the benefits and risks of agricultural biotechnology.” The CSPI Biotechnology Project addresses scientific concerns, government policies, and corporate practices concerning GE plants and animals, that are released into the environment or that end up in food.

CSPI’s headquarters are in Washington, D.C. and Michael Jacobson is the President. Gregory Jaffe is the Director of the Biotechnology Project.
In 2005, members of the Energy and Environment Program at the advocacy organization Public Citizen created FWW. FWW advocates for safe food and clean water using grassroots organizing, education campaigns, and media outreach. Overlap with APHIS issues includes FWW’s efforts to make country-of-origin labeling on meat and produce mandatory and make food irradiation labeling mandatory. FWW also supports labeling all genetically engineered foods. Outside of the United States, FWW is also known as Food & Water Europe.

FWW headquarters are in Washington, D.C., and the Executive Director is Wenonah Hauter.

Founded in 1969, UCS is a nonprofit organization working for “a healthy planet and safer world.” UCS uses independent scientific research and citizen action to advocate for changes in government policy, corporate practices, and consumer choices. UCS is concerned with strengthening government oversight of GE crops and advocates against the production of pharmaceutical products in food crops. APHIS issues of interest to UCS include biotechnology regulations and regulation of pharmaceutical and industrial crops.

UCS headquarters are in Cambridge, Massachusetts and Kenneth Kimmell is the President. Peter Frumhoff is the Director of Science & Policy.

The Food and Agriculture Organization of the United Nations’ primary mission is achieving food security for all people so they have regular access to enough high-quality food to lead active, healthy lives.

The FAO’s three main goals are the eradication of hunger, food insecurity, and malnutrition; the elimination of poverty and the driving forward of economic and social progress for all; and the sustainable management and utilization of natural resources, including land, water, air, climate, and genetic resources for the benefit of present and future generations. APHIS is an FAO Reference Center for foot and mouth disease (FMD) and other vesicular diseases of the Americas and the Caribbean, animal influenza, and Newcastle disease. FAO Reference Centers are institutions designated by the Director-General to provide independent technical and scientific advice on issues related to the FAO’s mandate. These Reference Centers, such as the APHIS National Veterinary Services Laboratories (NVSL), have expertise in areas including veterinary diagnostics, vaccines, research, biocontainment, and epidemiology. The References Centers are
internationally regarded as centers of excellence in providing scientific and technical expertise, diagnostic services, laboratory and field training, and coordinating research. NVSL in particular is recognized as a confirmatory testing laboratory for suspected FMD and other vesicular disease samples from all of the Americas.

FAO is located in Rome; the Director-General is José Graziano da Silva.

*International Plant Protection Convention (IPPC)*
https://www.ippc.int/en/

The International Plant Protection Convention (IPPC) is a 1951 multilateral treaty placed with the United Nations’ Food and Agriculture Organization (FAO) that coordinates effective action to prevent and to control the introduction and spread of pests of plants and plant products. The Convention extends beyond the protection of cultivated plants to the protection of natural flora and plant products, considering both direct and indirect damage by pests, including weeds.

The governing body is known as the Commission on Phytosanitary Measures (CPM), which oversees the implementation of the IPPC. As of September 2015, the Convention has 182 parties, including 179 member states, and the European Union. The IPPC is recognized by the World Trade Organization’s (WTO) Agreement on the Application of Sanitary and Phytosanitary Measures (the SPS Agreement) as the international standard setting body for plant health. While the IPPC’s primary focus is on plants and plant products in international trade, the IPPC also covers research materials, biological control organisms, germplasm banks, containment facilities, food aid, emergency aid and anything else that can act as a vector for the spread of plant pests – containers, packaging materials, soil, vehicles, vessels and machinery. APHIS issues relevant to the IPPC include pest control programs and the promotion of harmonized, science-based, SPS trade regulations.

The IPPC is based in Rome, at the FAO headquarters, and has staff around the world. Jingyuan Xia is the IPPC Secretary. Marina Zlotina is PPQ’s IPPC Technical Director.

*North American Plant Protection Organization (NAPPO)*
www.nappo.org

NAPPO is a Regional Plant Protection Organization of the International Plant Protection Convention (IPPC). NAPPO coordinates efforts among Canada, the United States, and Mexico to protect plant resources from the entry, establishment, and spread of regulated plant pests, while facilitating North American trade. The organization develops phytosanitary (relating to the health of plants) standards to protect the North American region, provides a forum for technical assistance for relevant phytosanitary issues, facilitates agricultural trade, and provides a mechanism for disputes in regional trade.
APHIS has various staff on NAPPO executive and technical panels. APHIS issues of interest to NAPPO include international standards for solid wood packing material and compliance with those standards, biological control, and invasive species.

Patricia Abad is PPQ’s NAPPO Technical Director. Stephanie Bloem, a former APHIS employee, is NAPPO’s Executive Director. NAPPO headquarters are located in Raleigh, North Carolina.

World Organisation for Animal Health (OIE)
http://www.oie.int/

Commonly referred to as “the OIE”, because of its original name in French (Office de Epizooties), the OIE is recognized as the global reference organization (international standard setting body) for animal health by the World Trade Organization and has a total of 180 member countries. The OIE maintains permanent relations with 71 international and regional organizations and has offices worldwide.

OIE issues relevant to APHIS include animal disease control programs, especially animal disease epidemiology and surveillance, and promotion of transparent, science-based, animal health trade regulations around the world. APHIS is responsible for reporting U.S. animal disease occurrences to the OIE, including immediate notifications of some diseases and annual and semiannual reports. The OIE also operates the World Animal Health Information Database, which captures data on notifiable animal disease events around the world and is an important resource for trade issues.

Daily operations are managed at OIE headquarters in Paris, under the responsibility of Director General Dr. Monique Eloit. Delegates from member countries elect Commissions to develop resolutions, which are considered at the OIE annual meeting, usually in May. The OIE’s financial resources are derived from annual member country contributions. The United States is a major financial contributor. The APHIS-VS Chief Trade Advisor, Dr. John Clifford, is the U.S. Delegate to the OIE.

State-Level Organizations:

National Assembly of State Animal Health Officials (NASAHO)

The National Assembly operates as a non-profit organization representing State veterinary officials in the United States. It is a communications network and lobbying group that offers education resources, publications, and research. The National Assembly conducts conferences and seminars, including the annual U.S. Animal Health Association (USAHA) conference, in conjunction with the American Association of Veterinary Laboratory Diagnosticians (AAVLD).

The National Assembly is a close partner of APHIS. Therefore, APHIS Veterinary Services (VS) holds regular monthly conference calls to inform the members of the National Assembly on
United States Department of Agriculture
2016 Presidential Transition
Animal and Plant Health Inspection Service (APHIS)

current issues and to gain feedback from the group. VS also works closely with the National Assembly on all animal health emergencies and guidance on animal health program initiatives.

Dr. Susan Keller is the National Assembly President and also the current North Dakota State Veterinarian.

National Association of State Departments of Agriculture (NASDA)

www.nasda.org

NASDA represents State Departments of Agriculture in the development, implementation, and communication of public policy and programs that support and promote the American agricultural industry, while protecting consumers and the environment. NASDA is a key partner in almost all of APHIS’ programs, and the group, collectively or individually by Commissioner, frequently bring State issues to APHIS’ attention for discussion and resolution. APHIS holds a regular conference call with NASDA the first Monday of every month to provide updates to Commissioners on key program activities.

Since fiscal year 2004, APHIS has provided cooperative agreement funding to NASDA. APHIS structures the terms of that agreement to focus support around several key NASDA activities. Each year, APHIS’ Leadership attends NASDA’s midyear and annual meetings and provides program updates at their Animal and Plant Industries Committee meetings.

Dr. Barbara Glenn is NASDA’s Chief Executive Officer and Greg Ibach, Nebraska Department of Agriculture, is the current NASDA President.

National Plant Board (NPB)
http://www.nationalplantboard.org/

NPB is a nonprofit organization that represents plant pest regulatory agencies in all 50 States, the Commonwealth of Puerto Rico and Guam. The organization provides national leadership to foster the effective management of plant health programs and address plant pest regulatory issues that affect States. NPB frequently brings plant health and biotechnology issues to APHIS’ attention for discussion and resolution. Officials with APHIS’ Plant Protection and Quarantine hold regular conference calls with the NPB Executive Team, APHIS’ Biotechnology Regulatory Services participates on the calls when there are biotechnology issues to discuss. NPB also holds a national annual meeting each August where participants discuss plant health policy and current issues. NPB also has relationships with the NASDA, the U.S. Forest Service, and the USDA/Agricultural Research Service (ARS).

APHIS issues of primary interest to NPB include Farm Bill funding for pests and diseases, as well as emerald ash borer, potato cyst nematode, citrus greening, invasive species, biotechnology, and coordination of agricultural inspection activities with the U.S. Department of Homeland Security’s Customs and Border Protection. APHIS currently has one cooperative agreement with NPB to develop a program for States to conduct biotechnology field test inspections on behalf of APHIS.
The NPB is located in Sacramento, California and Joe Collins (KY) is the current NPB President. The NPB President serves a one-year term in office.

Animal Organizations:

American Association of Equine Practitioners (AAEP)
www.aaep.org/

The AAEP is the world’s largest professional organization dedicated to equine veterinary medicine and is a leading medical authority on the health and welfare of horses. Nearly 9,300 veterinarians and veterinary students in 61 countries are AAEP members. Their mission is to improve the health and welfare of horses, provide education and professional development, establish ethical standards, as well as become a respected source of information for influencing public policy.

The AAEP helped launch and manages the Equine Disease Communication Center (EDCC), a USDA-supported component of the National Equine Health Plan that collects and report real-time information about disease outbreaks, as well as provides information needed to respond to and manage those outbreaks. The EDCC helps protect the horse industry from the threat of infectious disease outbreaks and keep horse moving domestically and internationally.

The AAEP is located in Lexington, Kentucky. Dr. Reynolds Cowles will begin his term as President in December 2016.

American Association of Small Ruminant Practitioners (AASRP)
www.aasrp.org

AASRP has over 1,000 members in the United States and Canada, with additional members in over 20 countries. The AASRP was founded in 1968 to further the programs and studies of those working with small ruminants (sheep, goats, camelids, elk, deer, and other related species). The organization is a clearinghouse for education, research, and training to promote good health and productivity in the small ruminant sector.

AASRP’s primary goals are to work cooperatively with regulatory agencies, to further the professional development of members, and to provide resources to elevate the standards of small ruminant medicine. APHIS issues of importance to the AASRP include the eradication of classical scrapie from the United States, chronic wasting disease (CWD) State herd certification programs, and zoonotic diseases affecting small ruminants, including brucellosis, coxiellosis (Q fever), and tuberculosis (TB).

AASRP is located in the Montgomery, Alabama suburbs. Dr. Patty Scharko is AASRP’s current president, Dr. Dale Duerr is the President-Elect, and Dr. Bradley Fields is the Executive Director.
American Association of State Public Health Veterinarian (AASPHV)
http://aaphv.org/

The AASPHV promotes the science, art, and practice of public health, epidemiology, and preventive medicine. Its membership includes those in private practice or employed by a governmental or non-governmental agency or academia (students and faculty), at the local, State, national, or international level. The Association carries out its mission by providing an expert forum to discuss public health issues of importance to the veterinary profession and developing professional recommendations and public health resolutions. The Association consistently supports programs to promote and improve the professional education, communication, and collaboration of public health veterinarians to reduce human and animal disease and disability, to improve human and animal population well-being, and to integrate the contributions of veterinary medicine to the successful practice of public health throughout the United States.

AASPHV’s programs overlap with those of USDA at the human-animal environmental interface, such as food safety, infectious diseases, antimicrobial resistance, Global Health, and pandemic influenza.

AASPHV is located in Albuquerque, New Mexico and Jeff Baravik is the current AASPHV President.

American Association of Swine Veterinarians (AASV)
www.aasv.org

AASV has approximately 1,300 members involved in practice, industry, and academia in more than 40 countries. One of AASV’s primary goals is to support science-based approaches to veterinary, industry, and public health issues. AASV has worked with APHIS to provide input and recommendations on the management of swine health issues, such as porcine enteric corona virus in 2014, and senecavirus A in the U.S. swine population.

AASV has also developed position statements on issues relevant to the swine industry, including judicious use of antibiotics, porcine epidemic diarrhea virus, premises registration, swine welfare, and porcine reproductive and respiratory syndrome. AASV has also engaged APHIS on issues related to identification of emerging diseases, and validation of newly developed diagnostic tests for foreign animal diseases.

The AASV is located in Perry, Iowa. Tom Burkgren is AASV’s Executive Director, and George Charbonneau is the President.
American Association of Veterinary Laboratory Diagnosticians (AAVLD)
www.aavld.org

AAVLD is a not-for-profit professional organization that seeks to improve all aspects of animal disease diagnostic programs. Specific organizational goals include the dissemination of information related to the diagnosis of animal diseases; coordination of diagnostic activities of regulatory, research, and service laboratories; the establishment of uniform diagnostic techniques; and the development of new diagnostic techniques.

Since 2002, APHIS—in conjunction with USDA’s National Institute of Food and Agriculture — has worked closely with AAVLD to establish the National Animal Health Laboratory Network (NAHLN). NAHLN is a network of Federal, State, and university veterinary laboratories designed to provide a rapid and effective response to animal health emergencies. AAVLD strongly supports the network concept, which builds on a memorandum of understanding (MOU) signed by APHIS and AAVLD to cooperatively improve veterinary diagnostic services in the United States.

Additionally, APHIS, AAVLD, and the U.S. Animal Health Association (USAHA) are partners in the National Animal Health Reporting System (NAHRS). NAHRS is designed to provide data from State animal health officials on the presence of reportable diseases in commercial livestock, poultry, and aquaculture species. NAHRS is intended to be part of a comprehensive and integrated animal health system.

The AAVLD is located in Visalia, California, and Dr. Tom Baldwin is AAVLD’s President.

American Cervid Alliance (ACA)
www.americancervidalliance.com

The ACA is a leadership council comprised of representatives from 40 separate elk, deer, and exotic associations. The leaders of these associations meet regularly to assess the latest concerns from the cervid industry regarding over-regulation and harmful legislation. The ACA essentially functions as the United Nations of the cervid industry.

The ACA Leadership Council reviews the latest news and challenges facing the cervid industry. A major topic is the revision of APHIS’ Chronic Wasting Disease (CWD) Program Standards document and advocating to make the standards more favorable to industry. The council also spends time advocating against proposed moratoriums, closed borders proposals, and new farm requirements at the state level. APHIS issues of interest to the American Cervid Alliance include CWD, bovine TB, and brucellosis.

The ACA is located in Charles City, Iowa, and there is no formal President. Travis Randal Lowe is the ACA Moderator and is responsible for organizing conference calls and ACA business.
American Dairy Goat Association (ADGA)
www.adga.org

The ADGA was organized in 1904 to collect, record, and preserve the pedigrees of dairy goats and to provide genetic, management, and related services to dairy goat breeders. With over two million goats registered, ADGA is the largest and fastest growing dairy goat organization in the United States.

APHIS issues of interest to the ADGA include the eradication of classical scrapie from the United States, goat traceability (with a special emphasis on the use of registry tattoos for registered goats), brucellosis and TB surveillance and policy in relation to the testing requirements in the Pasteurized Milk Ordinance, and surveillance of and response to coxiellosis (Q fever).

The ADGA is located in Spindale, North Carolina and Robin Saum is the President. Phil Cassette and Linda Campbell are Vice-Presidents, and the Association Manager is Shirley McKenzie.

American Goat Federation (AGF)
https://www.americangoatfederation.org

Founded in 2010, AGF represents the interests of more than 150 organizations and thousands of producers engaged in the sustainable production and marketing of goat milk, meat, fiber, breeding stock and grazing services across the United States. The ADGA, American Boer Goat Association, and the Texas Sheep and Goat Raisers are all members of AGF. AGF promotes the development of all segments of the goat industry, including dairy, meat, and fiber, by encouraging sound public policy, enhancing production and marketing of goat products, and promoting research beneficial to its member organizations and all producers.

APHIS issues of interest to AGF include the eradication of classical scrapie from the United States, animal traceability, zoonotic disease surveillance and response, and foreign animal and emerging diseases preparedness and response. APHIS and AGF have a cooperative agreement to increase awareness of scrapie and the National Scrapie Eradication Program and proposed updates to animal traceability requirements for goats.

The AGF is located near Indianapolis, Indiana. Dr. Ken Andries is the AGF President, Lary Duncan is the Vice-President, and Anita Teel Dahnke is the Executive Director.

American Horse Council (AHC)
www.horsecouncil.org

The AHC was organized to represent the horse industry in Washington before Congress and Federal regulatory agencies. It is a non-profit corporation that represents all segments of the equine industry. AHC helped launch and supports the Equine Disease Communication Center (EDCC), a USDA-supported component of the National Equine Health Plan that will collect and report real time information about disease outbreaks, as well as provide the information needed
to respond to and manage those outbreaks. The EDCC will help protect the horse industry from the threat of infectious disease outbreaks and keep horses moving domestically and internationally.

The AHC is located in Washington, D.C. and Julie Broadway is the current AHC President.

American Sheep Industry Association (ASI)
www.sheepusa.org/

ASI represents the interests of more than 88,000 sheep producers located throughout the United States. ASI is a federation of 45 State sheep associations, as well as individual members dedicated to the common goal of promoting the profitability and well-being of the U.S. sheep industry. The American Wool Council and the American Lamb Council are divisions of ASI. APHIS issues of importance to ASI include National Scrapie Eradication Program (NSEP), sheep traceability, foreign animal and emerging diseases preparedness and response, sheep and sheep products import and export, and predator management. APHIS and ASI have a cooperative agreement to promote compliance with the identification, record keeping, and movement requirements of the NSEP, identifying and reporting scrapie-affected animals, and submitting animals for scrapie surveillance. ASI has also been engaged on issues surrounding foot-and-mouth disease (FMD) with respect to livestock imports from Argentina and public land use issues resulting from concerns over domestic-Bighorn sheep interactions and the potential for disease transmission.

In addition, ASI supports much of the predator management work carried out by APHIS’ Wildlife Services program. It pulls together some 200 agencies and associations to provide an annual letter of support for the program to Senate and House committees.

Burton Pfliger is President of ASI, and Peter Orwick is the Executive Director of the association headquartered in Englewood, CO.

American Veterinary Medical Association (AVMA)
https://www.avma.org/Pages/home.aspx

The AVMA, established in 1863, is a not-for-profit association representing more than 88,000 veterinarians working in private and corporate practice, government, industry, academia, and uniformed services. Structured to work for its members, the AVMA acts as a collective voice for its membership and for the profession to advance the science and practice of veterinary medicine to improve animal and human health.

Within the AVMA, APHIS is involved with the Council on Biologic and Therapeutic Agents. This Council serves as an informational and advisory resource to government agencies (including APHIS’ Center for Veterinary Biologics) and to other AVMA groups on issues pertaining to veterinary biologics, drugs, and other therapeutic agents. The Council also fosters the proper use of biologic and therapeutic agents in the practice of veterinary medicine. Examples of Council activity include improving animal vaccine label content to provide
additional meaningful information to veterinarians to assist them in customizing vaccine recommendations for their patients; furnishing comprehensive veterinary education on animal product issues; advocating for animals and veterinarians regarding the proper use of compounded drugs; addressing Internet issues affecting veterinary practice with regulatory officials, including pharmacy and diagnostic testing; and reviewing and enhancing the adverse event reporting systems for animal health products.

Dr. Thomas Meyer, a co-owner of a mixed-animal practice, is the current AVMA President.

Animal Agriculture Alliance (AAA)
www.animalagalliance.org

AAA is a coalition of livestock, poultry, and aquaculture trade associations and veterinary and scientific communities that monitors and influences issues dealing with animal health, the environment, food safety, and research and education. The organization advocates for Federal funding and legislation to support its platform. AAA membership includes more than 30 national animal agriculture producers and allied animal agriculture industry organizations. Established in 2001, the AAA is interested in helping consumers better understand the role animal agriculture plays in providing a safe, abundant food supply. APHIS and AAA—along with USAHA and the AVMA—meet regularly as part of the National Animal Health Emergency Management Steering Committee. APHIS issues of interest to the AAA include foot-and-mouth disease, promoting science-based and species-specific animal welfare principles, responsible use of antibiotics and antibiotic resistance, and monitoring legislation concerning animal agriculture at the state and federal levels. The AAA also maintains detailed outreach and educational information on its website regarding animal agriculture issues.

The AAA is based in Arlington, Virginia, and Kay Johnson Smith is the President and CEO.

Animal Health Institute (AHI) and Association of Veterinary Biologics Companies (AVBC)
http://ahi.org
http://avbc.net

The AHI and the AVBC are the two main trade associations that represent the majority of U.S. veterinary biologics manufacturers. APHIS meets with AHI three times a year, and AVBC twice each year to discuss issues relevant to them. Three APHIS issues that AHI and AVBC support, include the simplification and standardization of veterinary biologics labeling requirements, electronic communications between stakeholders and the APHIS National Centers for Animal Health, and the APHIS specifications policy for the efficacy and potency of veterinary biologics. The AHI and AVBC support science-based approaches to regulatory policy and specifically support adequate resources for APHIS programs to assure the quality of veterinary biologics and to minimize the impact of animal diseases.

The AHI is located in Washington, D.C. and Alexander Mathews is the President and CEO. The AVBC is located in McLean, Virginia, and John Thomas is the Executive Director.
Animal Welfare Institute (AWI)
www.awionline.org

AWI is a nongovernmental organization whose mission is “to alleviate the suffering inflicted on animals by people.” APHIS issues of interest to AWI include the humane treatment of livestock, poultry, and other animals; bison management in the Greater Yellowstone Area; and, the welfare of Asian elephants in U.S. zoos. AWI is also a plaintiff in multi-party lawsuits opposing APHIS’ lethal control of predators. AWI advocates to protect animals in laboratories including promotion of non-animal testing methods and prevention of experiments on animals by high school students. AWI also has representation on the Secretary’s National Wildlife Services Advisory Committee, which provides recommendations to USDA about Wildlife Services’ activities and policies.

The organization has headquarters in Washington, D.C. and Cathy Liss is AWI’s President.

Association of Fish and Wildlife Agencies (AFWA)
www.fishwildlife.org

AFWA represents North America’s fish and wildlife agencies at all levels of government. The Association provides its member agencies with coordination services that range from migratory birds, fish habitat, and invasive species, to conservation education, leadership development, and international relations.

AFWA works closely with APHIS on a wide range of wildlife issues including development of Best Management Practices for regulated trapping, a conservation project to guide humane trapping. APHIS worked closely with AFWA to develop reproductive control methods to manage overabundant wildlife populations, as well as protocols for their use. APHIS assists many AFWA members in wildlife damage management projects. In addition, AFWA is interested in APHIS’ regulation of chronic wasting disease, viral hemorrhagic septicemia, bovine tuberculosis, and brucellosis.

AFWA is located in Washington, D.C. and Ron Regan is the Executive Director. Jennifer Mock Schaeffer is AFWA’s Government Affairs Director and Gary Taylor is AFWA’s Legislative Director Emeritus. AFWA is represented on the Secretary’s National Wildlife Services Advisory Committee and on the APHIS Wildlife Services steering committee on feral swine damage management.
Association of Zoos and Aquariums (AZA)
https://www.aza.org/

AZA is a non-profit organization dedicated to the advancement of accredited zoos and aquariums in the areas of animal care, wildlife conservation, education, and science. It is the leading independent U.S. accrediting organization for zoos and aquariums. Among its standing committees are: animal health, animal welfare, and wildlife conservation and management. While APHIS’ Animal Care program enforces Federal standards of care for zoos and aquariums, the AZA accreditation program is voluntary. Zoos and aquariums that are accredited by AZA generally must meet higher standards than those required by APHIS. There are more than 230 AZA-accredited zoos and aquariums in the United States and overseas. AZA member institutions also support multiple wildlife conservation projects around the world. APHIS and the AZA meet regularly at conferences and symposia. The AZA participates in APHIS working groups and conferences on a regular basis, including receiving funds through cooperative agreements with APHIS to take part in events and a specific agreement on zoo preparedness. The AZA supports increasing standards for zoos and aquariums regulated by APHIS, and recognizes the role, responsibilities, and regulatory process that APHIS follows under relevant policies such as the Animal Welfare Act.

AZA is headquartered in Silver Spring, Maryland. Kris Vehrs is the Interim President and CEO.

Center for Biological Diversity
www.biologicaldiversity.org

The Center for Biological Diversity, a nonprofit with a staff of 20 lawyers in more than a dozen offices, is devoted to protecting biodiversity through science, legal action, policy advocacy, negotiation with government and industry, and strategic media and outreach. The Center has filed numerous suits or issued notices of intent to sue APHIS and its Wildlife Services program, alleging a variety of noncompliances with the Endangered Species Act, National Environment Policy Act (NEPA), and other policies and procedures. With like-minded organizations, it has sued counties in California arguing that APHIS’ NEPA compliance is insufficient and the counties need to conduct similar processes under the California Environmental Quality Act requirements.

Kierán Suckling is Executive Director and a founder of the Tucson-based group. Michael Robinson, its Conservation Advocate, focuses on the protection and recovery of top predators.
Defenders of Wildlife
www.defenders.org

Defenders of Wildlife is a national, nonprofit membership organization dedicated to the protection of native animals and plants in their natural communities. Defenders works to protect and restore America’s native wildlife, safeguard habitat, resolve conflicts, and educate and mobilize the public. Defenders’ initial mission was to protect coyotes and other furbearers from steel-jawed leg-hold traps and poisons; its current main focus is restoring wolves to former habitats in the lower 48 States and preventing the elimination of wolves in areas where they still exist. The organization has grown to more than 500,000 members; Defenders of Wildlife equips some producers with nonlethal methods to prevent wolf predation of livestock in the Western United States. It will cost-share with producers for nonlethal methods to prevent predation by grizzly bear. Defenders opposes some APHIS predator control work. The organization has concerns over APHIS’ partnership with State wildlife agencies and the issue of controlling wolves to enhance wild ungulate (hooved animals) populations for people to hunt.

Defenders of Wildlife is headquartered in Washington, D.C. Jamie Rappaport Clark is President and CEO. Robert Dewey is Vice President for Government Relations.

Friends of Sound Horses (FOSH)
http://www.fosh.info/

FOSH is a nonprofit organization whose mission is to provide information on the humane care, treatment, and training of gaited horses, with a specific emphasis on the Tennessee Walking Horse. FOSH promotes the exhibition of flat shod and barefoot Walking Horses at competitions designed to showcase the natural gaited pleasure walking horse. FOSH, like APHIS, strives to eliminate all horse soring, or pain inflicted to a horse’s limbs to accentuate its gait. FOSH is extremely interested in APHIS’ enforcement of the Horse Protection Act and maintains a public database of soring violators.

All FOSH-related work is performed by volunteers. FOSH is headquartered in St. Louis, Missouri. Teresa Bipped is the FOSH President and Keith Dane is the USDA/Government Action point of contact.

Humane Society of the United States (HSUS)
http://www.hsus.org/

The HSUS’ mission is “Celebrating Animals, Confronting Cruelty.” HSUS advocates on behalf of pets, wildlife and habitat, farm animals, animals in research, and horses. APHIS issues of interest to HSUS include animal cruelty and fighting regulations, wildlife management methods, oversight of commercial animal breeders and primate research, and the transportation of horses to slaughter. HSUS advocacy takes the form of proposed State and Federal legislation, ballot initiatives, write-in campaigns, and lawsuits. In particular, HSUS opposes dog breeders (puppy mills), animal fighting, horse cruelty, and wildlife trade.
HSUS is headquartered in Washington, D.C. Wayne Pacelle is President and CEO. HSUS also has representation on the Secretary’s National Wildlife Services Advisory Committee.

National Aquaculture Association (NAA)
http://thenaa.net/

The NAA was founded in 1991 to provide a representative voice at the national and State levels for its members. Members culture a diversity of fish, shellfish, aquatic plants, crustaceans, reptiles, corals, and other invertebrates for seafood, aquarium, water garden, bait, and recreational stocking markets. The NAA is a U.S. producer-driven, nonprofit trade association that supports the establishment of governmental programs that further the common interest of the NAA membership, both as individual producers and as members of the aquaculture industry. The NAA is committed to the continued growth of its industry, to working with State and Federal governments, including APHIS, to create a business climate conducive to success and to fostering cost-effective environmental stewardship and sustainability. The NAA is concerned with label requirements for seafood products, in particular, country of origin and method of production, wild-caught or farm-raised. The NAA notes that these USDA regulations apply to seafood, but not to small fish markets, butcher shops, or restaurants.

The NAA headquarters are in Tallahassee, Florida, and Jim Parson is the NAA’s current President.

National Association for Biomedical Research (NABR)
http://www.nabr.org/

On behalf of the biomedical research community, NABR advocates for public policy in support of ethical and essential laboratory animal research. Since its inception, NABR has represented the scientific community to policymakers. With an increase in animal activist campaigns against researchers, NABR informs legislators and educates them on the impacts proposed changes would have on medical progress. NABR works to assure that new Federal laws and regulations meet animal welfare and biomedical research needs. Research facilities are members of the NABR and the NABR has invited Animal Care subject matter experts to participate in webinar events so member facilities can communicate directly with APHIS staff about animal welfare issues and compliance. Animal Care staff regularly attend research and industry events to present information and engage in direct interaction with NABR stakeholders. NABR’s issue of concern with APHIS is federal oversight of research facilities, specifically in regards to animal welfare.

Frankie Trull is the president. NABR is headquartered in Washington, D.C.
National Association of Federal Veterinarians (NAFV)
http://www.nafv.org/

NAFV is a constituent body of the AVMA, made up of 1,000 members and formed during the AVMA annual meeting in 1918 by a small group of Bureau of Animal Industry (a precursor to APHIS) veterinarians. It is recognized by the USDA as the representative organization for federally employed veterinarians and as an association of managers and supervisors. NAFV serves veterinarians and the agencies they work for by facilitating communication, making suggestions for improvements, and collaborating to address issues of concern. As an advocate for veterinarians in Federal service, NAFV emphasizes professionalism and expertise in Federal service, while promoting continuing education, teamwork, and a standard of excellence.

NAFV is located in Washington, D.C. and Dr. Ken Angel is the current President.

National Cattlemen’s Beef Association (NCBA)
www.beefusa.org

The NCBA has existed under various names since the late 19th century, but took its current name in 1996 with the merger of the Beef Industry Council of the Meat Board and the National Cattlemen’s Association. The NCBA represents U.S. cattle producers, with more than 28,000 individual members and several industry organization members. NCBA represents more than 175,000 cattle producers and feeders. NCBA works to advance the economic, political and social interests of the U.S. cattle business and advocate for the cattle industry's policy positions and economic interests.

APHIS works closely with NCBA to address animal disease traceability (ADT) issues and promote consistent enforcement between States and cattle sectors. NCBA will be an integral industry partner in the discussion regarding inclusion of feeder cattle less than 18 months of age into ADT regulations. Other APHIS issues relevant to NCBA include emergency preparedness, bovine spongiform encephalopathy, brucellosis, bovine tuberculosis, cattle fever tick, and foot-and-mouth disease preparedness, including Secure Beef Supply and Secure Milk Supply planning. The NCBA is also interested in new disease surveillance approaches, indemnity funding, collaborating on wildlife surveillance, the bison industry, antimicrobial resistance, and animal welfare issues. It supports APHIS’ program for managing damage due to wildlife. NCBA has engaged APHIS on issues related to 2015 final rules to allow the importation of boneless beef, with certain mitigations, from Argentina and Brazil. NCBA has also been very supportive of the work conducted under the National Animal Health Monitoring System to characterize health and management of cattle populations throughout the United States.

The NCBA has offices in Washington, D.C., and Denver, CO. Tracy Brunner is the NCBA President and APHIS also works closely with Dr. Kathy Simmons, the NCBA Chief Veterinarian.
National Chicken Council (NCC)  
http://www.eatchicken.com

Established in 1954, the NCC is a national, nonprofit trade association representing the U.S. chicken industry. It promotes and protects the interests of the chicken industry and is its voice before Congress and Federal agencies. In addition, the council conducts programs to address food safety and worker safety and health. NCC members include chicken producer/processors, poultry distributors, and allied industry firms.

APHIS issues of interest to NCC include comprehensive integrated disease surveillance; foreign and emerging animal disease awareness, preparedness, and response; chicken health; and animal welfare.

The NCC is located in Washington, D.C. and Michael Brown is the President.

National Milk Producers Federation  
www.nmpf.org

NMPF is a farm commodity organization representing dairy marketing cooperatives that produce the majority of the U.S. milk supply. NMPF represents dairy cooperatives and their dairy farmer members such as milk production and marketing. NMPF aims to improve the economic well-being of dairy farmers, thus assuring the Nation's consumers an adequate supply of pure, wholesome milk and dairy products.

NMPF is interested in several APHIS issues, including the potential for regulating genetically engineered animals, antimicrobial resistance, FMD vaccine bank, secure milk supply, animal disease traceability, bluetongue virus, and emerging and individual disease programs like bovine TB and brucellosis. It supports the APHIS' program for managing damage due to wildlife.

NMPF is headquartered in Arlington, Virginia. Randy Mooney is the NMPF Chairman. APHIS also works closely with Dr. Jamie Jonker, Vice President, Sustainability & Scientific Affairs.

National Institute for Animal Agriculture (NIAA)  
www.animalagriculture.org

NIAA works to build consensus and advance proactive solutions for animal agriculture. They provide continuing education and communication linkages to animal agriculture professionals and serve as a networking platform across animal agriculture. NIAA routinely shares information relevant to APHIS positions with its members. The NIAA mission is to provide a forum for representatives from animal agriculture, the veterinary procession, governmental agencies and academia to address animal health emergency management issues that may adversely affect animal agriculture or public health. NIAA’s Animal Health Emergency Management Council sends resolutions on preparedness to APHIS for consideration and further
action. Resolution topics include Foot-and-Mouth Disease control, foreign animal disease control, and business continuity strategic planning.

NIAA has a number of cooperative agreements with APHIS to provide stakeholder outreach and education. It developed and maintains the “Eradicate Scrapie” website for sheep and goat producers. NIAA hosted the 2016 Equine Disease Forum, a USDA-supported meeting, and will do the same for the 2017 Equine Identification Forum. NIAA has also hosted meetings on antimicrobial resistance and animal disease traceability. Other NIAA committees represent a range of agricultural species, as well as Emerging Diseases, Antibiotics and Global Animal Health & Food Security Councils.

NIAA is located in Colorado Spring, Colorado and R. Scott Stuart is the Director.

*National Pork Board (NPB)*

[www.pork.org](http://www.pork.org)

NPB is based in Des Moines, Iowa, and is funded by the Pork Checkoff Program. Under this Agricultural Marketing Service-led program, U.S. pork producers and importers pay $0.40 per $100 of value when pigs are sold and when pigs or pork products are brought into the United States. The National Pork Board then uses these resources to benefit producers through pork promotion, research and education. APHIS issues of interest to NPB include animal disease traceability, foreign animal disease awareness and preparedness, swine health, and animal welfare.

APHIS programs and policy of interest to NPB include comprehensive integrated disease surveillance; foreign and emerging animal disease awareness, preparedness, and response; swine health; and public health issues involving swine, such as trichiniae or antibiotics, animal welfare, and trade. NPB members have strong interests related to the APHIS’ feral swine damage management and NPB has engaged APHIS on issues related to swine health.

The NPB is located in Des Moines, Iowa, and Dr. Dave Pyburn is Senior Vice President for Science and Technology, overseeing the swine health program. Bill Even is CEO of NPB.

*National Pork Producers Council (NPPC)*

[www.nppc.org](http://www.nppc.org)

NPPC conducts public-policy outreach on behalf of the U.S. pork industry, including legislation, reviewing regulations, and trade initiatives to enhance opportunities for U.S. pork producers and other industry stakeholders. NPPC works to ensure the U.S. pork industry remains a consistent and responsible supplier of high-quality pork to the domestic and world markets. The NPPC represents 43 affiliated State associations and advocates for legislation and regulations that develop revenue and market opportunities to protect the livelihoods of America’s 68,000 pork producers.
APHIS programs and policy of interest to NPPC include increasing international market access for swine and pork products, trichinella, antimicrobial use, animal welfare, foreign animal disease preparedness, and response and prevention efforts, including foot-and-mouth vaccines and strengthening disease surveillance. NPPC supports APHIS’ program for managing damage due to wildlife and its members have strong interests related to the APHIS’ feral swine damage management.

NPPC is headquartered in Des Moines, Iowa, and has a public policy office in Washington, D.C. The current NPPC president is John Weber. Neil Dierks is the NPPC CEO. Bobby Acord, former APHIS Administrator, serves as a consultant to NPPC.

National Renderers Association
http://www.nationalrenderers.org/

Since 1933, the National Renderers Association has helped the rendering industry grow, advance, and become leaders in recycling and sustainability. The rendering industry consists of more than 36 firms operating more than 200 plants across the United States and Canada. The U.S. livestock sector slaughters more than 150 million head of cattle, calves, hogs, and sheep and more than 55 billion pounds of poultry annually. In addition to protein for human consumption, the meat production system produces an enormous amount of byproducts that are in turn transformed into nearly 20 billion pounds of highly valuable feed and industrial products such as various types of fats and proteins.

APHIS collaborates with the National Renderers Association to explore ways APHIS can use rendering to potentially process infected animal materials in the event of an animal disease outbreak.

The National Renderers Association is located in Alexandria, Virginia, and Nancy Foster is the President.

National Turkey Federation (NTF)
http://www.eatturkey.com

The NTF is a national organization that represents all segments of the turkey industry. It represents members’ interests in legislative and regulatory affairs. Today, the turkey industry contributes $26 billion to the U.S. economy annually, and employs between 20,000 and 25,000 people, with tens of thousands more working in related industries such as contract growing, product distribution, equipment manufacturing and a wide variety of other affiliated services. NTF members who comprise the turkey industry include growers, processors, hatchers, breeders, distributors, allied services and state associations.

APHIS issues of interest to NTF include comprehensive integrated disease surveillance; foreign and emerging animal disease awareness, preparedness, and response; turkey health; animal welfare and pending changes to the APHIS turkey indemnity calculators.
United States Department of Agriculture
2016 Presidential Transition
Animal and Plant Health Inspection Service (APHIS)

The NTF is located in Washington, D.C. and Joel Brandenberger is the President.

**North American Meat Institute (NAMI)**
https://www.meatinstitute.org/

NAMI was established in 2015 by the merger of the American Meat Institute and the North American Meat Association. NAMI provides member services in legislative, regulatory, scientific, international, and public affairs advocacy. The Institute represents beef, pork, lamb, and poultry producers, as well as equipment and other industry suppliers. NAMI provides rapid updates and analyses to its members on legislative, regulatory, and media activity and funds research through its foundation to improve meat and poultry plants and products. The Institute operates policy and advisory committees for its member companies to recommend new policies in their areas of interest. APHIS issues of interest to NAMI include animal welfare, avian influenza, bovine spongiform encephalopathy (BSE), foot-and-mouth disease, and trade issues.

NAMI is located in Washington, D.C. and Barry Carpenter is the President and CEO.

**People for the Ethical Treatment of Animals (PETA)**
http://www.peta.org

PETA is the largest animal rights organization in the world, with more than five million members and supporters. PETA focuses its attention on four areas of animal concern: food industry, clothing trade, laboratories, and the entertainment industry. PETA also advocates against cruelty to pets. PETA works through public education, cruelty investigations, research, animal rescue, legislation, celebrity involvement, and protest campaigns.

APHIS issues of concern for PETA include the Animal Welfare Act, in particular farm animal welfare and Animal Care programs in general. PETA also closely follows APHIS Veterinary Services programs on de-population of poultry in relation to poultry disease events. PETA is the most frequent submitter of FOIA requests to APHIS. APHIS Animal Care holds an annual stakeholder meeting with animal welfare organizations and PETA is a regular participant at this meeting. PETA communicates frequently with APHIS in the form of petitions and recommendations for regulatory changes.

Ingrid Newkirk is the PETA president and cofounder. PETA is headquartered in Norfolk, Virginia.

**Pet Food Institute (PFI)**
http://www.petfoodinstitute.org/

PFI is an industry association that has represented pet food manufacturers for almost 60 years, and whose members make 98 percent of all U.S. pet food products. PFI’s primary role is to advocate for legislation, regulations, and technologies that support the domestic manufacture and global distribution of safe, quality pet foods that provide for consumer choice. Additionally, PFI promotes pet safety through supporting innovation in manufacturing and handling practices, provides information on pet food-related issues to members and stakeholders, and communicates
the benefits of pet ownership to the public. PFI provides comments on pending legislation, in particular, on topics such as food labeling and food safety, hazard analysis, and verification of foreign suppliers of U.S. bound pet food products. PFI supports science and risk-based approaches to identify and address potential food safety issues.

PFI is based in Washington, D.C., and Cathleen Enright is the PFI President and CEO.

**Ranchers-Cattlemen Action Legal Fund, United Stockgrowers of America (R-CALF USA)**

www.r-calfusa.com

Founded in 1998, R-CALF USA’s stated mission is to represent the U.S. cattle and sheep industries in national and international trade and marketing issues to ensure the continued profitability and viability of U.S. livestock producers.

R-CALF has opposed animal disease traceability and APHIS trade policies related to bovine spongiform encephalopathy (BSE). The group has filed multiple lawsuits in an effort to block regulations restoring Canadian cattle imports to the United States following the detection of BSE there in 2003. In addition, R-CALF has challenged producer requirements for animal identification. R-CALF has also been active in the Interagency Bison Management Plan for the Greater Yellowstone Area and has proposed that APHIS redirect animal identification funds to brucellosis surveillance and vaccination programs.

The organization has members in 47 States, and the current president is Bryan Hanson.

**Secretary’s Advisory Committee on Animal Health (SACAH)**

https://www.aphis.usda.gov/aphis/ourfocus/animalhealth/sacah

The Secretary’s Advisory Committee on Animal Health (SACAH) advises the Secretary of Agriculture on matters of animal health and broader issues of public concern. SACAH membership represents the greater agricultural community and includes animal welfare advocates; local and commercial livestock producers; small and minority farmers; and State and Tribal animal health officials. SACAH considers and makes recommendations on collateral issues involving public health, conservation of natural resources, and the stability of livestock economies. The Committee advises the Secretary on strategies, policies, and programs to prevent, control, or eradicate animal diseases. The Committee considers agricultural initiatives of national scope and significance and advises on matters of public health, conservation of national resources, stability of livestock economies, livestock disease management and traceability strategies, prioritizing animal health imperatives, and other related aspects of agriculture. Committee meetings are held in person and/or via teleconference. Interested parties are encouraged to attend or participate in public meetings or teleconferences by emailing the SACAH management.

Diane Sutton with APHIS Veterinary Services is the Designated Federal Officer for the SACAH.
The National Wildlife Services Advisory Committee (NWSAC) provides guidance from diverse stakeholders interested in APHIS’ Wildlife Services (WS) program, including agriculture, wildlife management, animal welfare, and public health and safety interests. Annual meetings of the NWSAC allow the public an opportunity to participate and provide input to the Secretary of Agriculture on overall policy and guidance for the operation of the WS program, resources to accomplish the WS mission, impacts of depredating wildlife, public health and safety problems created by birds and other wildlife, and research activities and priorities to address wildlife damage management needs. The Committee also serves as a public forum enabling those affected by the WS program to have a voice in the program's policies. The Secretary of Agriculture created the Committee under the Federal Advisory Committee Act; members are appointed for a 2-year term. Committee members are chosen to represent the diverse interests in the WS program and the multitude of industries to whom we provide services. Meeting minutes and other relevant documents are posted to the website once finalized and approved by the Committee chair.

United Egg Producers (UEP)
http://unitedegg.org

UEP is a cooperative of egg farmers from across the United States that represents the ownership of approximately 95 percent of the Nation's egg-laying hens. UEP and their farm members believe in consumer choice and produce eggs in modern cage, cage-free, and organic production systems, as well as producing other specialty shell egg products. Their members also provide liquid, dried, and other forms of further processed egg products to the retail, food service, and food manufacturing sectors. UEP pride themselves on working with government agencies such as APHIS, the Agricultural Marketing Service, Food and Drug Administration, Environmental Protection Agency, and others to solve problems and create programs that will move their industry forward on topics like reducing foreign barriers to U.S. egg exports.

APHIS issues of concern to UEP include animal welfare. Specifically, UEP-developed welfare guidelines for cage production of eggs and promotes the voluntary adherence to these guidelines rather than government mandates or legislation. Similarly, UEP supports voluntary egg quality assurance programs to reduce disease prevalence based on Hazard Analysis Critical Control Point (HACCP) system principles. APHIS supports the HACCP concept and implements trainings on this topic. APHIS and the UEP also came to agreement on new terms for the APHIS egg layer indemnity calculator in September 2016.

UEP is based near Atlanta, Georgia, and Chad Gregory is the President and CEO.
USA Poultry and Egg Export Council (USAPEEC)
http://www.usapeec.org/

USAPEEC is a not-for-profit entity with a mission to promote exports of U.S. poultry and eggs around the world. From offices in Washington, D.C. and around the world, it advocates on behalf of the U.S. poultry and egg industry with regards to trade policy issues.

The Council has also evolved into an association that is an advocate for the industry on trade policy issues. Because of its status as a not-for-profit entity, USAPEEC does not lobby, but the organization can and does act as intermediary with USDA, both in Washington and at embassies and international offices.

USAPEEC’s global headquarters are located in Stone Mountain, Georgia, a suburb of Atlanta, and James Sumner is the President.

U.S. Animal Health Association (USAHA)
http://www.usaha.org/

USAHA’s primary objective is to prevent, control, and eliminate livestock diseases. The organization’s 1,400 members are State and Federal animal health officials, national allied organizations, regional representatives, and individual members. USAHA provides a national forum to communicate about animal health issues, serves as a clearinghouse for new information and methods for policy and program development, and develops solutions for animal health issues. Priority USAHA issue areas include disease control, animal health, emergency preparedness, emergency response and recovery, emerging diseases, food safety, public health, animal welfare, feral swine damage management, and international trade.

USAHA has 29 science-based committees and holds a national annual meeting every October where animal health policy and practices are discussed. This meeting is Veterinary Services (VS)’ primary stakeholder engagement meeting of the year. USAHA committees pass resolutions each year for response by VS and other APHIS units. APHIS is a major participant at the annual USAHA meeting, routinely sending over 100 staff to participate in committee sessions and make presentations on important animal health and regulatory topics. APHIS staff present on upcoming initiatives and engage with USAHA counterparts to exchange ideas and develop feedback for incorporation to proposed activities. The APHIS Administrator attends, presents, and also holds a series of one-on-one meetings with State Veterinarians to discuss current issues and engage with stakeholders.

Dr. David Schmitt, the Iowa State Veterinarian with the Iowa Department of Agriculture, is the current USAHA President. APHIS’ VS program is a standing USAHA member and will participate heavily at the 2016 USAHA conference in Greensboro, North Carolina, October 13 – 19.
United States Department of Agriculture  
2016 Presidential Transition  
Animal and Plant Health Inspection Service (APHIS)

U.S. Meat Export Federation (USMEF)  
https://www.usmef.org/

USMEF is a trade association that represents beef/veal, pork, and lamb producers and feeders; packers and processors; purveyors and traders; oilseed producers; feed grains producers; farm organizations; and supply and service organizations. USMEF’s mission is “to increase the value and profitability of the U.S. beef, pork, and lamb industries by enhancing demand for their products in export markets through a dynamic partnership of all stakeholders.” Priorities for this group include building export demands for value added products that are underused in the U.S. market to move toward total carcass utilization, increase buyer education and loyalty through positive product image, and increase the presence of U.S. meat and meat products in export markets by supporting trade contacts to secure meaningful and sustained international market access. Though USMEF accepts private contributions, the majority of their funding (96 percent) comes from a checkoff program for beef, pork, soybeans, and corn, and the USDA, via cooperation in the Market Access, Emerging Market, and Foreign Market Development programs.

APHIS issues of interest to USMEF include animal health trade issues, such as traceability, bovine spongiform encephalopathy (BSE), and trichinae.

USMEF is headquartered in Denver, Colorado, and Philip Seng is the President and CEO.

U.S. Poultry and Egg Association (USPOULTRY)  
http://www.uspoultry.org

USPOULTRY is the world’s largest and most active poultry organization. Its members include producers and processors of broilers, turkeys, ducks, eggs, and breeding stock and allied companies. Formed in 1947, the association has affiliations in 27 States and member companies worldwide. In fiscal year 2015, USPOULTRY channeled more than $2.8 million dollars into industry programs that focus on industry promotion, education, communication, and research. APHIS issues of interest to USPOULTRY include comprehensive integrated disease surveillance; foreign and emerging animal disease awareness, preparedness, and response; poultry health; animal welfare; and food safety.

USPOULTRY is located in Tucker, Georgia, and John Starkey is the President.

WildEarth Guardians  
www.wildearthguardians.org

In 2008, Sinapu and Forest Guardians merged to become WildEarth Guardians, creating a single organization whose mission is to “protect and restore the wildlife, wild places, wild rivers, and health of the American West.” WildEarth Guardians’ priorities relevant to APHIS are: abolishing APHIS’ Wildlife Services program and protecting reintroduced wolf populations and expanding their range, protecting carnivores and especially border-cat habitat, and protecting all species of prairie dogs.
WildEarth Guardians submitted a petition to the U.S. Environmental Protection Agency to ban APHIS’ use of compound 1080 and sodium cyanide for predator management. The petition was denied in January 2009. In March 2009 it issued a 100-page document to the new Administration and Congress, calling on Congress to abolish Wildlife Services. In November 2009, it petitioned the Administration to ban aerial gunning and the use of those same restricted pesticides on Federal lands.

WildEarth Guardians, brought a suit in 2011 that argued the APHIS Wildlife Services program relied on outdated information for its National Environmental Policy Act process and should have prepared a Nevada-specific environmental impact statement before continuing the program.

Robin Smith is WildEarth Guardians’ President with its main office in New Mexico.

Plant Organizations:

Advisory Committee on Biotechnology & 21st Century Agriculture (AC21)

The Secretary of Agriculture established the AC21 in 2003 to provide information and advice on the broad array of issues related to the expanding dimensions and importance of agricultural biotechnology. The committee is charged with examining the long-term impacts of biotechnology on the U.S. food and agriculture system and USDA, and providing guidance to USDA on pressing individual issues, identified by the Office of the Secretary, related to the application of biotechnology in agriculture. Recently, the work of the AC21 has centered on the issue of coexistence among different types of agricultural production systems. The AC21 consists of members representing the biotechnology industry, the organic food industry, farming communities, the seed industry, food manufacturers, state government, consumer and community development groups, as well as academic researchers and a medical doctor. In addition, representatives from the Department of Commerce, the Department of Health and Human Services, the Environmental Protection Agency, the Council on Environmental Quality, and the Office of the United States Trade Representative serve as “ex officio” members. The Committee meets in public session to discuss relevant topics. The most recent meeting was held in September 2016 in Washington, D.C. The meeting focused on the topic of coexistence, specifically defined as “the concurrent cultivation of conventional, organic, identity preserved (IP), and genetically engineered (GE) crops consistent with underlying consumer preferences and farmer choices.” All materials for committee meetings, meeting summaries and transcripts, as well as committee reports and recommendations are posted at the website cited above.

Michael Schechtman with the Office of the Deputy Secretary is the Designated Federal Official for the AC21.
AmericanHort
http://americanhort.org/

AmericanHort was established in 2014 by the consolidation of the American Nursery & Landscape Association and the Association of Horticultural Professionals. AmericanHort’s objective is to unify industry and support growth opportunities for breeders, greenhouse and nursery growers, retailers, distributors, landscapers, florists, researchers, and manufacturers. It is the leading national industry association and the largest association for garden retailers. AmericanHort focuses on advocacy, market development and leveraging industry experience to impact legislative and regulatory decisions.

APHIS issues relevant to AmericanHort include pest disease management and control, international and domestic plant quarantines and trade issues, and crop research.

Ken Fisher is the AmericanHort President and CEO. The organization is based in Washington, D.C.

American Seed Trade Association (ASTA)
http://www.betterseed.org/

Founded in 1883, ASTA is one of the oldest trade organizations in the United States. Its membership consists of over 700 companies involved in seed production and distribution, plant breeding, and related industries in North America. As an authority on plant germplasm, ASTA advocates science and policy issues of industry-wide importance. ASTA's mission is to be an effective voice of action in all matters concerning the development, marketing, and free movement of seed, associated products, and services throughout the world. APHIS issues of interest to ASTA include the regulation, development, and use of GE plants and seeds.

Andrew LaVigne is President and CEO, and Jane DeMarchi is Vice President, Government and Regulatory Affairs. ASTA is headquartered in Alexandria, Virginia.

Biotechnology Innovation Organization (BIO)
http://www.bio.org/

BIO is the world's largest biotechnology trade association, representing industry, academia, and related organizations in the United States and 30 other countries. Corporate members range from entrepreneurial companies developing a first product to Fortune 100 multinationals. BIO also represents State and regional biotech associations, service providers to the industry, and academic centers. BIO members are involved in healthcare, agriculture, industrial and environmental products. BIO advocates for member concerns and produces media content and international conventions. For the agriculture sector, BIO focuses on issues related to international affairs, regulations, and public relations. BIO meets regularly with APHIS leadership, APHIS Biotechnology and Regulatory Services leaders, Departmental leadership and comments regularly on changes to existing GE regulations. BIO also attends APHIS stakeholder meetings and is supportive of APHIS efforts to improve the biotech regulatory process,
specifically time-limitations on regulatory process stages, but is less supportive of changes to existing regulations. APHIS issues of interest are regulation of GE products and any revisions to existing GE regulations.

BIO is located in Washington, D.C, and James Greenwood is the President and CEO. Brian Baenig is Executive Vice President of the Food and Agriculture Section.

California/Florida/Texas Citrus Mutual
https://www.cacitrusmutual.com/
http://www.flcitrusmutual.com/about/fcmoverview.aspx
http://www.valleyag.org/

The three major citrus producing States—California, Florida, and Texas—each have their own organizations dedicated to helping citrus growers in their States produce and market their crops. APHIS issues of interest to California/Florida/Texas Citrus Mutual include fruit fly control and eradication, citrus greening, Asian citrus psyllid, and citrus canker. While all three nonprofit trade organizations represent citrus growers, they don’t always share the same views about APHIS policies and regulations.

Joel Nelsen is the President of California Citrus Mutual, located in Exeter, California; John Barben and Robert Barben are the 2016 Presidents of Florida Citrus Mutual, located in Lakeland, Florida; and Dale Murden is the President of Texas Citrus Mutual, based in Mission, Texas.

The Environmental Investigation Agency (EIA)
https://eia-international.org/

The EIA is an independent campaigning and investigation organization “committed to bringing about change that protects the natural world from environmental crime and abuse.” EIA has been one of the key non-governmental advocates for the Lacey Act amendments of 2008, and has testified in Lacey Act congressional hearings. EIA has partnered with the World Resources Institute, a non-governmental organization launched in 1982 as a center for policy research and analysis addressed to global resource and environmental issues, to form the Forest Legality Alliance (FLA). Work of the FLA is supported by U.S. Agency for International Development and companies in the forest sector, and focuses on reducing illegal logging through supporting the supply of legal forest products.

Under the Lacey Act, as amended in 2008, APHIS oversees implementation of the import declaration requirement as part of a global effort to combat illegal timber imports and protect natural resources.

The EIA has offices in Washington, D.C. and London, England. Allan Thornton is the President.
Florida Fruit and Vegetable Association (FFVA)  
http://www.ffva.com/

FFVA is a nonprofit agricultural trade organization whose mission is to enhance the business and competitive environment for producing and marketing citrus fruits, vegetables and other crops such as berries, sod, and sugar cane. FFVA focuses on crop protection, labor issues, water management, government relations, marketing, and communications. APHIS issues of interest to FFVA include pest management and the regulation of citrus greening, Asian citrus psyllid, citrus canker, redbay ambrosia beetle, and laurel wilt disease.

FFVA is headquartered in Maitland, Florida. Mike Stuart is FFVA’s President.

The Hardwood Federation (HF)  
http://hardwoodfederation.wildapricot.org/

HF is an umbrella trade association representing thousands of hardwood businesses engaged in manufacturing, wholesaling, or distribution of North American lumber, veneer, plywood, flooring and related products. HF acts as the industry’s advocacy voice on Capitol Hill. One of its members, the Hardwood Plywood & Veneer Association (HPVA), has met with APHIS leadership. HPVA supports the legal and sustainable trade in wood and wood products. Under the Lacey Act, as amended in 2008, APHIS oversees implementation of the Lacey Act import declaration requirement as part of a global effort to combat illegal timber imports and protect natural resources.

The Hardwood Federation is based in Washington, D.C. and Dana Lee Cole is the Executive Director. Cary Moon is the Hardwood Federation Policy Manager.

National Cotton Council of America (NCC)  
www.cotton.org

NCC’s mission is to ensure the ability of all U.S. cotton industry segments to compete effectively and profitably in the raw cotton, oilseed, and U.S.-manufactured product markets at home and abroad. The Council represents producers, ginners, warehousears, merchants, cottonseed processors/dealers, cooperatives, and textile manufacturers on national issues. The NCC has six program committees that generate policy recommendations that are considered by the Council’s 35-member board of directors. NCC is interested in APHIS cotton pest programs, including boll weevil and pink bollworm.

The NCC is located in Memphis, Tennessee, and Dr. Gary Adams is the President and CEO. Reece Langley is the Vice President of Washington Operations.
National Grain and Feed Association (NGFA)
https://www.ngfa.org/

The NGFA was founded in 1896 and is a non-profit trade association that represents and provides services for grain, feed and related commercial businesses. Its activities focus on enhancing the growth and economic performance of U.S. agriculture. The NGFA represents more than 1,000 companies with approximately 6,000 facilities that handle over 70 percent of all U.S. grains and oilseeds used in domestic and export markets. The NGFA is also affiliated with approximately 30 state and regional associations with more than 10,000 grain and feed companies nationwide. Allied industries include biotechnology providers, banks, railroads, barges, grain exchanges, insurance companies and other that service the industry. The NGFA actively promotes free trade and supports its members via advocacy, training, education and outreach.

Biotechnology is a key APHIS issue of concern for the NGFA. It supports biotechnology in principle, but advocates for commercialization only after authorization from U.S. export markets is achieved in order to maintain access. The NGFA also supports policies to guard against the presence of unauthorized or restricted-use biotech traits in the general commodity stream and tolerance for low-level presence in commodity shipments of biotech traits that have been approved.

The NGFA is based in Washington, D.C., and Randy Gordon is the President. Jess McCluer is the Vice President for Regulatory Affairs and Jared Hill is the Director of Legislative Affairs.

National Potato Council
www.nationalpotatocouncil.org

The NPC was formed in 1948 to represent U.S. potato growers on legislative, regulatory, environmental, and trade issues. APHIS issues of interest to NPC include potato cyst nematode and potato virus Y (particularly from Alberta, Canada), preservation of export markets, and trade issues with Mexico. The NPC also promotes science-based regulatory legislation and supports approval of the Trans-Pacific Partnership (TPP).

Jim Tiede is the NPC President. The NPC headquarters are in Washington, D.C.

North American Export Grain Association (NAEGA)
http://naega.org/

NAEGA is a not for profit trade association, established in 1912, consisting of private and publicly owned companies and farmer-owned cooperatives involved in, and providing services to, the bulk grain and oilseed exporting industry. NAEGA’s mission is to promote and sustain the development of commercial export of grain and oilseed and their primary products. NAEGA serves as a conduit for trade inquiries; interacts with foreign buyers; educates foreign buyers on U.S. grain purchase specifications; provides for, through the industry standard contracts, uniform commercial practices and dispute resolution; advises governments on agricultural and trade
United States Department of Agriculture
2016 Presidential Transition
Animal and Plant Health Inspection Service (APHIS)

Policy; distributes information; works to prevent and resolve trade disrupting actions of
governments; and provides a forum for communication on matters of concern to the U.S. export
industry.

APHIS issues of concern for NAEGA include biotechnology. In particular, NAEGA and the
National Grain and Feed Association (NGFA) submitted joint statements to APHIS advocating
for substantial increases in monitoring, oversight and notification of biotechnology field trials.
NAEGA and NGFA are concerned about potential trade disruptions due to the presence of
biotech traits in the general commodity stream. NAEGA and NGFA closely monitor APHIS’
efforts on biotechnology regulations.

NAEGA is located in Arlington, Virginia, and Gary Martin is the President and CEO. Martin
was Deputy Administrator of Commodity Operations at USDA during the George H.W. Bush
Administration.

Organic Seed Alliance (OSA)
http://seedalliance.org/

OSA is a non-profit organization created in 2003 as an offshoot of the Abundant Life Seed
Foundation. The new organization was created after a fire destroyed the seed collection of the
foundation. OSA’s objective is “the ethical development and stewardship of seed.” They
advocate for their objective through research, education campaigns, and advocacy. OSA
opposes seed patents and consolidation in the seed industry, and promotes the availability,
quality, and integrity of organic seeds. APHIS issues relevant to OSA include changes to
biotechnology regulations and most recently the discovery of regulated GE wheat volunteers
growing in Oregon, Montana, and Washington. In general, OSA opposes genetic engineering,
and is concerned with economic losses to organic and identity-preserved crop farmers by the
unintended presence of GE material. The OSA shares issue specific information with its
members and encourages them to take action during public comment periods of relevant APHIS
policies. The OSA also maintains an online catalog of their policy positions and comments on
USDA proposals, particularly on biotechnology issues.

OSA is based in Washington State, and Cara Loriz is the Executive Director.

Organic Trade Association (OTA)
https://www.ota.com/

OTA is a membership-based business association for organic agriculture and products in North
America. OTA represents over 8,500 organic businesses across all 50 states. Its members
include growers, shippers, processors, certifiers, farmers’ associations, distributors, importers,
exporters, consultants, and retailers. Organic products represented by OTA include organic
foods, ingredients and beverages, as well as organic fibers, personal care products, pet foods,
nutritional supplements, household cleaners and flowers. OTA’s members work together
through networking, advocacy, and other initiatives “to encourage and protect organic farming
practices, and to share messages about the positive environmental and nutritional attributes of organic products with consumers, the media, and policymakers.”

APHIS issues relevant to OTA include animal welfare standards and labeling of products containing GE organisms. OTA also submitted comments to APHIS in February 2016 regarding an Environmental Impact Statement on the introduction of biotechnology products and changes to biotechnology regulations. In general, OTA opposes genetic engineering, and is concerned with economic losses to organic and identity-preserved crop farmers by the unintended presence of GE material.

OTA is headquartered in Washington, D.C., and also has offices in Vermont and Ottawa, Canada. Laura Batcha is the CEO and Executive Director.

*United Fresh Produce Association*

[www.unitedfresh.org](http://www.unitedfresh.org)

The association was founded in 1904 to represent the produce industry, and took the name United Fresh as a result of a 2006 merger between the United Fresh Fruit & Vegetable Association and the International Fresh-Cut Produce Association. United Fresh represents the interests of member companies throughout the global, fresh produce supply chain—these interests include family-owned, private and publicly traded businesses as well as regional, national, and international companies in every segment of the industry—growers, shippers, processors, wholesalers, distributors, and retailers. United Fresh also joined forces with the Specialty Crop Farm Bill Alliance to work with policymakers to ensure that implementation of the 2014 Farm Bill provision meet the interests of producers. The Specialty Crop Farm Bill Alliance no longer has a stand-alone presence.

APHIS issues relevant to United Fresh include implementation of the 2014 Farm Bill, international trade promotion, and the development of new markets for U.S. produce. Food safety is also a critical area of interest for United Fresh.

Tom Stenzel is the current United Fresh President and CEO. The Association is based in Washington D.C.

*U.S. Apple Association (USApple)*

[http://usapple.org/](http://usapple.org/)

USApple is a non-profit, member-based association comprised of individuals, companies, and state and regional associations within the apple industry. It is the national representative and resource center for U.S. apple growers, packers, shippers, processors, marketers, and others within the industry. USApple represents the 7,500 apple growers and approximately 40 state and regional apple associations, in addition to hundreds of apple-related companies. The three main goals of the organization are to represent the U.S. apple industry on national issues, increase demand for U.S. apples and apple products, and provide accurate information on issues concerning the apple industry. Issues of concern include food safety, regulatory changes, and
trade, in particular the proposed APHIS rule to allow apple and pear imports from the European Union to the United States. In addition to working with USDA, USApple also conducts advocacy work with the U.S. Trade Representative, EPA, and FDA.

USApple is based in Vienna, Virginia and Jim Bair is the President and CEO. Diane Kurrle is the Senior Vice President who oversees work with Congress and regulatory counterparts and worked on food safety issues at the USDA during the Clinton Administration.

**U.S. Grains Council (USGC)**  
http://www.grains.org/

The USGC develops export markets for U.S. barley, corn, grain sorghum, and related products. The Council is a private, non-profit corporation with ten international offices and programs in more than 50 countries. Members include producer organizations and agribusinesses with a common interest in developing export markets. Membership funds trigger matching market development funds from the U.S. government and support from cooperating groups in foreign countries, which results in a development program valued at approximately $28 million per year. The Council tailors its programs to meet individual countries’ needs. Its technical programs teach livestock and poultry producers how to use feed grains effectively and manage their operations efficiently. Its trade service efforts educate potential and current customers about the U.S. marketing system, including financing, government programs, U.S. feed grain quality and prices, and its trade policy initiatives identify foreign barriers to U.S. feed grain exports.

APHIS issues of concern for the USGC include trade policy and biotechnology. Worldwide biotechnology acceptance is a USGC priority. The USGC encourages policymakers to develop biotechnology policies that are science-based, risk-appropriate and consistent. These policy guidelines make it easier to originate grain from more sources, which ensures a reliable supply at lower cost. The Council support clear, consistent approaches to export policy that responds to changing international markets. In particular, the Council supports the Transatlantic Trade and Investment Partnership (T-TIP) Agreement.

The USGC international headquarters are located in Washington, D.C. Thomas Sleight is the President and CEO.

**U.S. Wheat Associates (USW)**  
http://www.uswheat.org/

U.S. Wheat Associates (USW) is the export market development organization for the U.S. wheat industry. USW promotes the reliability, quality and value of all six U.S. wheat classes to wheat buyers, millers, bakers, food processors and government officials in more than 100 countries around the world. USW’s mission is to “Develop, maintain, and expand international markets to enhance the profitability of U.S. wheat producers and their customers.” Funding is provided via check-off dollars, goods and services from 19 state wheat commissions and cost-share grants from the USDA’s Foreign Agricultural Service. USW supports free and fair trade practices around the world and uses information from the USDA Foreign Agricultural Service and the
Office of the U.S. Trade Representative to advocate for fair and competitive market access. Trade policy issues of concern to USW are: trade negotiations to improve market access; monitoring and enforcement of past trade agreements to ensure U.S. producers compete on an agreed playing field for market access and domestic support; and observe and raise awareness on phytosanitary (plant health) measures that are not scientifically sound or that are managed in a way that distorts trade or impedes market access. USW is also concerned with genetically engineered wheat crops and potential for cross-contamination with non-genetically engineered crops.

USW is based in Arlington, Virginia, and has additional offices around the world. Alan Tracy is the President and Dalton Henry is the Vice President of Policy.

Recent engagements with stakeholder group

Given the diverse scope of APHIS’ mission, the Agency has developed continuous and ongoing engagement strategies with stakeholders that result in regular communication and feedback.

Annual Sector Meetings

In 2012, APHIS formalized its commitment to stakeholder engagement and instituted yearly meetings with 19 key animal and plant commodity sectors. Agency program leaders invite high-level industry representatives to meet and discuss issues of concern, as well as priorities for the coming year. The meetings are also an opportunity to hear directly from industry about their challenges and how APHIS can help industry protect and promote U.S. agriculture. The meetings are typically scheduled from October through May. Last year, APHIS held 19 sector sessions with the groups listed below and is currently scheduling sessions for fiscal year 2017.

**Apples** – March 2, 2016 – Attendees included: U.S. Apple Association, U.S. Apple Export Council, Northwest Fruit Exporters, California Apple Commission, Washington Apple Commission, Michigan Apple Committee, Northwest Horticultural Council, and the Pennsylvania Apple Marketing Board. Among other things, APHIS committed to: continue work on retaining and expanding access to export markets; continue work with universities and companies to make sure they understand the biotechnology regulations and guidance through the Compliance Assistance Program; and schedule a bilateral meeting with Israel to discuss apple exports.

**Berries** – January 27, 2016 – Attendees included: North American Blueberry Council, California Strawberry Commission, Cranberry Marketing Committee, Washington Red Raspberry Commission, North American Raspberry and Blackberry Association, Florida Strawberry Growers Association, North American Blueberry Council, Oregon Raspberry and Blackberry Commission, and the U.S. Highbush Blueberry Council. Among other things, APHIS committed to: continue facilitating market access for berries to Australia, China, South Korea, New Zealand, Philippines, and Vietnam; continue to work with industry to address Clean Stock concerns with the European Union; and ensure that appropriate resources are available at ports in the Northwestern United States to provide timely inspections of berry imports and exports.
Citrus – January 6, 2016 – Attendees included: Citrus Research and Development Foundation, Citrus Research Board, California Citrus Quality Council, California Citrus Nursery Society, California Citrus Pest and Disease Management Program, Southern Gardens, Texas Citrus Pest and Disease Management Corporation, California Citrus Mutual, Florida Citrus Packers, and the Sunkist Corporation. Among other things, APHIS committed to: continue the conversation on early detection tools and their use for regulatory and management purposes; move forward with the revision of the citrus nursery protocol; facilitate Florida citrus exports to the European Union and ensure that interstate movement of nursery stock from Florida can continue; continue work with Australia, South Africa, and Japan to expand their current market access; and work with Argentina, Brazil, Chile, China, Korea, Mexico, and Swaziland on new market access requests.

Cotton – January 14, 2016 – Attendees included: National Plant Board and National Cotton Council. Among other things, APHIS committed to: develop a transition strategy for boll weevil to ensure the cotton industry is protected post eradication; maintain the cotton pests budget line item; develop a plan to address Old World Bollworm; and discuss industry’s concerns about pollinator health policies and potential impact on cotton pest programs with the Environmental Protection Agency (EPA).

Forest Products – February 24, 2016 – Attendees included: American Lumber Standards Committee, National Wooden Pallet and Container Association, American Firewood and Distributors Association, National Firewood Association, National Association of State Foresters, Society of American Foresters, Tree Care Industry Association, and the Hardwood Federation. Among other things, APHIS committed to: develop our ability to respond to plant disease emergencies using Farm Bill infrastructure; explore options for U.S. exporters and their agreement to a systems approach for new projects with Canada; research the impact of International Standard for Phytosanitary Measure 15 (ISPM 15/treatment requirements for wood packing material) on wood pallets to Brazil; and refine exemptions currently in place regarding ISPM 15 and Canada.


Grapes – December 15, 2016 – Attendees included: New York Wine and Grape Foundation, the Wine Institute, California Association of Wine Grape Growers, Consolidated Central Valley Table Grape Pest & Disease Control District, National Grape Cooperative Association, California Fresh Fruit Association, California Table Grape Commission, Texas Wine and Grape Growers Association, Washington Association of Wine Grape Growers, Oregon Winegrowers Association, Argyle Winery, and New York State Department of Agriculture and Markets. Among other things, APHIS committed to: continue support for specialty crop pest and disease
research, surveillance, and management through the Farm Bill Section 10007 suggestion process; continue to monitor the developing glassy-winged sharpshooter/Pierce’s Disease situation and provide consistent funding; continue to dedicate resources to facilitate grape exports, open new markets, and maintain existing markets; and continue to engage EPA regarding the critical need for agricultural pesticides, especially the organophosphates currently undergoing registration review.

Nursery – November 19, 2015 – Attendees included: AmericanHort, Society of American Florists, Cornerstone Government Affairs, Plant Source International and Malmborg’s Inc., Florida Nursery Growers and Landscaper Association, Northwest Nursery Institute, New Jersey Nursery & Landscape Association, and the National Plant Board. Among other things, APHIS committed to: continue to involve industry in the Section 10007 Farm Bill spending plan development process; continue to provide technical expertise, training, and guidance as the States and industry implement a systems approach to nursery certification; share industry concerns about wood packaging reciprocal exemption with Canada; conduct stakeholder outreach and training seminars to help ensure a smooth transition before we publish the final Q37 rule (importation of plants for planting) and make reference materials publicly accessible; and share industry concerns about Plum pox with Canada and continue to engage with Canada on this issue.

Potatoes – December 17, 2015 – Attendees included: National Potato Council, Washington State Potato Commission, Idaho Potato Commission, Maine Potato Board, Michigan Potato Industry Commission, Oregon Potato Commission, U.S. Potato Board, Bryant Christie Trade Consultant, and the National Plant Board. Among other things, APHIS committed to: continue to share results on Dickeya dianthicola (blackleg) diagnostic testing and continue to engage industry on non-regulatory best management practices; work with States to determine if fees for phytosanitary certifications are appropriate; continue efforts to maintain current potato markets and continue to work with Mexico to regain market expansion of U.S. fresh table stock potatoes; negotiate market access with China, Japan, Egypt, Korea, and Costa Rica; and continue work with Idaho to encourage reduced restrictions on the planting of litchi tomato and allow treated litchi seed to be grown in Idaho under permitted conditions.

Seeds – March 15, 2016 – Attendees included: American Seed Trade Association, Monsanto, Eurofins STA Labs, RiceTec, Sakata Seeds, Syngenta Seeds, Harris Moran Seed Company, and the National Plant Board. Among other things, APHIS committed to: continue to investigate the feasibility of imposing a surcharge on phytosanitary certificates issued for seed to bolster the funding base of the National Seed Health System; continue to work with EPA and the Food and Drug Administration (FDA) to support the White House Office of Science and Technology Policy effort to modernize the Coordinated Framework for regulation of biotechnology; and continue to work with the seed industry to identify and resolve trade issues in high priority markets including Chile, Argentina, Brazil, and Mexico by engaging in technical discussion, correspondence, and bilateral meetings.

Troutlodge, Inc., University of Florida Tropical Aquaculture Laboratory, National Aquaculture Association, WM James & Assoc. LLC, Mount Parnell Fisheries, Inc., and the Catfish Farmers of America. Among other things, APHIS committed to: consult with USDA’s Food Safety and Inspection Service (FSIS) on catfish inspection to advise FSIS on animal health issues; continue to expand the use of electronic certification; and continue to develop interagency relationships with FWS.

**Cattle** – May 3, 2016 – Attendees included: National Cattlemen’s Beef Association, Livestock Marketing Association, National Milk Producers Federation, United States Cattlemen’s Association, Texas Cattle Feeders, and representatives from the Missouri and Texas State Departments of Agriculture. Among other things, APHIS committed to: partnership, cooperation, and communication in our relationship with Cattle Sector counterparts; preparedness regarding foot-and-mouth disease; increasing awareness about the importance of biosecurity and decreasing animal movements; and continuing to work on emerging diseases, such as bluetongue.

**Cervid** – February 22, 2016 – Attendees included: North American Deer Farmer’s Association, Whitetails of Wisconsin, North American Elk Breeders Association, Raindeer Owners and Breeders Association, Exotic Wildlife Foundation, and Powder Ridge Whitetails. Among other things, APHIS committed to: complete an evaluation of the Cervid Health Program and convene a working group to reassess our Chronic Wasting Disease (CWD) program standards; improve consistency of implementation of the Herd Certification Program across States; and continue to support research activities that support CWD, tuberculosis, and brucellosis programs.

**Equine** – April 7, 2016 – Attendees included: American Horse Council, American Association of Equine Practitioners, Fairfield Equine Center, Equine Disease Communications Center (EDCC), Marion du Pont Scott Equine Medical Center, Animal Health Diagnostic Center at Cornell University, and Mersan International LTD. Among other things, APHIS committed to: continue to conduct testing, as appropriate where dual infections of Equine Piroplasmosis and Equine Infectious Anemia (EIA) are suspected; provide $75,000 in cooperative agreement funding in fiscal year 2016 for the EDCC; develop regulatory and non-regulatory options to address EIA control based on feedback from the 2015 EIA Discussion Group; provide the American Association of Equine Practitioner’s Equine Welfare Committee with an overview of APHIS enforcement of the Commercial Transportation of Equines to Slaughter Act; and continue to collaborate with other USDA agencies on equine-related activities.

**Poultry** – March 4, 2016 – Attendees included: Cobb-Vantress Inc., Aviagen North America, Mountaire Farms Inc., United Egg Producers, USPOULTRY, National Chicken Council, USA Poultry and Egg Export Council, Indiana State Poultry Association, Hy-Line International, Butterball LLC, North American Game Bird Association, and the Georgia Poultry Federation. Among other things, APHIS committed to: work on removing trade restrictions due to highly pathogenic avian influenza; increase the movement of poultry and poultry products; and review all comments to the interim biosecurity rule, including any from the General Conference Committee of the National Poultry Improvement Plan.
Sheep and Goat – March 29, 2016 – Attendees included: the American Goat Federation, American Sheep Industry, Sheep Improvement Company, Boyer Land & Livestock, UC Davis School of Veterinary Medicine, Florida A&M University. Among other things, APHIS committed to: request an additional $3 million in funding in fiscal year 2018 for sheep and goat scrapie surveillance within the Equine, Cervid, and Small Ruminant budget line and increase goat identification and education outreach around scrapie and sheep and goat health.

Swine – April 1, 2016 – Attendees included: National Pork Board, National Pork Producers Council, American Association of Swine Practitioners, and the Swine Health Information Center. Among other things, APHIS committed to: provide a comprehensive report on feral swine disease monitoring; continue to work with industry on Swine Enteric Corona Disease program needs; and share the Seneca Virus A guidance document with industry.

Trade – May 5, 2016 – Attendees included: National Pork Producers Council, National Turkey Federation, International Serum Industry Association, the Pet Food Institute, American Feed Industry Association, National Customs Broker and Forwarders Association of America, U.S. Hide, Skin and Leather Association, North American Meat Institute, and the National Renderers Association. Among other things, APHIS committed to: the importance of China as a current and potential market; work with industry on research and enforcement issues; and engage with stakeholders on new regulations and policies.

Annual Meetings & Calls

APHIS leaders and staff also regularly attend many State and industry organization annual and regional meetings. Those key meetings include, among others, the National Association of State Departments of Agriculture (NASDA), the National Plant Board (NPB), and the U.S. Animal Health Association (USAHA).

NASDA is a key partner in almost all of APHIS’ programs, and the group, collectively or individually by Commissioner, frequently brings State issues to APHIS’ attention for discussion and resolution. APHIS holds a regular conference call with NASDA the first Monday of every month to provide updates to Commissioners on key program activities. Additionally, each year, APHIS leadership attends NASDA’s midyear and annual meetings and provides program updates at their Animal and Plant Industries Committee meetings. NASDA’s 2016 Annual Meeting was September 20-24, in Lincoln, Nebraska. Action items slated for the Annual Meeting that concern APHIS included a statement to continue to work with Federal and State agency partners to ensure adequate monitoring of wild bird surveillance for highly pathogenic and low pathogenic avian influenza, as well as increased spot checks of waterfowl at live bird markets.

NPB is a nonprofit organization that represents plant pest regulatory agencies in all 50 States and the Commonwealth of Puerto Rico and Guam. NPB frequently brings plant health and biotechnology issues to APHIS’ attention for discussion and resolution. Officials with APHIS’ Plant Protection and Quarantine program hold regular conference calls with the NPB Executive Team. NPB also holds a national annual meeting each August where plant health policy and
current issues are discussed. APHIS' Administrator and other Agency leaders routinely spend several days at the NPB meeting each year. NPB’s 2016 Annual Meeting was July 31 to August 4, in Wilmington, Delaware. APHIS issues of primary interest to NPB include Farm Bill funding for pests and diseases, as well as emerald ash borer, potato cyst nematode, citrus greening, invasive species, biotechnology, and coordination of agricultural inspection activities with the U.S. Department of Homeland Security’s Customs and Border Protection.

USAHA’s primary objective is to prevent, control, and eliminate livestock diseases. The organization’s 1,400 members are State and Federal animal health officials, national allied organizations, regional representatives, and individual members. USAHA holds a national annual meeting where animal health policy and practices are discussed. This year’s meeting is October 13-19, 2016, in Greensboro, North Carolina. APHIS is a major participant at the annual USAHA meeting, routinely sending over 100 staff to participate in committee sessions and to make presentations on important animal health and regulatory topics. APHIS’ Administrator and other Agency leaders routinely spend several days at the USAHA meeting each year, holding a series of one-on-one meetings with State veterinarians to discuss current issues and engage with stakeholders at sessions held during the event.

**Stakeholder Engagement for Rulemaking**

For high-visibility rulemaking, APHIS conducts up-front outreach efforts beyond basic Federal requirements for docket announcements. These outreach efforts include advance engagement with stakeholders and webinars, public meetings, and listening campaigns prior to formation of new policies and regulations. Some specific examples include:

- APHIS’ efforts to begin fresh stakeholder engagement to explore alternative policy approaches after withdrawing its 2008 proposed rule to amend the regulations for certain genetically engineered (GE) organisms. APHIS started this stakeholder dialog by creating opportunities to provide oral and written comments on biotechnology questions, holding a series of webinars in May 2015, discussing a possible new proposed rule at an annual stakeholder meeting, and publishing a February 5, 2016, Federal Register notice announcing the development of a draft programmatic environmental impact statement to evaluate a range of alternatives that the Agency can take as it works to update its biotech regulations. As of September 2016, the proposed rule and several associated analyses are with the Office of Management and Budget for review.

- APHIS’ efforts to strengthen enforcement of the Horse Protection Act (HPA) and to end inhumane practices known as soring, which cause horses to suffer physical pain, distress, inflammation, or lameness while walking and moving. APHIS published the proposed rule on July 25, 2016, and—recognizing extreme industry and advocacy group interest—held five public meetings, including a virtual one, across the country to seek additional comments and feedback for consideration. APHIS extended the comment period 30 days to October 26, 2016.
V. Top Issues

Hot Topics

Hot topics are listed in priority order under each Animal and Plant Health Inspection Service program area below.

Overarching Issues

1. Increasing Exports

Issue: The years 2011-2015 were the best for agricultural exports in U.S. history. However, many countries maintain barriers to U.S. agricultural exports related to animal and plant health concerns (sanitary and phytosanitary, or SPS, issues). Many of these barriers are not justified by science and impede U.S. agricultural export growth.

Public Policy Reason for APHIS Involvement: APHIS experts work with foreign counterparts to negotiate science-based import and export requirements, eliminate unjustified SPS barriers to trade, and advocate on behalf of U.S. agriculture in international forums such as the World Trade Organization, the World Organisation for Animal Health, and the International Plant Protection Convention. APHIS also helps exporters whose products have been detained in foreign ports. In addition, APHIS supports the free flow of exports by certifying that U.S. agricultural products meet importing countries' entry requirements.

APHIS’ Statutory/Regulatory Scope: In accordance with the Animal Health Protection Act, the Plant Protection Act, and related regulations, APHIS regulates the export of live animals and facilitates the export of animal products, plants, and plant products. APHIS supports these exports through its Veterinary Services (VS), Plant Protection and Quarantine (PPQ), International Services (IS), and Biotechnology Regulatory Services programs. Serving as the United States’ veterinary medical and plant protection authorities, respectively, VS and PPQ negotiate conditions for U.S. exports (with support from IS) and develop risk mitigations necessary to prevent the spread of pests and diseases.
Industry, Consumer, and Congressional Interest: In addition to relying on APHIS to resolve immediate trade issues involving exports, a wide range of exporters—including poultry, beef, and specialty crop producers—have asked APHIS to help expand their access to markets abroad. Congress requested reports on the status of foreign market access requests submitted by U.S. producers, companies, and others in the fiscal year (FY) 2016 Appropriations Act and FY 2017 House Appropriations Bill. As of October, the report in response to the FY 2016 Appropriations Act is in USDA clearance.

Executive Branch Position to Date: APHIS was a party to negotiations with 11 other Pacific Rim nations for the Trans-Pacific Partnership, concluded earlier this year. It is currently involved in negotiations for the Trans-Atlantic Trade and Investment Partnership with the EU. APHIS also holds annual meetings with representatives of major export sectors to determine issues of concern and how APHIS can assist. In FY 2015, APHIS resolved 171 trade-related issues valued at $2.5 billion; it also successfully obtained the release of 293 individual shipments valued at more than $25 million.

APHIS received increased funding in the last two appropriations acts ($2 million in FY 2015 and $1 million in FY 2016) to support resolution of issues affecting U.S. exports. The Agency is using this funding to support exports by, among other things, training and assigning more personnel to key positions domestically or in emerging markets, which have the largest potential growth for U.S. exporters but also present difficulties caused by technical and regulatory issues. APHIS is also using this funding to provide greater oversight of how growers and packers are implementing the export requirements of foreign countries, to ensure export products may enter foreign markets safely and efficiently.

APHIS has long worked to streamline the export process through continual advancements in its Web-based Phytosanitary Certificate Issuance and Tracking system, which handles all phases of the phytosanitary certificate application and issuance process. In response to an Executive Order to streamline the import and export process for America's businesses, APHIS is also coordinating with other Federal agencies to implement the International Trade Data System. This system will allow businesses to electronically submit data required by U.S. Customs and Border Protection and partner government agencies to import or export cargo through a single “window.”

Potential Alternative Approaches: [b](5) Deliberative Process Privilege

2. Border Security

Issue: Beginning in 2010, violence in Mexico at or near the U.S. border—mostly due to drug trafficking organizations—reached levels that required APHIS to periodically modify or suspend operations in some areas to ensure employee safety. APHIS takes these actions in concert with the U.S. Department of State (DOS), which has authority to determine whether U.S. Government (USG) personnel can operate in Mexico.
The violence tends to be transitory and operational actions APHIS takes are usually short-term, though there are exceptions. One involves APHIS’ movement of cattle inspection facilities from Mexico to four locations on the U.S. side of the border in Texas (Pharr, Del Rio, Eagle Pass, and Laredo). Border issues have also affected APHIS’ long-term pest and disease reduction-efforts with Mexico on bovine tuberculosis (TB), fruit fly, and cotton pest suppression programs, among others. With respect to TB, security concerns have reduced APHIS’ ability to evaluate the TB program status of cattle coming from certain areas of Mexico. As a result, APHIS is unable to consider changing U.S. entry requirements for those cattle if the disease prevalence has changed—e.g., strengthening or reducing import restrictions as appropriate.

APHIS has nearly 600 employees along the U.S. border with Mexico working in a variety of programs to safeguard U.S. agriculture and to facilitate trade. Nearly half are Foreign Service national employees of APHIS who live and work in Mexico; the rest are U.S. residents whose work frequently requires them to cross into Mexico. DOS has prohibited USG personnel from working in areas of Mexico due to gun battles, executions, kidnappings, and carjackings. At times, APHIS employees have witnessed these activities, been directly threatened, and, on one occasion, robbed and carjacked.

**Public Policy Reason for APHIS Involvement:** APHIS’ work in Mexico helps facilitate trade and ensures that products exported from Mexico to the United States do not pose a disease or pest risk to U.S. agriculture.

**APHIS’ Statutory/Regulatory Scope:** APHIS’ programmatic activities in Mexico are carried out under the authority of the Animal Health Protection Act and the Plant Protection Act. However, DOS has ultimate authority over USG personnel in Mexico. APHIS security staff work with DOS’ Regional Security Officers and—as appropriate—the Department of Homeland Security (DHS) to assess security situations prior to a DOS determination.

**Items in Controversy:**

* [b](5) Deliberative Process Privilege

**Industry, Consumer, and Congressional Interest:** APHIS’ work in Mexico benefits agricultural importers and exporters in the United States who do business with counterparts in Mexico. Programmatic work in Mexico also helps safeguard U.S. citrus production in southern Texas, and much of Mexican fruit fly eradication efforts are undertaken in coordination with Mexico’s Secretary of Agriculture, Livestock Rural Development, Fisheries, and Food. Trapping for Mexican fruit flies along the northern Tamaulipas border is severely limited due to security issues. The citrus industry is concerned that if violence were to disrupt APHIS’ use of aerial release and sterile insect technique efforts to suppress fruit flies in Northern Mexico on a long-term basis, citrus production in south Texas could be impacted. In another case, the United States temporarily halted the import of Mexican avocados, when security concerns prevented
APHIS from conducting inspections and certifying facilities to ensure the avocados met U.S. import requirements.

Several Congressional representatives have inquired about APHIS modifications or suspensions of activities along the border when they have impacted members of their districts, particularly in Texas. House Committee staff have informally inquired about border security issues in recent years and their impact on some APHIS programs, especially the cotton pests programs. The House included language in the fiscal year 2016 appropriation directing APHIS to work with the U.S. cotton industry to develop a plan of action to protect the United States from boll weevil re-infestation. While APHIS is working with Mexican counterparts on the final stage of eradicating the cotton pest, security issues have affected this work because APHIS counterparts in Mexico cannot perform program activities such as conducting trapping and cotton treatment.

**Executive Branch Position to Date:** Employee safety and security is paramount and APHIS’ top priority. APHIS has developed strategies for ensuring a secure working environment for its employees, while protecting plant and animal health and allowing for safe trade. APHIS will continue to pursue such strategies as needed and will continue to work with DOS and DHS on evaluating potentially unsafe situations.

**Potential Alternative Approaches:**

**Animal Care**

1. **Horse Protection Act (HPA)**

**Issue:** The HPA, passed by Congress in 1970 and enforced by APHIS, prohibits the showing, sale, auction, exhibition, or transport of sored horses. The HPA has dual purposes: eliminating the inhumane practice of soring and restoring fair competition within the walking horse industry. Soring is a cruel and inhumane practice that aims to accentuate a horse’s gait through the application of chemicals, mechanical agents, or training methods. Soring is primarily used in the training of Tennessee Walking Horses, racking horses and related breeds to gain an advantage for persons showing sored horses.

Currently, the horse industry trains and oversees horse show inspectors. A 2010 report from the Office of the Inspector General (OIG) found that this industry-led inspection process creates a conflict of interest that allows the inhumane practice of soring to continue. APHIS veterinary medical officers conduct unannounced inspections at roughly 18 percent of horse shows annually to evaluate industry-hired inspectors and to visually and physically inspect horses to determine compliance with the HPA. OIG found that, for the shows they reviewed, industry-hired inspectors issued 49 percent of their total violations at the six percent of shows APHIS officials also attended, indicating inconsistent application of the HPA. In July 2016, APHIS published a
proposed rule (Docket No. APHIS-2011-0009) that that would bring responsibility for training and licensing horse show inspectors directly under the control of APHIS, and implement prohibitions on equipment correlated to the presence of soring.

**Public Policy Reason for APHIS Involvement:** Eliminating the practice of soring is one of the original missions of the Agency and remains a top priority.

**APHIS’ Statutory/Regulatory Scope:** 1976 amendments to the HPA authorized the appointment of “qualified persons” to detect soreness in horses and led to the establishment of the Designated Qualified Person (DQP) program. The DQP program allows horse show management to obtain services from a DQP—who is licensed by a Horse Industry Organization—to detect horses that are sored. The HPA also authorizes APHIS to issue rules and regulations it deems necessary to carry out the provisions of the Act.

**Items in Controversy:** APHIS has faced legal challenges and Congressional questions about the consistency of APHIS inspections at HPA-covered events to detect soreness in horses, and the process for disqualifying horses from competition based on inspection findings. This issue has proven contentious enough to, in some cases, result in personal threats to Agency officials by horse show participants.

**Industry, Consumer, and Congressional Interest:** Several Representatives and Senators, along with members of the performance horse segment of the industry that continue to use pads and action devices during horse shows, exhibitions, sales, and auctions, oppose the proposed rule. Several other Representatives and Senators, together with the American Veterinary Medical Association, the American Association of Equine Practitioners, and the animal protection community, support the proposed changes.

**Executive Branch Position to Date:** The Administration published the proposed rule to bring responsibility for training and licensing horse show inspectors directly under the control of APHIS, and eliminate the use of stacked pads and chains and other “action devices,” as well as foreign substances. The proposed rule aligns with OIG’s recommendations that APHIS play a larger role in training and overseeing horse protection inspectors. APHIS extended the comment period on the proposed rule 30 days to October 26, 2016.

**Potential Alternative Approaches:** (b)(5) Deliberative Process Privilege
2. Inspection of Agricultural Research Service’s Research Facilities

**Issue:** In January 2015, the *New York Times* published a lengthy investigative piece alleging significant animal welfare violations at the U.S. Meat Animal Research Center (MARC), a U.S. Department of Agriculture (USDA) Agricultural Research Service (ARS) facility in Nebraska that works to improve livestock health and production.

In response to the article’s allegations, the Secretary directed ARS and APHIS to implement a plan to ensure that APHIS inspects ARS facilities that use animals for agriculture or production research. Additionally, the U.S. House of Representatives placed a directive in the fiscal year (FY) 2016 omnibus appropriation, instructing ARS to enter into an agreement with APHIS. Under the terms of the agreement, APHIS would conduct animal welfare inspections—as it does for non-governmental entities regulated under the Animal Welfare Act (AWA)—at ARS facilities that use animals in agriculture or production research to ensure compliance with the AWA.

The AWA sets standards for the humane care and treatment of most warm-blooded animals exhibited to the public, bred for commercial sale, used in medical research, or transported commercially. Regulated facilities must provide their animals with, among other things, adequate housing, sanitation, nutrition, water, and veterinary care. Because the AWA generally exempts agriculture research from regulatory oversight, when evaluating ARS’ compliance with the AWA, APHIS will rely on both the AWA regulations and standards as well as the standards of care for farm animals used in research, as set forth in the Federation of Animal Science Societies’ Guide for the Care and Use of Agricultural Animals in Agricultural Research and Teaching (commonly referred to as the Ag Guide).

The House directive further stipulated that more than $57 million of ARS’ appropriation would not be obligated until the Secretary certified to Congress that ARS had updated its animal care policies and all ARS animal research facilities had established fully functioning Institutional Animal Care and Use Committees (IACUC). In compliance with the directive, APHIS and ARS signed a memorandum of understanding under which APHIS would conduct animal welfare inspections at ARS facilities and make the results of those inspections publically available on its website.

In August 2015, APHIS inspectors initiated pre-compliance site visits at ARS facilities to evaluate the welfare of animals at each facility and work with ARS officials on building an effective inspection program that will ensure the facilities are in full compliance with the AWA. The pre-compliance visits were completed in early October 2016. Based on ARS’ progress in meeting AWA requirements at its research facilities, the House appropriations committee released ARS’ remaining appropriation in the summer of 2016. Starting in November 2016, APHIS officials will begin conducting unannounced animal welfare inspections at 37 ARS locations engaged in agricultural research activities.
Public Policy Reason for APHIS Involvement: As the agency charged with enforcement of the AWA, APHIS was asked to fulfill Congress’s directive to oversee certain aspects of animal welfare at ARS research facilities.

APHIS’ Statutory/Regulatory Scope: APHIS is authorized under the AWA to conduct unannounced inspections of research facilities that use certain animal species. However, facilities that use only livestock or poultry for research to improve livestock health and production are exempt from AWA regulation. Prior to the House’s directive, all Federal Government research facilities were also exempt from registering with APHIS, as each agency has the responsibility to ensure that any of its facilities that conduct research on AWA-protected animals remain in compliance with the AWA. Federal animal research facilities have long been required to have animal oversight committees similar in composition and function to the IACUCs required at other research facilities.

Items in Controversy: The New York Times article alleged that a significant number of serious animal abuses were occurring at the MARC. Prior to the House directive, no Federal animal research facility was ever required to register with APHIS, although APHIS offers courtesy registration and inspections to Federal facilities upon request.

Industry, Consumer, and Congressional Interest: The New York Times article spurred other media to pick up the story, triggering concern about the alleged animal abuses at the MARC facility. The House Appropriations Committee, especially its Democratic staff, has expressed strong interest in the issue. At a February 2015 House Agriculture Committee hearing, Representative Brad Ashford (D-NE) asked the Secretary for an update on actions taken. In addition to requiring ARS to work with APHIS on the inspection process, the 2016 omnibus appropriations bill included language requiring ARS to share inspection reports with the Committee. Senator Corey Booker (D-NJ) and Representative Earl Blumenauer (D-OR) introduced companion bills in February 2015 that would amend the AWA to require inspections at Federal research facilities that conduct livestock research. However, the legislation did not advance.

Executive Branch Position to Date: APHIS and ARS have complied with the House of Representatives’ directives. During its inspections of ARS facilities, APHIS evaluates compliance based on AWA and Ag Guide standards.

The IACUC at each ARS facility has the responsibility to closely monitor the care and treatment of animals and ensure that research protocols are properly carried out and documented. If, during an inspection, APHIS identifies a direct noncompliance (one currently having a serious or severe adverse effect on the health and well-being of the animal) with the AWA or Ag Guide, the facility’s IACUC will suspend the research activity until corrective action has been taken, and then report that action to APHIS.
3. **Animal Welfare Act**

**Issue:** APHIS administers the Animal Welfare Act (AWA) and its associated regulations, which set standards for the humane care and treatment of most warm-blooded animals exhibited to the public, bred for commercial sale, used in medical research, or transported commercially. Facilities using regulated animals for these purposes must provide their animals with, among other things, adequate housing, sanitation, nutrition, water, and veterinary care. The AWA also prohibits most animal fighting ventures. Every year, APHIS conducts roughly 10,000 unannounced inspections of facilities licensed or registered under the AWA, ensuring the health and welfare of more than 2 million animals. Sanctions for alleged violations of the AWA and its implementing regulations include license suspensions and revocations, civil penalties, cease and desist orders, and misdemeanor criminal penalties (for alleged violations of statutory provisions). APHIS operates a Center for Animal Welfare that provides training to employees and stakeholders and serves as the USDA national science and technology resource in support of the AWA. APHIS received $28 million from Congress in fiscal year (FY) 2015 and $28.4 million in FY 2016 for AWA-related activities.

**Public Policy Reason for APHIS Involvement:** Congress directed the Secretary of Agriculture to enforce the provisions of the Animal Welfare Act. APHIS’ extensive animal health capabilities and regulatory experience position it particularly well to oversee certain aspects of animal welfare.

**APHIS’ Statutory/Regulatory Scope:** The AWA does not cover all animals used in all activities. Farm animals used for food or fiber (fur, hide, etc.), coldblooded species (amphibians and reptiles), horses not used for research, fish, invertebrates (crustaceans, insects, etc.), or rats of the genus Rattus and mice of the genus Mus bred for use in research are not covered. Birds are covered under the AWA but we have not yet established specific regulatory standards for them.

**Items in Controversy:** APHIS has faced intense scrutiny and legal challenges from AWA licensees, animal protection groups, and concerned citizens, as well as Congressional inquiries, about its inspection activities at regulated facilities and sanctions levied for AWA violations. Certain issues—such as the welfare of elephants and big cats in circuses and zoos, dogs sold by breeders and dealers, orcas in exhibition, and primates used in laboratory research—are focal points for public attention and attract local and national press coverage.

**Industry, Consumer, and Congressional Interest:** APHIS receives a large volume of inquiries expressing concerns about the welfare of regulated animals. Although most industry partners work closely with APHIS to ensure they meet AWA standards, certain breeders and exhibitors consistently remain out of compliance with AWA standards; we have sanctioned them. Spurred by constituent and interest-group activism, Congressional offices regularly contact APHIS about its AWA-related activities. Some believe that APHIS is too intrusive or unfair in enforcement matters while others argue that APHIS does too little.
Executive Branch Position to Date: APHIS has undertaken significant actions in the past several years in response to Office of the Inspector General audits, congressional interest, and concerns from the general public, as well as internally generated initiatives. In 2013, APHIS finalized a rule amending the AWA to require dealers selling animals sight unseen over the Internet to be licensed. As with many animal welfare issues, this action generated intense congressional and public interest both for and against the rule. The following year, the Agency finalized a rule required by the 2008 Farm Bill to prohibit imports of most dogs into the United States for resale, research, or veterinary treatment unless the dogs are vaccinated, healthy, and at least 6 months old. In response to provisions in the FY 2016 Consolidated Appropriations Act, APHIS also stopped issuing or renewing AWA licenses for Class B “random” dealers selling animals from various sources, some believed to be illegitimate. In early 2016, the Agency published for public comment a proposed rule amending the AWA to further support the humane handling, care and treatment of marine mammals such as orcas in captivity; the comments are under review. APHIS also issued a policy promoting humane handling of newborn and infant exotic cats, such as tigers and lions, which risked illness and even death as a result of direct contact with the public, and held three public listening sessions on broader issues involving the handling of dangerous animals. In addition, APHIS has published a proposed “de minimis” rule authorized by the 2014 Farm Bill exempting certain businesses that are small or infrequently exhibit certain animals—as well as owners of household pets that are exhibited occasionally and meet other criteria—from AWA license/oversight requirements. Public comments are due in early November 2016. Beginning that month, APHIS will perform regular inspections of animals at 37 USDA Agricultural Research Service research facilities to ensure AWA compliance. APHIS is planning a public symposium in spring 2017 focused on social enrichment and housing for primates.

To ensure fair and effective AWA enforcement, APHIS regularly reviews its internal processes, including its civil penalty guidelines, and reaches out to licensees and registrants to enhance their understanding of their obligations under the AWA. Further, although the AWA does not apply to privately owned pets, APHIS supports pets during emergencies. After Hurricane Katrina (2005), APHIS created an Emergency Programs division to work with the Federal Emergency Management Agency, States, and others to safeguard public safety and animal welfare by supporting collaborative capacity building in animal emergency management. Examples demonstrating the effectiveness of this effort include the Colorado airlift of over 800 animals accompanying owners evacuated from flood zones (2013) and recent Louisiana flooding (2016) where pets/animals were evacuated with their owners from flooded areas and sheltered.

Potential Alternative Approaches: [b](5) Deliberative Process Privilege

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126
4. Public Contact with Dangerous Animals

**Issue:** APHIS is considering revising the Animal Welfare Act (AWA) regulations governing handling and public contact of dangerous animals. APHIS’ main focus is ensuring the welfare of animals while striving to develop and enact the most appropriate measures to protect animals from any potential harm that can result from being handled by humans. Some members of the public, animal interest groups and the regulated community have strong and divergent views on the subject.

**Public Policy Reason for APHIS Involvement:** Congress directed the Secretary of Agriculture to enforce the provisions of the Animal Welfare Act. APHIS’ extensive animal health capabilities and regulatory experience position it particularly well to oversee certain aspects of animal welfare.

**APHIS’ Statutory/Regulatory Scope:** The Animal Welfare Act and its associated regulations require the enforcement by USDA (APHIS) of federally established standards of care and treatment for certain warm-blooded animals bred for commercial sale, used in research, transported commercially or exhibited to the public. This docket applies to the latter category.

**Items in Controversy:** APHIS receives many public complaints related to the handling of animals, including handling resulting in injuries to animals and the public. During follow-up inspections, APHIS often documents evidence of noncompliance with AWA handling regulations.

**Industry, Consumer, and Congressional Interest:** More than 70 AWA-licensed exhibitors allow public contact with dangerous animals. APHIS has issued internal and external guidance interpreting the handling regulations, particularly as they relate to the handling of large felids (big cats). On average, APHIS initiates 45 investigations each year related to the handling of animals, including cases that resulted in significant injuries to, and the deaths of, animals and members of the public. Within the past decade, approximately 74 percent of those cases involved exhibitors of animals.

**Executive Branch Position to Date:** When APHIS promulgated current handling regulations, APHIS stated “exhibitors do not have the right to allow contact between public and dangerous animals,” but the regulatory text itself is less clear on this point. In 2000, APHIS published a handling policy in the Federal Register for public comment, and, in 2004, withdrew this policy from consideration noting “any clarification of the regulations should take place through rulemaking.” Thereafter, in 2007, a licensed exhibitor sued APHIS in Federal District Court alleging APHIS’ interpretation of the handling regulations to restrict contact between juvenile and adult large felids (big cats) and the public was arbitrary and capricious. Although the District Court found APHIS’ interpretation of the regulations was not unreasonable (and the Fourth Circuit Court of Appeals affirmed this decision), APHIS is repeatedly challenged during both inspections and administrative enforcement proceedings regarding this interpretation, and exhibitors often seek to circumvent the handling regulations.
On August 5, 2013, APHIS published in the Federal Register for comment a petition filed by the Humane Society of the United States on behalf of a broader coalition of stakeholders to prohibit public contact with big cats, bears, and nonhuman primates. The published petition (Docket No. APHIS-2012-0107) received more than 15,000 public comments. Officials reviewed all comments and found overall support for the basis of the petition. As a result, APHIS published a notice on June 24, 2016, reopening the comment period for the petition to explore the possibility of revising the Animal Welfare Act (AWA) regulations governing handling of and public contact with dangerous animals. APHIS also hosted a series of listening sessions that allowed participants to provide oral comments and hear responses on handling regulations. Archived audio recordings and written transcripts of these sessions can be found at: https://www.aphis.usda.gov/aphis/ourfocus/animalwelfare/handling-dangerous-animals-feedback-page. APHIS officials are carefully reviewing the more than 6,000 comments they received on or prior to the August 31, 2016, closing of the reopened comment period, and they will evaluate and address all feedback before proceeding with any decisionmaking on this matter.

Additionally, on April 4, 2016, APHIS notified all affected USDA license holders of their regulatory responsibilities under the AWA to ensure that newborn and infant nondomestic cats 28 days of age or younger are provided preventive and responsive veterinary care and adequate housing and nutrition, and to ensure that these animals are handled safely and protected from harm. Licensees must handle these animals in a manner that does not expose them to any form of public contact, including public feeding and handling. The guidance document is located at https://www.aphis.usda.gov/publications/animal_welfare/2016/tech-neonatal-nondomestic-cats.pdf.

Potential Alternative Approaches: [b][5] Deliberative Process Privilege
Biotechnology Regulatory Services

1. **Proposed 340 Regulations**

**Issue:** USDA uses science-based regulatory systems to allow for the safe development, use, and trade of products derived from new agricultural technologies. USDA continues to regulate the importation, interstate movement, and field-testing of newly developed genetically engineered (GE) organisms that qualify as "regulated articles" to ensure they do not pose a threat to plant health before they can be commercialized. These science-based evaluations facilitate the safe introduction of new agricultural production options and enhance public and international confidence in these products. As a part of this effort, the Animal and Plant Health Inspection Service (APHIS) will publish a proposed rule to revise its regulations regarding the regulation of GE organisms.

**Public Policy Reason for APHIS Involvement:** APHIS’ mission is to protect plants from plant pests and noxious weeds, and is conducted under the authority of the PPA. There’s a critical need to make the current regulations more relevant in light of significant scientific advances and the risk assessment experience gained over the years. APHIS plans to better align its regulations with its statutory authority, align its regulatory oversight with risks to plant health, and ensure its regulatory program is more consistent with the current status of the science of genetic engineering.

**APHIS’ Statutory/Regulatory Scope:** When current biotechnology regulations were codified in 1987, the PPA had not yet been passed and the existing regulations were written pursuant to the Federal Plant Pest Act of 1957. The Plant Protection Act of 2000 gives APHIS authority to regulate organisms that are plant pests, noxious weeds, or both, and pose a risk to plant health. Amongst other changes, the proposed revisions will more closely align our regulations with the PPA to allow APHIS to regulate GE organisms that may pose a plant pest or noxious weed risk.

**Items in Controversy:** In March 2015, USDA withdrew a 2008 proposed rule to change the regulations. The 2008 proposed revisions were extensive and included significant changes to the scope of the regulations and the mechanics of APHIS’ regulatory oversight. APHIS received more than 88,300 comments on the 2008 proposed rule, indicating the proposed scope and many of the provisions of the rule were unclear, needed additional rigor, were far-reaching and overly restrictive. APHIS received concerns regarding what future criteria might be used to determine what organisms would fall under APHIS regulatory jurisdiction. Concerns regarding oversight of crops that produce pharmaceutical and industrial compounds and increased regulatory burden are just a few examples of the complex issues raised by commenters. Therefore, APHIS withdrew the 2008 proposed rule and sought additional input from stakeholders.

In 2015, following the withdrawal of the 2008 proposed rule, APHIS reached out to the public for input with a series of webinars and through a public comment period to start a fresh dialogue with stakeholders on future proposed rulemaking. We received more than 220,000 comments. After considering those comments, on February 5, 2015, APHIS published a Notice of Intent (NOI) to prepare a programmatic environmental impact statement (EIS), as required for any
significant rule change. The Agency is thoroughly considering all public input submitted during the 75-day public comment period on the NOI as we develop the draft programmatic EIS and the new proposed rule.

The goal of the proposed regulation is to consider a broader range of potential harms, prevent potential gaps in oversight, improve clarity and transparency of risk assessments, and regulate by specifically identifying and including all GE organisms that may pose plant pest or noxious weed risks. Although APHIS will be conducting initial reviews of certain types of GE organisms that are not now subject to review, overall the proposed rule will lead to substantial regulatory relief that fosters innovation through a more efficient, risk-based system. APHIS will stay within the statutory authority of the PPA, and the public will have ample opportunity to comment on the proposed rule and the draft programmatic EIS. Based on the comments already received on the NOI, APHIS has modified the alternatives considered in its draft programmatic EIS.

Revising the current regulations will help ensure the appropriate oversight by the regulatory system and increase transparency, while continuing to provide a framework that fosters innovation to address some of society’s most pressing challenges.

Industry, Consumer, and Congressional Interest: Biotechnology itself is a controversial subject, with strong convictions both from those who oppose it and those who support it. Industry organizations currently regulated by APHIS are generally supportive of the concept of revising the regulations to reflect scientific advances and to better align regulation with risk. Some special interest groups/NGOs oppose genetic engineering in general and tend to resist any change they perceive as resulting in less regulation. Congressman Aderholt (R-AL) of the House Agriculture Appropriations Subcommittee has historically been interested in APHIS’ biotechnology and regulatory efforts.

Executive Branch Position to Date: APHIS has been communicating about a new rule throughout the Executive Branch for nearly two years, and has strong support from the Executive Office of the President, as well as our Coordinated Framework partners in Health and Human Services’ Food and Drug Administration and the Environmental Protection Agency, and from other USDA agencies. In September 2016, APHIS sent the proposed rule to the Office of Management and Budget for its review as part of the formal rulemaking process. When that review process is complete, APHIS intends to publish the proposed rule for public comment.

Potential Alternative Approaches: [b](5) Deliberative Process Privilege
2. **Coordinated Framework**

**Issue:** The White House Office of Science and Technology Policy (OSTP) is leading a process to modernize the Federal regulatory system for products of biotechnology. This is to ensure that Federal regulatory agencies with jurisdiction over biotechnology products keep pace with rapidly changing science, without creating barriers to future innovation and competitiveness. The Executive Office of the President released two documents on September 16, 2016 as part of that effort.

**Public Policy Reason for APHIS Involvement:** The Coordinated Framework for the Regulation of Biotechnology (CF) describes the comprehensive Federal regulatory policy for ensuring the safety of biotechnology products and is comprised of the regulatory authorities and review efforts of the Food and Drug Administration (FDA), the Environmental Protection Agency (EPA), and the USDA. Advances in science and technology have dramatically altered the biotechnology landscape, enabling the development of products not envisioned when the CF was published. In addition, the complexity of the array of regulations and guidance documents developed by the three primary Federal agencies can make it difficult for the public to understand how the safety of biotechnology products is evaluated. Navigating the regulatory process for these products can be challenging, especially for small companies.

**APHIS’ Statutory/Regulatory Scope:** USDA’s authority to regulate genetically engineered (GE) plants falls under the Plant Protection Act (PPA). Under the PPA, APHIS regulates certain GE organisms that may be plant pests and pose a risk to plant health. The update of the CF is especially timely for USDA as it considers options for revising its regulations for the field-testing and development of new GE organisms. APHIS plans to better align its regulations with its statutory authority, better align its regulatory oversight with risks to plant health, and ensure its regulatory program is more consistent with the evolving science of genetic engineering. These activities support the goals of the OSTP in its effort to modernize the Federal regulatory system for products of biotechnologies.

**Items in Controversy:** The current regulatory system for the products of biotechnology effectively protects health and the environment. However, in some cases, unnecessary costs and burdens associated with regulatory uncertainty about agency jurisdiction, and lack of predictability of timeframes for review, for example, have grown. Updating the CF and laying the foundation for future updates is intended to help ensure the appropriate oversight by the regulatory system and increase transparency, while continuing to provide a framework for advancing innovation to address some of society’s most pressing challenges.

**Industry, Consumer, and Congressional Interest:** Biotechnology itself is a controversial subject, with strong convictions both from those who oppose it, and those who support it. Chairman Aderholt (R-AL) of the House Agriculture Appropriations Subcommittee has historically been interested in APHIS’ biotechnology and regulatory efforts.

**Executive Branch Position to Date:** APHIS, FDA, and EPA have been working closely with the Executive Office of the President (EOP) to modernize the CF.
On July 2, 2015, the EOP directed FDA, EPA, and USDA to update the CF by clarifying current roles and responsibilities, to develop a long-term strategy to ensure that the Federal biotechnology regulatory system is prepared for the future products of biotechnology, and to commission an expert analysis of the future landscape of biotechnology products to support these efforts. For the last 14 months, these agencies have analyzed Federal regulation of biotechnology products, reviewed more than 900 comments submitted in response to a Request for Information, and conducted three public meetings in different regions of the country, with presentations, case studies, and break-out “listening sessions.”

EOP released two products of this effort: the *Update to the Coordinated Framework for the Regulation of Biotechnology*, and the *National Strategy for Modernizing the Regulatory System for Biotechnology Products*.

The *Update to the Coordinated Framework for the Regulation of Biotechnology* offers the public a complete picture of the regulatory structure that provides oversight for the products of modern biotechnology, and present clarifying information about agency roles, responsibilities, and coordination. On September 22, 2016, the OSTP published a notice in the Federal Register asking for public comments on the proposed update to the CF. Comments will be accepted through November 1.

The *National Strategy for Modernizing the Regulatory System for Biotechnology Products* sets forth a 5-year vision for ensuring that the Federal regulatory system is equipped to assess efficiently the risks, if any, associated with future products of biotechnology while supporting innovation, protecting health and the environment, maintaining public confidence in the regulatory process, increasing transparency and predictability, and reducing unnecessary costs and burdens.

FDA, EPA, and USDA have also commissioned a report by the National Academies of Sciences, Engineering, and Medicine, titled “*Future Biotechnology Products and Opportunities to Enhance Capabilities of the Biotechnology Regulatory System.*” The report is expected to be released at the end of 2016 and will be used by the agencies to: 1) gain a better understanding of future products and how they fit within the U.S. regulatory system; 2) consider any necessary updates to scientific assessments; 3) consider any necessary updates to regulatory processes or procedures; and 4) enhance communication with stakeholders.
3. **Significant Biotechnology Issues**

**Issue:** The Federal government has been regulating genetically engineered (GE) organisms since 1987. As part of the regulatory process, APHIS ensures that developers, growers, and others take important steps to prevent unauthorized releases of GE organisms. However, there remain several significant issues, including the coexistence of GE crops with non-GE and organic crops, herbicide resistant weeds, the labeling of GE products and new and emerging technologies used to modify plant genes that require further consideration by both APHIS and other Federal agencies.

**Public Policy Reason for APHIS Involvement:** The biotechnology industry—valued worldwide at $280 billion—creates products that can improve medical care and increase agricultural production. While American farmers and consumers can benefit from the products, it is important to ensure that they do not pose a risk to America’s agricultural and natural resources. APHIS works to ensure new GE crops will not pose plant health risks when released into the environment.

**APHIS’ Statutory/Regulatory Scope:** The Plant Protection Act gives APHIS authority to regulate certain GE organisms that might pose a risk to plant health. APHIS regulates the introduction—meaning the importation, interstate movement, and field-testing—of certain organisms derived through biotechnology that may pose a plant pest risk.

**Items in Controversy:**

- **Coexistence:** USDA’s policy has been to support all forms of agriculture, including GE, non-GE and organic, and to strengthen coexistence among these agricultural production systems. In order to maintain the integrity of differentiated markets, farmers employ a variety of practices to prevent the accidental comingling of GE crops with other crops. When comingling does happen, some stakeholders have the strong opinion that the companies who patent, promote, and profit from GE products should be responsible for covering the losses associated with the impacted crops and for taking measures to prevent this from occurring in the future. Currently, there is no compensation mechanism for farmers impacted by unintended presence of GE in non-GE production. USDA is working with an Advisory Council (AC21) to identify measures that can promote and strengthen coexistence. These include:
  - Engaging stakeholders and seeking public input on how to foster communication and collaboration to strengthen coexistence.
  - Funding or conducting research relevant to crop stewardship and gene flow risk mitigation under USDA’s Biotechnology Risk Assessment Grants program.
  - Development of an approach for examining seed purity of holdings in the USDA/Agriculture Research Service National Plant Germplasm System.
- **Herbicide Resistant Weeds:** The Environmental Protection Agency (EPA) is currently the only Federal agency with authority to implement weed resistance management through the Federal Insecticide, Fungicide, and Rodenticide Act. APHIS’ role in this effort is to promote the use of best management practices during GE field trials, especially for field trials of herbicide resistant crops. APHIS is collaborating USDA’s Natural Resources Conservation Service, the Office of Pest Management Policy, the EPA, and the Weed Science Society of America to better understand impediments to the adoption of weed management strategies and to identify ways to encourage producers to adopt diverse tactics for weed management, including herbicide control.

- **Labeling:** APHIS has no direct role in the labeling of GE products. The Food and Drug Administration has issued labeling guidance for companies who wish to voluntarily label their products, and several food companies are doing so. Additionally, States have considered laws to mandate labeling for food products. In July 2016, Congress passed a disclosure law that requires most food packages to carry a text label, symbol or electronic code to indicate whether the food contains biotech material. The President signed the bill on August 1, 2016; this law preempts any state laws. The authority provided by the July 2016 law was delegated to the Agricultural Marketing Service.

- **Gene Editing Technology:** Several methods of gene editing (Zinc Fingers, TALENs and CRISPRs) are now being used to modify crops. For example, in 2015, APHIS responded to two inquiries regarding the need for regulation for products developed with CRISPRs. For both products, a white button mushroom developed by Penn State, and waxy corn developed by DuPont Pioneer, the only change to the plant genome was a deletion. APHIS determined that neither product falls under APHIS regulations because no genetic material from plant pests was inserted into the final genomes. APHIS also concluded that neither plant presents a risk to plant health as weeds. However, APHIS regulates GE plants produced using genome editing techniques if plant pest DNA is inserted in the final product or otherwise poses a risk to plant health.

**Industry, Consumer, and Congressional Interest:** There are a wide variety of viewpoints on these issues - some stakeholders believe that GE products are too dangerous and need more regulation (or should be banned), while others believe that APHIS should expedite the deregulation of products. Consumers are very supportive of product labeling. In 2015, Congressman Bishop (D-GA) asked about coexistence, and Congresswoman Pingree (D-ME) asked about “superweeds” as part of the House Agriculture Appropriations hearing. Congresswoman Pingree also states that consumers want to know what is in their food (labeling) and growers do not want their crops contaminated.

**Executive Branch Position to Date:** APHIS supports all forms of agriculture. We hear the concerns of all types of farmers and where able, are providing dedicated resources to address public concerns.
International Services

1. Engagement with Cuba

Issue: The decision to extend diplomatic relations to Cuba has already led to greater movement of people; ultimately, it may also entail increased U.S. agricultural exports and the lifting of the current U.S. embargo on Cuban imports. Given decades of limited contact, however, relatively little is known about the current state of Cuban agriculture, including its plant and animal pests and diseases. On the first official USDA visit to Cuba since 1961, focused on strengthening bilateral agricultural engagement, Secretary Vilsack recommended that Cuba complete detailed pest risk analyses to start the decisionmaking process for exports when the embargo is lifted. If trade restrictions are lifted and the United States allows imports from Cuba, domestic producers may be concerned about the introduction of potentially harmful plant and animal pests and diseases under APHIS’ purview, including screwworm and classical swine fever—both eradicated in the United States—and possibly fruit flies and other threats.

Public Policy Reason for APHIS Involvement: APHIS safeguards U.S. agricultural and natural resources against the entry, establishment, and spread of significant pests and diseases, while facilitating the safe and fair trade of agricultural products.

APHIS’ Statutory/Regulatory Scope: In accordance with the Plant Protection Act and the Animal Health Protection Act, APHIS safeguards U.S. agriculture from potentially harmful plant and animal pests and diseases that may be present in Cuba.

Items in Controversy: APHIS’ Cuban counterparts wish to begin exporting agricultural products to the United States. Similarly, many U.S. agricultural industries and States are interested in opening or expanding markets for U.S. products—particularly rice, wheat, soybeans, pork, poultry, and corn—to Cuba.

Industry, Consumer, and Congressional Interest: In 2015, the United States exported $148 million worth of agricultural products to Cuba. U.S. poultry and soybean producers account for a large share of these exports and have a vested interest in expanded trade relations. Other industry groups, including the American Farm Bureau Federation, the American Feed Industry Association, the International Dairy Foods Association, the National Farmers Union, and the U.S. Grains Council have also expressed significant interest in a more open Cuban market. During the November 2015 USDA visit to Havana, Secretary Vilsack was accompanied by APHIS Administrator Kevin Shea, U.S. Senator Jeff Merkley (D-Oregon), and U.S. Representatives Terri Sewell (D-Alabama), Suzan DelBene (D-Washington), and Kurt Schrader (D-Oregon).

Executive Branch Position to Date: For many years, APHIS has sought to stay current on potential Cuban agricultural risks through its offices in Puerto Rico, the Dominican Republic, Haiti, and Trinidad and Tobago. APHIS has also participated in regional initiatives such as CaribVET and the Caribbean Plant Health Directors Forum, which facilitates information exchange between APHIS and Cuban regulatory counterparts. APHIS has supported U.S.
exporters through such successful actions as working with Cuban counterparts to lift bans on U.S. poultry imports related to highly pathogenic avian influenza and ensuring Cuban recognition of the United States as a country at negligible risk for bovine spongiform encephalopathy.

Along with the signing of a Memorandum of Understanding establishing bilateral cooperation in the U.S. and Cuban agricultural and forestry sectors, APHIS has been involved in workplan negotiations to develop relationships with Cuban animal and plant health counterparts and address risks from established pests and diseases in Cuba. APHIS recently sent an employee on detail to Cuba to facilitate information exchanges between APHIS plant and animal health experts and their Cuban counterparts.

Potential Alternative Approaches:

Plant Protection and Quarantine

1. **Argentine Lemon Imports**

**Issue:** Argentina has requested that APHIS amend its regulations to allow the importation of lemons from the northwest region of that country into the United States. APHIS approved market access for Argentine lemons in 2000, but in October 2001 the U.S. citrus industry filed a lawsuit opposing this decision and APHIS stopped importations.

In 2013, Argentina requested consultations with the United States through the World Trade Organization (WTO) regarding market access for Argentine lemons. In response, in April 2014 APHIS completed a pest risk analysis, and in June 2015 conducted a site visit. In May 2016 APHIS used this information to publish a proposed rule (Docket No. APHIS-2014-0092-0001) that would allow the importation of lemons from Northwest Argentina under a systems approach. The systems approach would require a series of safeguards to effectively mitigate pest risk.

In September 2016, after an extended comment period that ended on August 10, 2016, APHIS conducted another site visit during peak growing season to verify that Argentina had implemented the proposed mitigation measures. The Agency then shared its findings with industry and other stakeholders that its site visit confirmed that Argentina has a system of safeguards in place to mitigate any pest risk. If the Office of Management and Budget (OMB) designates the rule not significant, APHIS intends to publish a final rule by December 2016. If it is deemed significant, publication would likely be 3 to 4 months later.
Public Policy Reason for APHIS Involvement: APHIS safeguards U.S. agriculture and natural resources against the entry, establishment, and spread of significant pests, while facilitating the safe and fair trade of agricultural products.

APHIS’ Statutory/Regulatory Scope: APHIS regulates the importation of fruits and under the Plant Protection Act and our regulations in “Subpart—Fruits and Vegetables” (7 CFR 319.56-1 through 319.56-74).

Items in Controversy: Argentina began consultations through the WTO and, if the rule is not finalized, would likely proceed with the dispute. If this rule is finalized, the U.S. citrus industry may again attempt to block imports through legal action, as it did 2001.

Industry, Consumer, and Congressional Interest: There is both support for and opposition to the rule. There is congressional support from representatives of States with large ports who believe there would be an economic benefit to granting market access. Industry and legislators from citrus-growing States strongly oppose the rule. Congresswoman Rosa DeLaura (D-CT) also expressed concerns that the United States would make regulatory concessions due to WTO involvement.

Executive Branch Position to Date: APHIS has determined the systems approach will mitigate pest risk; the current administration believes the rule is necessary to strengthen the trade relationship with Argentina and avoid issues with the WTO.

Potential Alternative Approaches: [b](5) Deliberative Process Privilege

2. European Union (EU) Apple and Pear Imports

Issue: The EU requested that APHIS amend its regulations to replace the current preclearance program with a systems approach for the importation of apples and pears from certain member countries: Belgium, Germany, France, Italy, Poland, Portugal, Spain, and the Netherlands. Under the current preclearance program, we require producers in the exporting countries to contribute to a trust fund to cover the cost of APHIS inspection in the exporting country, as well as any risk mitigation measures. The systems approach, which combines a series of risk mitigation measures, would eliminate this preclearance inspection protocol and rely on individual countries’ National Plant Protection Organization to ensure that producers carry out required risk mitigation activities in fields and packing houses. APHIS plans to conduct an annual audit of the systems approach and works with the Department of Homeland Security’s Customs and Border Protection to carry out inspections of arriving apple shipments to ensure compliance with the U.S. import requirements.

In 2015, APHIS published a risk management document that outlined risk mitigation measures necessary to address previously identified pest risks. These measures are essentially the same as
those used in the current preclearance program. APHIS published a proposed rule (Docket No. APHIS-2015-0073-0001) in January, 2016 reflecting the change to a systems approach.

**Public Policy Reason for APHIS Involvement:** APHIS safeguards U.S. agriculture and natural resources against the entry, establishment, and spread of significant pests, while facilitating the safe and fair trade of agricultural products.

**APHIS’ Statutory/Regulatory Scope:** APHIS regulates the importation of fruits and under the Plant Protection Act and our regulations in “Subpart—Fruits and Vegetables” (7 CFR 319.56-1 through 319.56-74).

**Items in Controversy:** Poland was a late addition to the list of countries seeking market access. However, unlike the other countries on the list, APHIS has not completed a separate pest risk assessment for Poland because that country’s pests were previously identified and analyzed in published materials.

**Industry, Consumer, and Congressional Interest:** Industry and some legislators have expressed concern about pest risk generally and specifically with regard to Poland. In March 2012, the EU banned the import of U.S. apples based on their reduced tolerance level for a chemical used by U.S. producers to mitigate disease risk. U.S. stakeholders are concerned about the resulting trade imbalance.

**Executive Branch Position to Date:** APHIS determined the systems approach will mitigate the risk of pest introductions and that imports would not pose a threat of pest introduction. APHIS is proceeding with decision making at this time.

**Potential Alternative Approaches:** [b](5) Deliberative Process Privilege

**3. Potatoes to Mexico**

**Issue:** The U.S. potato industry has long wanted market access for U.S. fresh, table-stock potatoes to all of Mexico, but efforts toward this goal have met a series of ongoing roadblocks. In 2003, APHIS and Mexico’s Ministry of Agriculture, Livestock, Rural Development, Fish, and Food (SAGARPA) signed an operational work plan that allowed immediate access for U.S. fresh, table-stock potatoes to Mexican markets within a 26-kilometer border zone. Provisions in the work plan also anticipated that expansion of market access for U.S. table-stock potatoes to all of Mexico would be phased in over time. Exports of U.S. seed potatoes for planting were excluded from this agreement.

In the spring of 2014, APHIS published a new regulation to authorize Mexico to export fresh table-stock potatoes to the United States, and SAGARPA issued new regulations allowing the long-awaited access for U.S. table-stock potatoes to all States in Mexico. APHIS and
SAGARPA then signed new work plans to harmonize the two countries’ mutual trade in potatoes. Beginning on May 19, 2014, U.S. exporters shipped about 15.5 million pounds of product into Mexico’s expanded markets. However, after just a few weeks of expanded access, a Mexican court issued an injunction suspending SAGARPA’s new potato regulations in response to a series of lawsuits filed by the National Confederation of Potato Producers. Under the injunction, U.S. potato exporters were allowed continued access to the original 26-kilometer border area. Mexican exporters to date have not shipped any fresh potatoes to the United States.

On May 26, 2016, SAGARPA officially cancelled its 2014 regulation, and on June 6, 2016 provided APHIS with a new work plan for comment, which both APHIS and U.S. industry considered to be too restrictive. APHIS provided its comments to SAGARPA on June 10, 2016. On July 15, 2016, Mexican President Peña Nieto issued a presidential order authorizing the market expansion for U.S. fresh table-stock potatoes to all Mexico as a temporary measure until SAGARPA could publish new regulations for the import of U.S. table-stock potatoes. However, on July 20, a Mexican court issued yet another injunction that suspended President Nieto’s executive order.

U.S. industry representatives have estimated that U.S. table-stock potato exports could increase from the approximately $40 million worth of fresh potatoes currently exported to the 26-kilometer border zone to $150 million or more if U.S. exporters had market access to all of Mexico for table-stock potatoes.

Public Policy Reason for APHIS Involvement: APHIS safeguards U.S. agriculture and natural resources against the entry, establishment, and spread of significant pests, while facilitating the safe and fair trade of agricultural products.

APHIS’ Statutory/Regulatory Scope: Under the Plant Protection Act, APHIS has authority to establish import regulations to safeguard U.S. agriculture. As the recognized National Plant Protection Organization for the United States, APHIS is authorized to represent overall U.S. agricultural interests in bilateral trade negotiations concerning the import and export of agricultural commodities. As a signatory of the International Plant Protection Convention (IPPC), APHIS plays a key leadership role in protecting the world’s plant resources from pests and diseases. APHIS’ membership in the IPPC fosters international relationships on behalf of our stakeholders to support new market access, market expansion, and market retention for U.S. exports.

Items in Controversy: The plaintiffs representing Mexico’s potato producers claim that imported U.S. table-stock potatoes, although labeled for consumption only, would put Mexico’s agriculture at risk from as many as 60 quarantine pests and diseases because the potatoes could be diverted for agricultural production in Mexico. One of the bilaterally agreed-upon phytosanitary mitigations in the 2014 work plan required U.S. potato shipments to be pretreated with an anti-sprouting solution that would minimize any risk of the potatoes being diverted for agricultural purposes. Under the IPPC to which both the United States and Mexico are signatories, the intended use of a commodity must be taken into account when establishing any phytosanitary restrictions on a commodity.
Industry, Consumer, and Congressional Interest: The U.S. potato industry supports the Federal Government’s efforts to press at all levels for a resolution that would allow full access to Mexico’s fresh potato market. APHIS has not received any Congressional inquiries on this issue since 2011.

Executive Branch Position to Date: Although the Office of the U.S. Trade Representative has closely monitored this situation, the resolution of this matter remains within Mexico’s court system.

Potential Alternative Approaches: [b]Deliberative Process Privilege

4. Fruit Flies/Sterile Fruit Fly Facilities

Issue: U.S. agriculture is at risk from exotic fruit flies that could enter the United States across our southern border as well as through infested host plants, fruits, and vegetables that unintentionally or illegally enter the country. Southern Texas faces a continuous threat from introductions of Mexican fruit fly (Mexfly), and Florida and California experience frequent introductions of Mediterranean fruit fly (Medfly) and Oriental fruit fly (OFF). Medfly, OFF, Malaysian fruit fly, and melon fly are established in Hawaii and continually threaten the mainland. Because the larvae of these exotic species can feed on more than 400 host plants and render fruit inedible, they are among the most destructive pests of fruits and vegetables around the world. The establishment of any of these species within the continental United States would cause significant economic losses from the damage to host commodities, the costs associated with implementing control measures, and the loss of export markets.

To prevent the introduction and establishment of exotic fruit flies, APHIS employs a proven strategy involving surveillance trapping, quarantine restrictions, port of entry inspections, and mating disruption using sterile insect technique. Use of the sterile insect technique (SIT) has remained a key component of its cooperative exotic fruit fly control programs for over 30 years. SIT involves the mass-rearing of sterilized exotic fruit flies. When released, sterile male fruit flies mate with wild females, which disrupts natural breeding and the production of progeny because the female’s eggs remain unfertilized. Through continuous releases, this form of mating disruption significantly reduces wild fly populations and aids eradication.

USDA maintains cooperative programs with the governments of Mexico, Guatemala, and Belize, which employ SIT and other mitigation strategies to diminish the populations of exotic fruit flies in those countries. These cooperative efforts reduce destruction of fruit, improve local food production, and decrease the pest risk to the United States.
APHIS also operates domestic SIT facilities in California, Florida, and Texas. The California and Florida facilities currently receive sterile Medfly pupae from the facility in Guatemala, and the Texas facility receives some supplemental Mexfly pupae from Guatemala. The domestic facilities rear and release hundreds of millions of sterile Mexflies and sterile male Medflies each week for ongoing preventive release efforts and domestic outbreak eradication campaigns against these two pests. However, APHIS and State cooperative fruit-fly program managers have completed comprehensive evaluations of all of the domestic SIT facilities and determined that these facilities were all beyond their useful lifespan, have inefficiencies that lead to production losses, and—in some cases—pose health and safety concerns for workers. New domestic facilities would also allow for a significant increase in the quantities of sterile Medflies and Mexflies produced, which could enable the United States to become self-sustaining in sterile fruit-fly production and provide a reserve capacity for mitigating any future outbreaks required to protect U.S. agricultural resources. Because the landowners of the Florida facility have opted not to renew the lease that will expire in 2017, work to replace that facility has already begun.

**Public Policy Reason for APHIS Involvement:** APHIS’ efforts, in cooperation with State officials and industry stakeholders, to prevent exotic fruit flies from becoming established in the United States directly protects approximately $5 billion in citrus and tree fruit production.

Although one of the long-term goals of APHIS’ Fruit Fly Exclusion and Detection Program is to eradicate Medfly throughout Guatemala, the more realistic aim—given current resources and available technology—is to prevent Medfly’s northward movement into Mexico and the United States.

**APHIS’ Statutory/Regulatory Scope:** The Plant Protection Act authorizes APHIS to take action against plant pests that cause damage to agricultural assets, to prevent such pests from entering and establishing in the United States, and to cooperate with other countries in taking such actions.

**Items in Controversy:** Due to violence and security issues in areas surrounding the northern border of Mexico, Mexfly surveillance and SIT preventive-release activities in these regions have significantly decreased and in some cases stopped. This has significantly increased the Mexfly threat to Texas. Because all of the domestic SIT facilities in Florida, Texas, and California are in a serious state of physical decline and need to be replaced, APHIS will need additional funding to replace all of those facilities and ensure production of sufficient quantities of sterile fruit flies to protect vulnerable agricultural areas of the United States.

**Industry, Consumer, and Congressional Interest:** Susceptible producers in the South and Southwest, and in the citrus industry in particular, strongly support APHIS’ safeguarding efforts and fruit fly eradication campaigns. Industry, most notably Texas Citrus, has asked Congressman Vela (D-TX) and others to seek Congressional funding for upgrades to SIT facilities that produce and release sterile fruit flies in Florida, California, and Texas. Congressman Rooney (R-FL) has questioned APHIS’ capacity to produce sufficient quantities of sterile Mexfly.
Executive Branch Position to Date: APHIS’ total appropriation for its domestic and international exotic fruit fly eradication and control efforts totaled $59.6 million in fiscal year 2016. Through this funding, APHIS maintains a cooperative, nationwide trapping and surveillance program, which serves as an early warning system for pest introductions. In addition, USDA continues to prioritize cooperative programs with foreign governments. APHIS’ efforts also include mounting domestic quarantine eradication campaigns in response to exotic fruit fly introductions. During the past two years, unprecedented numbers of exotic fruit fly introductions have occurred in Florida, Texas, and California. All Medfly and OFF infestations in the mainland United States have now been eradicated, but five of the eight Mexfly quarantines established in southern Texas during the year remain in place.

The House Appropriations Committee included $30 million for APHIS in the FY 2017 Agriculture Appropriations.

Potential Alternative Approaches: [b](5) Deliberative Process Privilege

5. Citrus Health Programs

Issue: The presence in the United States of exotic citrus diseases, especially citrus canker and Huanglongbing (HLB, aka citrus greening)—which is spread by the Asian citrus psyllid (ACP)—hampers the ability of commercial citrus industries to produce, harvest, process, domestically move, and internationally export healthy fruit and clean plant stock. APHIS supports citrus health-related activities through its Citrus Health Response Program (CHRP) and its leadership in USDA’s HLB-Multiagency Coordination (MAC) Group.

APHIS has established Federal quarantines for citrus canker, HLB, and ACP in parallel with quarantines already imposed at the State level.

- The entire State of Florida, as well as portions of Louisiana and Texas, are quarantined for citrus canker.
- The entire States of Florida and Georgia, as well as portions of Louisiana, Texas, and California, are quarantined for HLB. All of Guam, Puerto Rico, the U.S. Virgin Islands, and the Northern Mariana Islands are also quarantined for HLB. The biology of HLB does not lend itself to early detection or eradication.
- The entire States of Florida, Georgia, Alabama, Mississippi, Louisiana, Arizona, and Texas, as well as portions of South Carolina, Nevada, and California, are quarantined for ACP. All of Guam, the Northern Mariana Islands, and American Samoa are also quarantined for ACP.
Public Policy Reason for APHIS Involvement: The United States ranks third overall in citrus production globally, and the packinghouse-door value of U.S. citrus production in 2015 was more than $3 billion. In addition, approximately 100,000 U.S. jobs are generated from the harvesting, packing, processing, transportation, and retail sale of fresh and processed citrus fruit and citrus nursery stock production.

APHIS' Statutory/Regulatory Scope: Section 412(a) of the Plant Protection Act of June 20, 2000, as amended, 7 U.S.C. 7701, provides APHIS with broad authority to prohibit or restrict the movement in interstate commerce of any plant, plant part, article, or means of conveyance if necessary to prevent the introduction or dissemination of a plant pest, including citrus pests/diseases.

Items in Controversy: Although tree removal is the best way to stop the spread of HLB and citrus canker, there has been some resistance to removing trees, especially from residential citrus owners. Additionally, trees infected by HLB can take years to develop symptoms, further fostering opposition to tree removal. Industry is pushing for early detection technologies, but regulatory applicability of these technologies has not been established. There has also been some resistance to spray programs to control ACP populations. Each citrus-producing State—in particular Florida and California—has different priorities, diverse approaches to disease management, and wants a larger share of CHRP funding.

Industry, Consumer, and Congressional Interest: The citrus industry is a strong supporter of CHRP. Congressman Rooney (R-FL) represents a citrus-growing district and submitted questions for the record about the proposed decrease in Federal cost-share for CHRP during budget hearings. In July 2016, Congressman Denham (R-CA) inquired about funding sources to help California combat HLB. Congress provided $20 million in 2-year funding for FY 2014/15 to help establish the HLB MAC Group, and provided an additional $5.5 million in two-year funding for its continuation in FY 2016/17.

Executive Branch Position to Date: Secretary Vilsack established the HLB-MAC in December 2013 as a means to coordinate the response of Federal, State, and industry in order to reduce the impact of HLB on the U.S. citrus industry. The HLB-MAC’s mission is to provide producers with the practical tools and solutions they need in the near-term to allow them to remain economically viable until longer-term solutions are developed. The HLB-MAC’s priority projects include field-testing antimicrobials and mitigations such as thermotherapy, establishing model groves, and enhancing biological controls for ACP.

CHRP’s mission is to compile best practices to sustain the U.S. citrus industry, maintain grower's continued access to export markets, and safeguard citrus-growing States against a variety of citrus diseases and pests. CHRP provides guidelines for nursery stock product compliance and fruit inspection, treatment, and certification, and funds operational activities, such as surveillance and monitoring, packing house inspections, and release of biocontrol agents to suppress ACP.
6. Agricultural Quarantine Inspection (AQI) User Fees

Issue: In October 2015, APHIS published a final rule in the Federal Register to update the AQI user fee rates. The Agency had two goals: 1) ensuring that collections for each fee type covers the costs associated with that fee and did not over-charge or under-charge by fee type and 2) increasing overall revenue to cover program costs adequately and maintain a reasonable reserve. APHIS lowered two of the existing fees (international airline passengers and commercial rail cars) and raised four fees (commercial aircraft, commercial vessels, and trucks—for both individual crossings and decals). Additionally, APHIS added new fees for international cruise ship passengers and for monitoring treatments of imported commodities such as fruits and vegetables. [See table below for a comparison of old and new fees.]

Public Policy Reason for APHIS Involvement: Through the AQI program, APHIS and the Department of Homeland Security’s Customs and Border Protection (CBP) safeguard U.S. agricultural and natural resources from the introduction of invasive pests and diseases associated with the movement of people and goods around the world. APHIS collects user fees for AQI services conducted at ports of entry in connection with the arrival of imports, means of conveyance, and passenger baggage. These services are designed to prevent the entry of foreign pests and diseases that could harm U.S. agricultural or natural resources. APHIS had last updated AQI user fees in December 2004. Since then, there has been an 82 percent increase in the value of imported goods, a 42 percent increase in international passengers, and CBP has added hundreds of inspectors and invested in X-ray machines and other technology, as well as canine teams. Prior to the 2015 revisions, AQI user fee collections had not kept pace with the costs of the program. CBP’s personnel costs in particular had increased significantly since the last time the fees were updated due to grade increases in journey-man level inspector positions and increases in the number of inspection personnel.

APHIS’ Statutory/Regulatory Scope: The Food, Agriculture, Conservation, and Trade (FACT) Act of 1990 authorized USDA to implement user fees to cover AQI costs associated with international arrivals. APHIS continues to receive appropriated funds for AQI inspections of passenger baggage and cargo traveling from Hawaii and Puerto Rico to the mainland United States to prevent pest and disease introductions from these locations. Following the establishment of DHS in 2003 (based on the Homeland Security Act of 2002), the inspection function at ports of entry (with the exception of inspections of imported plants) transferred to CBP. DHS also has appropriated funds to cover inspections of pedestrians and bus passengers entering the United States, among other things. APHIS continues to collect AQI user fees and transfers a portion of the AQI collections to CBP to cover that Agency’s costs. APHIS continues to assess risks associated with imports, set import regulations and inspection policies, inspect imported plant shipments, train CBP agricultural specialists and detector dog teams, monitor fumigations and other treatments of imported commodities, and provide the scientific support
necessary for the program, among other things. This account is subject to the sequestration of mandatory funds each year.

**Items in Controversy:** The industries affected by the increased fees as well as those affected by the newly implemented fees have objected to the new rates. The Air Transit Association filed a lawsuit on May 13, 2016, objecting to the new rate for commercial aircraft, which increased from $70.75 to $225.00. The complaint alleges that APHIS’ final rule updating the AQI fees does not comply with several provisions of the FACT Act, which requires that the fees associated with each fee type cover the costs of services for that fee type and not cross-subsidize inspection activities for other classes of fee payers. It states that APHIS did not provide adequate information demonstrating the $225 fee was necessary to cover costs of inspecting aircraft and states that the commercial aircraft fee itself is not authorized by the FACT Act, among other items. With assistance from APHIS, the U.S. Department of Justice filed an answer to the complaint and filed the administrative record. Plaintiffs’ motion for summary judgment is due in March, 2017.

The bulk of the collections under the new rates began mid-year in FY 2016, and APHIS is still evaluating collection levels under the new fees. We anticipate FY 2016 collections will total approximately $675 million. While this reflects a substantial increase from the previous year, the initial projection was approximately $727 million. APHIS will continue to evaluate AQI collections and determine whether they are adequate to maintain the program. [See table below showing AQI collections and spending.]

**Industry, Consumer, and Congressional Interest:** While agricultural stakeholder groups support the AQI program, AQI fee payers—particularly the airline and commercial trucking industries—objected to the new rates. When APHIS published the proposed rule, members of Congress requested and APHIS agreed that the public comment period be extended by 60 days.

**Executive Branch Position to Date:** When developing the new rates, APHIS contracted with an independent firm to review the AQI user fee schedule to determine what adjustments were needed to ensure fees are commensurate with the cost of the AQI program. The company conducted an extensive analysis, and—based on its recommendation—APHIS implemented activity based costing models to help track costs related to the various fee types. APHIS conducted significant outreach to affected industries, including holding six stakeholder engagements throughout the process of developing a proposed rule. APHIS carefully considered the public comments on the proposed rule and the feedback received through the various stakeholder meetings, calls, and webinars, and made several adjustments in the final rule in response to information provided by stakeholders. One of the changes involves phasing in a new fee—treatment monitoring services—over 5 years and lowering the full fee from the proposed $375 rate (which included costs built in for overtime pay for employees) to $237 (however, reimbursable overtime would be charged for services provided outside of normal business hours).
7. **Farm Bill Section 10007**

**Issue:** APHIS is charged with implementing Section 10007 of the 2014 Farm Bill (Agricultural Act of 2014) to prevent the introduction or spread of plant pests and diseases that threaten U.S. agriculture and the environment. Section 10007 contains the Plant Pest and Disease Management and Disaster Prevention program with projects organized around six goal areas: enhancing plant pest/disease analysis and survey; targeting domestic inspection activities at vulnerable points in the safeguarding continuum; increasing identification capacity and enhancing and strengthening pest detection technology; safeguarding nursery production; conducting outreach and education; and enhancing mitigation and rapid response capabilities. It also contains the National Clean Plant Network (NCPN) with a focus on supporting clean plant center networking, diagnostics, therapeutics, and foundation plantings. Through these programs, APHIS provides funding to a variety of entities, including State departments of agriculture, academic partners, non-profit organizations, and other Federal agencies. APHIS accepted suggestions for FY 2017 projects for the Plant Pest and Disease Management and Disaster
Prevention Program from July 11, 2016, through August 19, 2016. A panel of USDA, State, and industry representatives are evaluating these projects on specific goal areas that represent critical needs and opportunities to strengthen, prevent, detect, and mitigate invasive pests and diseases. APHIS is accepting suggestions for the National Clean Plant Network from August 17, 2016, through October 26, 2016.

Public Policy Reason for APHIS Involvement: APHIS safeguards U.S. plant health against introductions of foreign pests and diseases through a variety of exclusion, early detection, and mitigation programs. The Farm Bill program enhances APHIS’ efforts to detect new plant pests and diseases and provides a source of funds for rapid response to small-scale outbreaks of plant pests and diseases. Through the NCPN, the program also provides sources of disease-free, high-value nursery stock to growers, enabling them to import desirable varieties of items such as grapevines, stone fruit trees, and berries (among others) from other countries without posing disease risks to existing agricultural production. The program also produces clean materials from domestic stock. APHIS continually evaluates pest and disease threats to U.S. agriculture and engages in regular communication with stakeholders and government partners, providing the Agency with knowledge of the most pressing plant health issues.

APHIS’ Statutory/Regulatory Scope: Section 10007 of the 2014 Farm Bill combined two programs previously authorized in the 2008 Farm Bill – formerly Sections 10201 for the Plant Pest and Disease Management and Disaster Prevention Program and Section 10202 for the NCPN. The 2014 Farm Bill provided permanent authorization for the annual transfer of funds from USDA’s Commodity Credit Corporation at the rate of $62.5 million in FY 2014 through FY 2017, and $75 million in FY 2018 and beyond. At least $5 million must go towards NCPN. This account is subject to the sequestration of mandatory funds each year. In FY 2017, $58.187 million will be available after sequestration is applied.

Items in Controversy: As required by the Farm Bill, APHIS seeks input from the National Plant Board, State departments of agriculture, and land grant universities to develop overall goals for the program and review project suggestions. APHIS has also consulted the Specialty Crop Farm Bill Alliance, industry organizations, other Federal Agencies, and non-governmental stakeholders to develop goals and review annual spending plans. Each year, APHIS receives more project suggestions than it can fund, and cooperators sometimes raise concerns when a specific project does not receive funding.

Industry, Consumer, and Congressional Interest: The program has broad support from APHIS stakeholders and Congress, including the Agriculture Committees and the Appropriations Committees.

Executive Branch Position to Date: Since 2009, APHIS has funded more than 2,200 projects in 50 States and 2 U.S. territories, supporting a variety of stakeholders, including Federal, State, academic, Tribal, and private entities. In FY 2016, APHIS provided Plant Pest and Disease Management and Disaster Prevention funding to 50 States plus Guam and Puerto Rico to implement 412 projects suggested by universities, States, Federal agencies, nongovernmental organizations, non-profits and Tribal organizations. For NCPN, APHIS supported 22
suggestions in 17 States that focus on providing high-quality propagative plant material for fruit trees, grapes, hops, berries, citrus, roses and sweet potatoes that is free of targeted plant pathogens and pests.

Major projects funded by the 2014 Farm Bill include eradication of exotic fruit fly outbreaks, nationwide surveys of honey bee pests and diseases, support of canine detector teams in California and Florida, and response to the giant African snail in Florida, among many others.

APHIS has also used portions of PPDM funding to initiate emergency programs for emerging and high-priority pests impacting agricultural resources, such as the giant African snail in Florida, the European grapevine moth in California, and the coconut rhinoceros beetle in Hawaii.

Potential Alternative Approaches: [b][5] Deliberative Process Privilege

**Veterinary Services**

1. **Highly Pathogenic Avian Influenza (HPAI)**

   **Issue:** The 2014-2015 outbreak of highly pathogenic avian influenza (HPAI) was the worst animal disease outbreak in U.S. history, affecting commercial premises, backyard flocks, captive birds, and wild birds in 21 States and costing USDA more than $1 billion. Nearly 50 million commercial birds (7.5 million turkeys and 42.1 million egg-layer and pullet chickens) were depopulated or died from the disease. The outbreak involved several H5 Eurasian-origin strains of the virus that caused substantial mortality. While these strains were not transmitted to people, there is always a chance that HPAI can mutate and become infectious to humans. The longer the virus circulates, the greater the chance this can happen.

   APHIS coordinated the Federal and State response to the outbreak—which included cleaning and disinfection, environmental sampling, and restocking of affected facilities—in addition to enhancing wild bird surveillance efforts. Although APHIS’ response was swift and comprehensive, one of the biggest lessons learned was that the Agency’s capacity to effectively address large animal health events has eroded over the years. Current funding for animal health activities is below levels that were available to APHIS 10 years ago. For fiscal year 2017, APHIS requested an additional $30 million to improve its readiness for responding to animal health emergencies. APHIS would use that funding to rebuild its workforce and optimize its emergency readiness and response capabilities.

   **Public Policy Reason for APHIS Involvement:** The American public and industry expect the Federal Government to lead efforts to protect U.S. agriculture and natural resources from threats posed by exotic animal and plant pests and diseases. APHIS partners with States and industry to preview costly animal diseases outbreaks and protect U.S. poultry and livestock.
Further HPAI-related losses to the U.S. poultry industry could be catastrophic and cause billions of dollars in damage to allied industries as well as to the local and national economy. Poultry and poultry product shortages and price increases could result for consumers.

**APHIS’ Statutory/Regulatory Scope:** The Animal Health Protection Act, 7 United States Code 8301 et seq., authorizes the Secretary of Agriculture to, among other things, detect, control, or eradicate any disease or pest of livestock. This authority has been delegated to APHIS.

**Items in Controversy:** During the 2014-2015 HPAI outbreak, APHIS used indemnity calculators (i.e., formulas) to determine the fair market value of birds that were destroyed as part of the disease response. Egg layer and turkey producers raised concerns about these formulas. While APHIS is working to finalize proposed changes in response to some of these concerns, the changes likely will not fully satisfy those producer organizations that have proposed alternative formulas, including formulas that compensate owners for downtime. APHIS’ position has been that paying for downtime losses essentially provides a safety net to producers that insurance, not indemnity payments, should provide.

**Industry, Consumer, and Congressional Interest:** As a result of the outbreak, the poultry and turkey industries incurred roughly $1 billion and $530 million dollars respectively in direct losses. Egg layer and turkey producers did not believe APHIS’ indemnity payments adequately covered the losses their industries incurred and as a result, asked for changes to APHIS’ indemnity calculators. Local economies and allied industries in some particularly hard-hit areas such as Minnesota and Iowa also suffered substantial losses, and the overall economy-wide losses were estimated at $3.3 billion (including losses due to international trade impacts). Additionally, egg supplies decreased and costs rose for consumers. Public health agencies and animal advocacy organizations also have a considerable stake in this issue, given the possible human health implications of HPAI and animal welfare concerns involved.

The U.S. Senate Agriculture, Nutrition, and Forestry Committee held a hearing on the impact of the HPAI outbreak on the poultry sector in July 2015. Congressional representatives, particularly those representing affected districts, have contacted USDA about logistical aspects of the response, producer indemnification and APHIS’ calculators, and vaccine development and use.

**Executive Branch Position to Date:** The Administration made over $1 billion available to address the 2015-2016 HPAI outbreak, and the FY 2017 President’s budget request included an increase of $30.338 million to improve APHIS’ readiness for responding to animal health emergencies, in part based on lessons learned during the HPAI outbreak. APHIS has taken steps to prepare for future cases, including improving wild bird surveillance to enable early detection; improving capabilities to rapidly detect HPAI in domestic poultry and depopulate affected flocks within 24 hours; and, streamlining the indemnification process so that producers can be compensated fairly and return to production quickly. APHIS also has conducted planning meetings with industry to promote improved biosecurity practices and design a biosecurity auditing system to ensure that these practices are followed.
In February 2016, APHIS published an interim rule that, among other things, provided a formula to allow indemnity payments to be split between poultry and egg owners and their contracted growers. Such a system was already in place for low pathogenicity AI. The interim rule also required owners and contract growers to provide a statement certifying that a biosecurity plan was in place at the time HPAI was detected in order to receive indemnity. Although APHIS’ epidemiological investigations concluded there was not enough evidence to pinpoint a specific pathway or pathways for the spread of the virus, comprehensive and stringent biosecurity practices are crucial to reducing the risk of HPAI infection from wild birds, equipment, and clothing.

APHIS also implemented a new indemnity calculator for egg layers following robust internal discussions about what factors should inform appropriate indemnity amounts for these birds. The new calculator took effect on October 1, 2016, and will be used for any future indemnity payments. It was not applied retroactively.

One of the challenges in determining fair market value for laying hens is the lack of an active market price. Generally, these birds are owned by one company throughout their lifecycle, and few bird prices are publicly available because laying hens are rarely sold at auction. The previous layer calculator estimated the value of the birds at the time of depopulation. When proposing a new calculator, APHIS added to that estimate a percentage of farm earnings that would have resulted from the lost egg production. APHIS also proposed putting a “floor” in place to ensure producers would never lose money on the production cost of their birds, even when economic circumstances would have created a loss.

USDA’s Office of the Chief Economist then recommended—and APHIS implemented—changes that made the calculator more reflective of a fair-market transaction. For example, the new calculator no longer has a “floor” in place, which means it is possible under some circumstances that indemnity payments may not fully cover a producer’s production costs. The new calculator also determines fair market value based on net farm income ratio (the amount of net income generated per dollar of production cost). While the new calculator addresses concerns raised by producers and is not expected to change indemnity payments dramatically, future indemnity rates could be higher or lower than the rates under the previous calculator.

Currently, USDA has not approved using vaccine as part of an HPAI response because that would likely lead many export markets to ban all U.S. poultry. But APHIS is obtaining a reliable supply of vaccine should outbreaks occur that cannot be controlled through the typical depopulation approach, a decision that would be made only in conjunction with industry and State partners. APHIS has issued requests for proposals for vaccine manufacturers to supply a variety of Eurasian-origin, H5 vaccines.

Potential Alternative Approaches: [b](5) Deliberative Process Privilege
2. Brucellosis and Bovine Tuberculosis (TB) Program

**Issue:** On December 16, 2015, APHIS published a proposed rule in the Federal Register to update its brucellosis and bovine TB program regulations. Under the proposed rule, APHIS would, among other things, move from categorizing the disease statuses of entire States—or large regions within States—to establishing standards that States and Tribal Nations would meet for disease surveillance, epidemiological investigations, and affected herd management. By using program compliance rather than disease prevalence—which is already extremely low—to determine statuses, States and Tribes will no longer run the risk of status downgrades and statewide restrictions and testing requirements if sporadic cases appear. Rather, they can focus their disease control efforts on specifically designated herds or areas. APHIS officials are carefully reviewing all issues raised in the comments received and considering the need for changes to the proposed provisions.

**Funding Requests To Depopulate TB-Affected Herds in Texas and Michigan:** To address TB-affected herds, APHIS routinely uses one of two strategies: depopulating an entire herd and paying indemnity, or a test-and-remove approach, where regular testing with removal of reactor animals continues while the herd is under quarantine until it is determined with a high degree of confidence that the herd is TB-free. When determining a strategy, APHIS considers a scientific model to determine the probability of removing infection, as well as the size of the herds, potential indemnity costs compared to funds available, and State and owner preferences.

In fiscal year (FY) 2015, the Secretary transferred $17.89 million in emergency funding from the Commodity Credit Corporation for TB eradication efforts in Texas and Michigan. In FY 2016, the Secretary approved an additional transfer of $23.90 million to depopulate an additional dairy herd in Texas and address additional TB findings throughout the United States. The Office of Management and Budget (OMB)
Public Policy Reason for APHIS Involvement: APHIS partners with States and industry to prevent and manage costly animal diseases outbreaks and protect U.S. poultry and livestock.

APHIS’ Statutory/Regulatory Scope: Under the Animal Health Protection Act, APHIS works to protect U.S. agriculture from livestock pests and diseases.

Items in Controversy: Although APHIS developed the regulations collaboratively with States, Tribes, and industry, stakeholders raised concerns during the comment period about the perceived burden on the States to define their plans to prevent and mitigate disease occurrences. Also, the Senate Appropriations Committee included a directive for APHIS to report to Congress on the amount of State and Federal funding needed to implement the rule prior to finalizing it.

Industry, Consumer, and Congressional Interest: Several legislators expressed concerns that testing requirements outlined in the proposed rule would harm deer and elk farmers. The National Assembly of State Animal Health Officials (NASAHO) would like to consult with APHIS before we publish the final rule to discuss how the Agency intends to address the comments received. Some State officials who provided separate feedback from the NASAHO comments stated opposition or requested consultation with APHIS.

Executive Branch Position to Date: APHIS believes that the proposed regulatory changes will allow the brucellosis and bovine TB programs to be most effective at protecting animal health. Regarding its emergency funding request, APHIS believes that depopulating the TB-affected herd in Texas will enable the Agency to eradicate the current outbreaks and to prevent disease spread. APHIS will conduct stakeholder outreach and discussion regarding potential future cost sharing for indemnity regulations.

Potential Alternative Approaches: [b](5) Deliberative Process Privilege

3. Foot-and-Mouth Disease (FMD) Vaccine

Issue: There has not been an outbreak of FMD, a devastating, highly contagious viral livestock disease, in the United States since 1929. Although APHIS has comprehensive, overlapping safeguards in place to protect against FMD and is prepared to swiftly respond should an outbreak occur, vaccine would be critical to effective control or eradication should the outbreak be widespread. Current inventory in the North American FMD vaccine bank is 2.5 million doses
per strain of the 10 FMD strains of greatest risk to North America. This amount is insufficient to address a medium or large-scale outbreak. APHIS estimates that we would need a minimum of approximately 25 million vaccine doses for each of the 10 FMD strains of greatest concern to provide the optimum level of protection. This would cost approximately $130 million. APHIS’ current appropriations for FMD preparedness total $1.4 million.

The U.S. stockpile of FMD vaccine is currently housed at the Plum Island Animal Disease Center (PIADC) in New York and is managed cooperatively with Canada and Mexico. Currently, all FMD vaccine is acquired from foreign manufacturers because the live FMD virus cannot be maintained on the U.S. mainland by law. However, USDA’s Agricultural Research Service (ARS)—working at PIADC—has developed novel vaccine platforms that do not require traditional live FMD virus production techniques. These novel vaccine techniques are not yet commercially available, and it likely will be years before they can be used.

FMD is endemic in much of the world and remains a major threat to U.S. agriculture. While not a public health or food safety issue, FMD is highly infectious in all cloven-hoofed animals—including cattle, sheep, goats, and swine—and can spread rapidly and widely. Its presence in the United States, if unchecked, could cause billions of dollars in damage to animal agriculture industries, producers, and local economies through lost export markets; cause product shortages and price increases for consumers; and threaten the security of the U.S. food supply.

Public Policy Reason for APHIS Involvement: Only a Federal agency would have the interstate authorities and access to resources necessary to respond to a significant FMD outbreak. APHIS partners with States and industry to preview costly animal diseases outbreaks and protect U.S. poultry and livestock.

APHIS’ Statutory/Regulatory Scope: The Animal Health Protection Act authorizes the Secretary of Agriculture to, among other things, detect, control, or eradicate any disease or pest of livestock. This authority has been delegated to APHIS.

Items in Controversy: Federal-industry cost sharing is one possible solution APHIS has discussed with industry to help fill the vaccine gap. However, the cattle and swine industries, citing Homeland Security Presidential Security Directive Number 9, “Defense of United States Agriculture and Food”, believe that filling the gap is a matter of food security and is solely a Federal responsibility. Although sufficient quantities of vaccine would be valuable, APHIS’ import requirements reduce the threat of FMD dramatically, and surveillance systems would expedite detection of the disease.

Industry, Consumer, and Congressional Interest: The U.S. livestock sector has expressed concern that an FMD outbreak in the United States could cause severe economic ramifications for local economies and communities, as well as associated businesses (e.g., trucking and livestock markets). Some industry representatives believe vaccine use could minimize disruptions by reducing animal movement restrictions and the number of animals that would need to be depopulated as part of an emergency response effort. The House Agriculture Livestock Subcommittee held an FMD vaccine hearing in February 2016.
Executive Branch Position to Date: APHIS is committed to safeguarding U.S. agriculture against an FMD incursion and is prepared to respond swiftly in the event of an outbreak, using vaccine as resources permit. APHIS has joined Australia, Canada, Mexico, and New Zealand in signing an arrangement to share their limited amounts of FMD vaccines in the event of an outbreak. APHIS will continue working with industry to identify ways to close the vaccine gap.

Potential Alternative Approaches: [b](5) Deliberative Process Privilege


Issue: Since 2004, the U.S. Department of Homeland Security (DHS) and USDA have worked closely to fulfill the Homeland Security Presidential Directive 9 mandate for the agencies to plan to establish safe, secure, state-of-the-art agriculture biocontainment laboratories that research and develop diagnostic capabilities for foreign animal and zoonotic diseases (those that can pass between animals and humans). The NBAF—a $1.25 billion next-generation biocontainment facility under construction in Manhattan, Kansas—is the result of DHS’ and USDA’s planning efforts. The NBAF will replace existing, aging biocontainment laboratories located at the Plum Island Animal Disease Center (PIADC) in Orient Point, New York. DHS plans for the NBAF to be fully operational in 2023 with registration of select agents (i.e., bio-agents that have the potential to pose a severe threat to public, animal, or plant health, or to animal or plant products) by December 2022.

Public Policy Reason for APHIS Involvement: APHIS is charged with safeguarding the health of U.S. livestock by rapidly detecting and responding to any accidental or intentional introduction of a foreign animal disease. Foreign animal diseases, such as highly infectious foot-and-mouth disease (FMD), have the potential to inflict billions of dollars in livestock and trade losses and threaten the U.S. food supply. The NBAF will provide USDA scientists with larger and more technologically sophisticated laboratory facilities, including biosafety level (BSL)-4 biocontainment capacity, which will exceed PIADC’s BSL-3 laboratory capacity. With BSL-4 capacity, USDA scientists will be able to conduct diagnostics, and research and develop countermeasures for high-consequence zoonotic diseases of livestock such as those caused by Ebola virus, Hendra virus, and Nipah virus, which are potentially lethal to both humans and animals.

APHIS’ Statutory/Regulatory Scope: USDA was in charge of all operations at the Plum Island facility from 1954 until June 2003, when operational responsibility transferred from USDA to DHS, in accordance with the Homeland Security Act of 2002. APHIS’ Foreign
United States Department of Agriculture  
2016 Presidential Transition  
Animal and Plant Health Inspection Service (APHIS) 

Animal Disease Diagnostic Laboratory, located at Plum Island, continues to provide the capabilities, including training, for early detection and diagnosis of an accidental or intentional introduction of a foreign animal disease. APHIS’ laboratory personnel also work closely with USDA’s Agricultural Research Service (ARS) to develop diagnostic methods and test vaccines to protect U.S. agriculture from foreign animal disease. The APHIS laboratory is the custodian of the North American FMD Vaccine Bank.

Under the Public Health, Security, and Bioterrorism Preparedness and Response Act of 2002, USDA has the authority to regulate the use, possession, and transfer of certain biological agents and toxins, including the FMD virus. The Food, Conservation, and Energy Act of 2008 directs the Secretary of Agriculture to issue a permit to the Secretary of Homeland Security to transfer live FMD virus to a single research facility that is a successor to the Plum Island facility, provided that the facility meets all of USDA’s regulatory requirements under the Federal Select Agent Program. NBAF is the successor facility.

**Items of Controversy:** Although there is a broad consensus among industry and policymakers that the NBAF is necessary to protect U.S. livestock from high-consequence foreign pathogens, there has been some concern about the Kansas location due to its proximity to a large cattle population and the potential for tornados.

**Industry, Consumer, and Congressional Interest:** The Senate Appropriations Committee report on the FY 2017 Agriculture Appropriations Bill encourages DHS and USDA to work together on a plan for the future operation of NBAF, including consideration of the appropriate agency to manage the facility. DHS Senate Appropriations includes the same language. The Senate has included $4 million for USDA ($3 million for APHIS and $1 million for ARS) for workforce development for NBAF. The House passed H.R. 1887, which would delay the required sale of PIADC while the Government Accountability Office studies possible uses for the island. The bill has been sent to the Senate for consideration. DHS released its 180-page report to Congress on the sale of Plum Island in July 2016. USDA has no concerns with the bill as long as there is no lapse between departure from PIADC and full operation of NBAF. USDA and DHS continue to plan for the transition from PIADC to NBAF. Kansas State University holds an industry meeting on an annual basis to share ideas, recommendations, needs, and collaboration possibilities to help develop the framework necessary for NBAF to protect the Nation’s animal health and food supply. Kansas committed a total of $307 million toward the construction of NBAF.

**Executive Branch Position to Date:** USDA officials have signed a memorandum of understanding with DHS and Kansas that affirms the mutual desire to broaden cooperative bio/agro defense activities, interactions, and collaborations. USDA is preparing budgets for the development of the USDA workforce at NBAF and for transition activities. USDA continues to participate in DHS-organized working groups to coordinate transition planning.

**Potential Alternative Approaches:** [b](5) Deliberative Process Privilege
5. **Cattle Fever Ticks**

**Issue:** Cattle fever (bovine babesiosis) is a severe and often fatal disease of cattle transmitted by cattle fever ticks (CFT) and southern cattle ticks. APHIS’ Cattle Fever Tick Eradication Program (CFTEP) aims to eliminate the disease from the U.S. cattle population, working cooperatively with the Texas Animal Health Commission (TAHC). In 1943, APHIS and the TAHC eradicated cattle fever and the ticks from the continental United States, with the exception of a permanent quarantine “buffer” zone between Texas and Mexico, extending more than 500 miles from Del Rio, Texas, to the Gulf of Mexico. APHIS has requirements to ensure that cattle in this zone or imported from Mexico do not spread the ticks into free areas. Given the role of wildlife in spreading CFT, APHIS and the TAHC have been working with the U.S. Fish and Wildlife Service (FWS) to develop a strategy for eradicating these ticks in wildlife, particularly deer and non-native nilgai antelope, on three FWS wildlife refuges in and around Cameron County, Texas.

**Public Policy Reason for APHIS Involvement:** APHIS partners with States and industry to prevent and manage costly animal diseases outbreaks and protect U.S. poultry and livestock.

**APHIS’ Statutory/Regulatory Scope:** Under the Animal Health Protection Act, APHIS works to protect U.S. agriculture from CFT and other livestock pests and diseases.

**Items in Controversy:** To eradicate CFT in wildlife on the largest of the three FWS refuges—Laguna Atascosa National Wildlife Refuge (LANWR)—APHIS and the TAHC have been working with FWS to reach agreement on harvesting nilgai on the property, implementing a plan for cattle grazing, and allowing feeders with ivermectin-treated corn to be placed in the area to help reduce the spread of CFT. FWS is now working with a non-profit agency to harvest nilgai from the LANWR. APHIS, FWS, and the TAHC are currently working on a plan for cattle grazing as a research project. Negotiating this agreement has been difficult due to the competing interests of hunters, refuge managers, and animal health officials.

In addition, APHIS is working with FWS to conduct biological and environmental assessments on feeding ivermectin-treated corn to white-tailed deer both on and off refuge property in Cameron and Willacy counties. APHIS’ Environmental and Risk Analysis Services unit is close to completing an environmental assessment (EA) on feeding ivermectin-treated corn to white-tailed deer off of LANWR. Once complete, APHIS will present the EA to FWS’ Ecological Services, which will issue a biological opinion on the use of ivermectin off refuge. APHIS expects its use to be approved.

**FWS’ Restrictions on the Use of Ivermectin on LANWR:** Under the Refuge Improvement Act of 1997, FWS determines if a specific activity can be conducted on a Federal wildlife refuge. In the spring of 2016, APHIS submitted a formal request to FWS to use ivermectin-treated corn on
LANWR. FWS has reviewed APHIS’ request and determined that the use of ivermectin on the refuge does not meet its mission goals or compatibility use guidelines due to secondary environmental effects. During the week of October 17, 2016, FWS issued a scientific opinion paper against using ivermectin on LANWR. As of October 24, 2016, APHIS was preparing a response to FWS’ scientific opinion paper, outlining why the Agency disagrees with their findings. However, FWS is not obligated to look at or acknowledge APHIS’ response once received. The next step in the process is for FWS to issue a formal response to APHIS’ request declining use of ivermectin on refuge. Once received, APHIS has the right to appeal FWS’ formal response.

**Industry, Consumer, and Congressional Interest:** Congress, U.S. cattle producers, and dairy and beef industry organizations are very supportive of the CFTEP.

**Executive Branch Position to Date:** In 1906, APHIS created the CFTEP to combat CFT. The Agency continues to carry out the program in cooperation with the TAHC, with the goal of eliminating all tick outbreaks that occur outside the permanent quarantine zone.

APHIS committed $2.4 million from its contingency fund in FY 2015 to expand CFT eradication efforts in Cameron and Willacy Counties in Texas. In FY 2016, APHIS committed an additional $1.7 million in contingency funds to continue those efforts, as well as to address quarantined trace pastures in Kleberg and Starr Counties, Texas.

**Potential Alternative Approaches:**

6. **Antimicrobial Resistance (AMR)**

**Issue:** AMR is a global issue affecting public and animal health. There is growing concern that bacteria that cause disease in people and animals are developing more resistance to the antibiotics used for treatment. The issue has become more urgent with the occurrence of bacterial isolates resistant to existing antimicrobial drugs, the decreasing availability of effective antimicrobial drugs and absence of new ones in the pharmaceutical pipeline, and the lack of incentives and funding for research into alternatives. In fiscal year 2014, APHIS worked with agencies across the Federal Government to develop a National Strategy for Combating Antibiotic-Resistant Bacteria. This document covers a broad array of potential government efforts to address AMR in human and animal health and was the forerunner to the National Action Plan for AMR released in 2015. In December 2014, USDA released its own AMR Action Plan. Under the plan, APHIS and other USDA agencies are using an integrated, One Health approach for surveillance and monitoring, research and development, and education and outreach.

For its part, APHIS is determining patterns, purposes, and impacts of antibiotic use in food animals and monitoring antibiotic drug susceptibilities of bacterial organisms in food-producing
animals and associated products and production environments. APHIS is also identifying management practices, antibiotic alternatives, and other mitigations that may help to reduce AMR in bacteria in food-producing animals and their production environments, and to improve stewardship and judicious use of existing antimicrobials.

Public Policy Reason for APHIS Involvement: APHIS and other USDA agencies are uniquely positioned to contribute to the body of scientific knowledge about AMR, specifically about the role of antimicrobial use in livestock, given their in-depth knowledge of the management practices and technologies associated with animal health, welfare, productivity, and food safety.

The Food and Drug Administration (FDA) is the primary regulatory agency for antibiotic use in animals. However, USDA and FDA work together closely to identify and mitigate emerging threats to America’s food supply. APHIS is charged with safeguarding U.S. animal health. As part of its mission, the Agency operates the National Animal Health Monitoring System (NAHMS), which collects data on farm management and animal health practices, as well as on the prevalence and economic importance of livestock diseases and associated risk factors. FDA relies on the science-based information that APHIS and other USDA agencies generate about antibiotic drug use, AMR patterns, and livestock and poultry management practices to inform its policy and regulatory decisions. FDA also taps into USDA’s extensive network of collaborative relationships with producers and industry organizations as part of its outreach.

APHIS’ Statutory/Regulatory Scope: Under the Animal Health Protection Act, APHIS works to detect, control, or eradicate any disease or pest of livestock.

Items in Controversy: Some believe that the use of antimicrobial drugs in agriculture is one of the primary drivers for the emergence and spread of AMR in bacteria. Current understanding of the factors that contribute to levels of AMR in various settings and the specific role of antimicrobial use in agriculture in the selection for AMR in bacteria is incomplete.

Industry, Consumer, and Congressional Interest: Several legislators, the American Veterinary Medical Association, industry groups, and public health interest organizations have expressed concerns about the emergence and spread of antibiotic-resistant bacteria and inquired about Federal agencies’ plans to address antibiotic use in animal agriculture.

Executive Branch Position to Date: The President’s FY 2017 budget request included an increase of $10 million to provide on-farm surveillance, measure antimicrobial drug use by livestock and poultry producers, and develop education and outreach materials to promote the judicious use of antimicrobials.

Potential Alternative Approaches: [b](5) Deliberative Process Privilege

[158]
increasing costs, as seen in the last few years. In addition, without increased funding, APHIS would be unable to plan for and carry out most of the new activities outlined for the Agency in the USDA AMR Action Plan.

**Wildlife Services**

1. **Predator Damage Management**

**Issue:** APHIS (through its Wildlife Services program) resolves human/wildlife conflicts and protects agriculture, human health and safety, personal property, and natural resources from wildlife damage and wildlife-borne diseases in the United States. As part of this effort, APHIS protects livestock from predators, including wolves, grizzly bears and black vultures.

**Public Policy Reason for APHIS Involvement:** The North American Model for Wildlife Conservation has stated that wildlife should be managed in trust for the people by government agencies based on science. APHIS is charged with protecting agriculture, human health and safety, property, and natural resources from disease and damage caused by wildlife. Livestock losses attributed to predators cost producers more than $137 million annually, according to the most recent surveys by National Agriculture Statistics Service. In FY 2015, APHIS provided assistance in dealing with damage caused by predators to producers in the western United States with livestock valued at more than $2.5 billion.

**APHIS' Statutory/Regulatory Scope:** The Animal Damage Control Act of 1931, as amended, gives APHIS broad authority to conduct activities “in the control of nuisance mammals and birds and those mammal and bird species that are reservoirs of zoonotic diseases.” The statute allows APHIS to conduct cooperative programs with funding from State, local, or private entities.

**Items in Controversy:** Animal advocacy groups oppose the Agency’s use of lethal control in managing wildlife conflicts. A recently published research paper out of the University of Wisconsin is questioning the long-term efficacy of lethal predator control and receiving interest; other researchers disagree with these findings. Wolf populations and movements are closely monitored by animal advocacy organizations.

**Industry, Consumer, and Congressional Interest:** Livestock industries strongly support APHIS’ predatory control work, and livestock producers share in the costs of the activities they request. Congress is generally supportive of APHIS’ wildlife management efforts; the House included report language in the appropriation directing APHIS to prioritize and document the process that allows USDA to help States and local livestock producers manage wolves. Representatives from Minnesota have encouraged funding for APHIS’ wolf work. However, many animal advocacy groups decry any lethal control activities APHIS conducts.

**Executive Branch Position to Date:** APHIS prevents and reduces livestock predation through education, technical assistance to producers, and management programs. APHIS plays a major role in the management of wolves and grizzly bears in the United States. APHIS personnel work
with State wildlife agencies, the U.S. Fish and Wildlife Service (FWS) and Tribal Nations to conduct wolf damage management programs, and provided additional services to capture and mark wolves and grizzly bears for research and population monitoring. In cooperation with State and Federal wildlife agencies, APHIS removes depredating wolves to resolve conflicts. Most of this work is cooperatively funded with appropriated money as well as funding from State or local sources.

To avoid or reduce predation, APHIS provides technical advice (education and educational materials) to producers on preventative measures, which are then implemented by producers themselves. In FY 2016, APHIS conducted 29 Predator Management Workshops to educate more than 1,000 producers on these methods, such as the use of guard dogs.

In FY 2015, APHIS responded to more than 1,000 incidents of reported wolf depredations on livestock or other resources, and removed 385 wolves (one of which was unintentionally removed). Approximately 44 percent of the requests for assistance were from the Great Lakes Region where wolves remain listed as endangered in Michigan and Wisconsin and threatened in Minnesota. Depending on the legal status of the wolf (delisted, threatened, endangered), the primary management authority (FWS or State Department of Wildlife) varies from State to State. Except where wolves are listed as endangered, the appropriate management authority provides APHIS with authorization to control wolves that prey on domestic animals or pose a risk to human safety. Where endangered, wolves can only be controlled when there is a direct risk to human safety.

APHIS also conducts research on alternative approaches. For example, the reintroduction of the gray wolf to the Northern Rockies marks a tremendous success for conservationists, but also resulted in increased conflicts with livestock producers. Many western ranchers use livestock protection dogs to deter predation by coyotes, but some commonly used species of dogs are not effective against wolves and grizzly bears, which sometimes kill these traditional breeds. APHIS scientists initiated a series of studies to evaluate three larger breeds of dogs that Europeans have successfully used to deter livestock predation by wolves.

In the last 30 years, populations of black vultures have increased in both abundance and range, due to the highly adaptive nature of the bird. Black vultures, which prey on livestock, are protected by the Migratory Bird Treaty; removing birds, nests or eggs, requires a permit from FWS. In FY 2015, APHIS conducted direct control work in 18 States, removing 4,239 black vultures and dispersing an additional 49,755. APHIS’ direct control work for black vultures is 100 percent funded by cooperators.

Potential Alternative Approaches: [b](5) Deliberative Process Privilege
2. **Feral Swine**

**Issue:** Feral swine have quickly established themselves throughout the nation, increasing from 1 million animals in 17 States to about 5 million animals in 38 States in the last 20 years, making them one of the fastest growing invasive species in the United States. In FY 2014, APHIS implemented a national, cooperative cost-share program to slow – and eventually stop – the leading edges of population spread; eliminate swine populations where possible; and control swine numbers to achieve acceptable levels in other States.

**Public Policy Reason for APHIS Involvement:** The total cost of feral swine damage in the United States is $1.5 billion annually; recently collected data currently under review may estimate the total at $2 to $2.5 billion. Invasive swine damage crops, residential property, and sensitive ecosystems. They potentially can spread livestock and zoonotic diseases (classical swine fever, swine brucellosis, pseudorabies, swine influenza and porcine reproductive and respiratory syndrome, among others). APHIS is charged with protecting agriculture, human health and safety, property, and natural resources from disease and damage caused by wildlife.

**APHIS’ Statutory/Regulatory Scope:** Executive Order 13112, signed in 1999, directs Federal agencies to “detect and respond rapidly to and control populations of (invasive) species…., and monitor invasive species populations…” The Animal Damage Control Act of 1931, as amended, gives APHIS broad authority to conduct activities “in the control of nuisance mammals and birds and those mammal and bird species that are reservoirs of zoonotic diseases.” The statute allows APHIS to conduct cooperative programs with funding from State, local, or private entities.

**Items in Controversy:** Some private entities consider the removal of feral swine to compete with local businesses and recreational hunting. Some animal interest groups are opposed to any lethal control measures.

**Industry, Consumer, and Congressional Interest:** The pork industry strongly supports efforts to minimize the contact of feral swine with domestic livestock populations. In 2015, Chairman Aderholt (R - AL), of the House Agriculture Appropriations Subcommittee inquired about the success of the program to date. Additionally in 2015, Rep. Mike Conaway (R-TX), Chairman of the House Agriculture Committee visited a feral swine field operation in Texas to see the tools and techniques APHIS and its partners use.

**Executive Branch Position to Date:** Congress authorized a new program in 2014, and has since appropriated $20 million annually for this nationwide program. In FY 2015, APHIS had operational programs in 41 States and two territories in cooperation with State agencies, and had received permission from landowners to conduct feral swine activities on 127 million acres. In FY 2016, access to conduct activities on property increased to 152 million acres.

In FY 2015, APHIS and partners successfully eliminated feral swine from four States - Washington, Idaho, New York, and Maryland. In FY 2016, APHIS and partners successfully eliminated feral swine from an additional two States - New Jersey and Wisconsin. These States will continue to be monitored for two additional years to ensure successful elimination. Feral
swine populations are still low enough that elimination is considered possible in 19 States. In the other 16 States, efforts have been focused on suppressing feral swine populations and minimizing damage to resources.

APHIS’ National Wildlife Research Center evaluated a toxicant and delivery system and is pursuing the registration of this toxicant with the Environmental Protection Agency. APHIS also researched a feral swine DNA detection process that would enable the agency to detect the presence of feral swine in an area and quickly remove them.

Every State has different laws and a different natural environment; the APHIS strategy is to provide funding and other resources to State programs and support them at a National level while allowing flexibility to manage operational activities at a local level. Task forces developed State-level management control plans that outline management goals and objectives, ranging from elimination of feral swine populations to management of individual populations.

APHIS has also initiated collaborative efforts with Mexico and Canada to monitor feral swine along the borders.

**Potential Alternative Approaches:** [b](5) Deliberative Process Privilege

3. **Aquaculture Predation**

**Issue:** APHIS resolves human/wildlife conflicts and protects agriculture, human health and safety, personal property, and natural resources from wildlife damage and wildlife-borne diseases in the United States.

**Public Policy Reason for APHIS Involvement:** Aquaculture is an important industry in the United States; however, wildlife depredation, especially by fish-eating birds, is significantly impacting production. Annual fish production in the United States is valued at $1.4 billion. The aquaculture industry incurs approximately $25 million in costs associated with bird damage and damage prevention. Nearly 70 percent of catfish producers reported some losses to wildlife.

**APHIS’ Statutory/Regulatory Scope:** The Animal Damage Control Act of 1931, as amended, gives APHIS broad authority to conduct activities “in the control of nuisance mammals and birds and those mammal and bird species that are reservoirs of zoonotic diseases.” The statute allows APHIS to conduct cooperative programs with funding from State, local, or private entities. APHIS also partners with the U.S. Fish and Wildlife Service (FWS) to address conflicts arising from birds covered under the Migratory Bird Treaty Act. Upon request, APHIS works with aquaculture producers to obtain a depredation permit from the FWS to remove birds such as cormorants from production areas.
Items in Controversy: Some States have raised concern regarding the loss of Congressional directive funding for aquaculture depredation. Animal advocacy groups have filed lawsuits challenging FWS’s National Environmental Policy Act processes that authorize the Agency’s use of lethal methods to address cormorants. The group claimed that FWS did not provide transparency in their actions, and did not adequately address cumulative effects on cormorant populations. In May, 2016, a judge vacated two major depredation orders, one related to aquaculture protection. FWS declined to appeal the judge’s decision, and is re-evaluating a path forward.

Industry, Consumer, and Congressional Interest: The aquaculture industry is strongly supportive of our bird damage prevention efforts. In 2015, in response to the Secretary’s Appropriations Hearing, APHIS was asked to respond regarding the future of funding to address cormorant control activities to protect natural resources in the Lake Champlain region. Since the removal of the Congressionally directed funding (approximately $94,000 annually) in 2012, the State of Vermont has expressed the difficulty in finding funding to address cormorant control.

Executive Branch Position to Date: In FY 2015, APHIS provided assistance to baitfish and crawfish producers, catfish farmers, fish hatcheries, sport fish producers for pond stocking, and tropical fish producers in 13 States under a special depredation order for aquaculture. APHIS also conducted double-crested cormorant damage management in 36 States in FY 2015. And on a year-round basis, APHIS provides operational and technical assistance to aquaculture producers, specifically on roost management of double-crested cormorant, harassment of fish-eating birds on catfish facilities, and helping farmers with the FWS depredation permit process.

Upon the May 2016 court decision ordering FWS to vacate its aquaculture depredation orders, APHIS suspended all lethal cormorant removal work. APHIS is consulting with FWS to determine next steps. In the meantime, APHIS will continue to conduct night roost harassment techniques to disperse birds from roosting near aquaculture ponds. APHIS will continue to provide technical assistance (education on the use of non-lethal management techniques) to impacted cooperators.

APHIS’ National Wildlife Research Center’s field station in Starkville, Mississippi, is developing methods to reduce the impacts of fish-eating birds on aquaculture stocks. Current research is gathering information about the abundance, distribution, and foraging behavior of fish-eating birds, the economic impacts associated with their foraging activities, and the diseases they transmit at aquaculture facilities. This information will help develop new techniques for reducing damage.

Funding for aquaculture damage management has been FY 2015: $388,000; FY 2016: $759,000; FY 2017: $759,000 (estimate).

Potential Alternative Approaches: [b](5) Deliberative Process Privilege
Timeline

U.S. Department of Agriculture (USDA)
Animal and Plant Health Inspection Service (APHIS)
Key Decision and Program Actions Monthly Timeline

Regulatory Actions
A regulation is a legally binding rule developed by an agency. For that reason, rulemaking is a thorough, time consuming, and often complicated process that provides opportunity for the public to provide input on regulations before they are finalized. The process is governed by the Administrative Procedures Act and several Executive Orders. Rulemaking can take from several months to several years. Factors affecting the timeline include the complexity of the issues involved; the availability of data needed for economic, risk, or environmental analyses; the extent of public participation in the rulemaking, and the number and nature of comments received; the priority of the rulemaking relative to other Agency rulemakings under development at the same time; and whether the rule requires review by the Office of Management and Budget. Some also require consultations with State and local government, and Indian Tribes.

From January through June 2017, APHIS will continue the rulemaking process for the proposed regulatory actions listed below whose comment periods closed and for which we published no final regulatory decision prior to the end of fiscal year (FY) 2016. APHIS will update its rulemaking priorities following any published update to the Current Unified Agenda of Regulatory and Deregulatory Actions, including:

- the proposed rule for amending the horse protection regulations (published 7/26/16; comments due 10/26/16);
- the proposed rule for the importation of live sheep, goats, and certain other non-bovine ruminants, and products derived from sheep and goats, with regard to transmissible spongiform encephalopathies such as bovine spongiform encephalopathy (BSE) and scrapie (published 7/8/16; comments due 9/16/16);
- the proposed rule to update our National Environmental Policy Act regulations (published 7/20/16; comments due 10/19/16);
- the proposed rule for establishing de minimis exemptions from the Animal Welfare Act (published 8/4/16; comments due 11/2/16);
- the proposed rule for the importation of lemons from Argentina (published 5/10/16; comments due 8/10/16);
- the proposed rule for marine mammals (published 2/3/16; comments due 5/4/16)
- the proposed rule for the select agents program (published 1/19/16; comments due 3/21/16);
- the proposed rule for brucellosis and tuberculosis (TB) (published 12/16/15; comments due 5/16/16);
- the proposed rule to establish performance standards for importation and interstate movement of fruits and vegetables (Q56 expansion) (published 9/9/14; comments due...
11/10/14; comment period reopened 12/04/14; comments due 1/09/15; comment period reopened 2/06/15; comments due 3/10/15); 

- the proposed rule for scrapie (published 9/10/15; comments due 11/9/15; comment period reopened 11/16/15; comments due 12/09/2015);

- the proposed rule for the forfeiture regulations (published 5/21/2013; comments due 7/22/13); and,

- the interim rule to specify conditions for payment of indemnity claims for highly pathogenic avian influenza (HPAI) (published and effective 2/9/16; comments due 4/11/16).

(See Important Policies and Regulations for additional information about many of these proposed rules.)

APHIS will also continue to address petitions to deregulate genetically engineered plants, including:

- a petition from Scotts and Monsanto to deregulate creeping bentgrass genetically engineered for resistance to the herbicide glyphosate (notice published 1/08/2016; comments due 3/8/16; notice of environmental impact statement published 9/30/2016; comments due 11/14/16).

- a petition from ArborGen Inc. to deregulate freeze tolerant eucalyptus lines designated 427 and 435, which have been genetically engineered to be more tolerant of cold conditions (notice published 2/27/2013; comments due 4/29/2013; draft environmental impact statement and Endangered Species Act findings submitted to the Department of the Interior, Fish and Wildlife Service 4/2015).

**January 2017**

**Pet Bird Home Quarantine Business Process Improvement (BPI)**

In January 2017, APHIS expects to move into phase 2 of its Pet Bird Home Quarantine BPI, which will focus on increasing the effectiveness of the process for bringing certain pet birds into the United States and permitting them to be quarantined at home rather than a Federal quarantine facility. This change will allow APHIS to improve communication with importers before and after the birds arrive in the United States and improve the Agency’s oversight of the birds from pre-export through import, quarantine, and release. In FY 2017, APHIS plans to share data regarding the improvements with stakeholders.

**New APHIS Inspection Facility in Eagle Pass, TX**

APHIS insulated cattle entering the United States from Mexico at several locations along the United States-Mexico border to ensure they are free of specific diseases and pests that could harm domestic livestock and impact trade. The current APHIS livestock inspection facility in Eagle Pass, TX, is not suitable for long-term use for several reasons, including concern for employee safety due to violence in the region. APHIS is working to lease/build new space in Eagle Pass while maintaining operations in the current space. The lease is anticipated to be in place by the end of 2016 with construction beginning in early 2017 and a goal for occupancy by
the end of FY 2017. Industry is very interested in, and has been asking questions about, the new facility. APHIS anticipates moving facilities will have only minimal operational impact to stakeholders.

**Expansion of the Systems Approach Program for the Export of Hass Avocado from Mexico into the United States**
APHIS, in collaboration with its Mexican counterpart, SENASICA, and avocado industry representatives, will sign an operational work plan that includes measures for the inclusion of avocado-producing areas in Mexico into the avocado import program. This program facilitates the safe importation of this commodity into the United States.

**Announce Projects Approved for Funding Through Farm Bill Section 10007**
APHIS plans to announce the projects that will receive $62.5 million in overall funding in 2017 through the Farm Bill’s Section 10007. Section 10007 funding is split between two programs: the Plant Pest and Disease Management and Disaster Prevention Program, and the National Clean Plant Network (NCPN). Of the overall funding distributed, at least $5 million will go to NCPN. APHIS – with input from stakeholders – chooses projects that are best aligned with the Agency’s specific goals for preventing the introduction or spread of plant pests and diseases that threaten U.S. agriculture and the environment. A variety of entities, including State departments of agriculture, academic partners, non-profit organizations, and other Federal agencies carry out these 10007 projects.

**Broad Offsetting Collection Activities (Audit # 100332)**
The U.S. Government Accountability Office (GAO) is reviewing the different types of collection authorities that regulatory agencies use and how those agencies balance autonomy and Congressional oversight. The tentative due date for the report is January 31, 2017.

**Safety of Imported Beef from Countries with Foot-and-Mouth Disease (Audit #100294)**
GAO is reviewing USDA’s processes to ensure that beef from foreign sources is disease-free and safe for import into the United States. This includes a review of how USDA determines the potential risk to U.S agriculture from beef imported from countries with a recent history of foot-and-mouth disease, the methods USDA uses to verify animal health data received from foreign agricultural authorities seeking approval to export beef to the United States, and how USDA decides what specific conditions foreign entities should meet before their beef products may be imported. The tentative due date for the report is January 31, 2017.

**February 2017**

**Certification of a Second Irradiation Facility in Vietnam for the Treatment of Commodities Intended for Export to the United States**
APHIS, in partnership with the Vietnam National Plant Protection Organization, will finalize the certification process to approve a second irradiation facility in Hanoi, Vietnam. Under the purview of a preclearance program, local producers will be able to treat their fruit closer to growing areas and expedite the export inspection and certification process of commodities to be shipped to the United States.
Completion of Recommendations from Reviews of Fast-Track Action Committee on Select Agent Regulations (FTAC-SAR) and Federal Experts Security Advisory Panel (FESAP)

APHIS and the Centers for Disease Control and Prevention (CDC) manage the Federal Select Agent Program (FSAP). The program oversees the possession, use and transfer of biological select agents and toxins that have the potential to pose a severe threat to public, animal or plant health or to animal or plant products. FSAP is leading implementation for 19 recommendations stemming from White House-driven reviews of the FTAC-SAR and FESAP.

Implementation of an Offshore Certification Program for the Importation of Ornamental Cuttings into the United States

APHIS has partnered with the U.S. greenhouse industry to develop a voluntary certification program for overseas (i.e., offshore) facilities that produce ornamental cuttings to be exported to the United States. This means that APHIS will audit and certify the offshore facilities to produce the cuttings. This will standardize facility operating procedures, streamline inspections, and provide APHIS with additional safeguards against the entry of plant pests and pathogens on ornamental cuttings.

Highly Pathogenic Avian Influenza (Audit # 100668)

USDA’s Office of the Inspector General is reviewing any threats the highly pathogenic avian influenza virus may pose to public health, agriculture, or the economy in the United States; steps the Federal Government is taking to address these threats; and what gaps remain for addressing any future threats.

Implementation of Suspension and Debarment Tools in the U.S. Department of Agriculture

USDA’s Office of the Inspector General is reviewing USDA’s controls to ensure agencies initiate and refer USDA program violators for Suspension and Debarment actions.

N/A
Publication: Results of Infectious Salmon Anemia Virus (ISAV) Surveillance
The APHIS aquaculture program supports producers, promotes good farming practices, and monitors for disease in aquaculture. In 2012, in response to unofficial ISAV findings in British Columbia, APHIS, multiple State and Federal agencies, and Tribal entities launched a surveillance program to detect if ISAV is present in wild and farm-raised salmon in the Pacific Northwest. Infectious salmon anemia is a serious viral disease that affects farmed Atlantic salmon in several areas of the world, and its presence in British Columbia would have raised concerns about the potential impact to wild fish populations and commercial aquaculture in Alaska and Washington. The surveillance effort concluded in FY 2016 with 4,000 animals sampled and tested and no evidence of the virus found.

Wild Bird Surveillance for Highly Pathogenic Avian Influenza (HPAI)
APHIS coordinates the U.S. interagency surveillance efforts for HPAI in wild birds. The goals of this effort are to maximize our ability to detect avian influenza viruses in wild waterfowl in the United States, detect virus spread to new areas, provide a flexible surveillance framework to monitor wild dabbling duck populations for influenza reassortants and introductions of new viruses, and estimate the prevalence of new influenzas once detected. Between July 2016 and APHIS and its State and Federal partners will collect about 30,000 samples from migratory waterfowl in 47 States and test them for HPAI. Progress on this sampling effort will be posted weekly on the APHIS avian influenza web page.
# Appendix A: Acronyms

This appendix includes acronyms that are not used in this document, but are frequently used in APHIS documents.

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Acquisition and Asset Management Division</td>
</tr>
<tr>
<td>AAMD</td>
<td>Acquisition Approval Request or After Action Report</td>
</tr>
<tr>
<td>AAR</td>
<td>Activity Based Management</td>
</tr>
<tr>
<td>AC</td>
<td>Animal Care</td>
</tr>
<tr>
<td>ACMS</td>
<td>APHIS Cost Management System</td>
</tr>
<tr>
<td>ACO</td>
<td>Authorized Certification Official</td>
</tr>
<tr>
<td>ACP</td>
<td>Asian citrus psyllid</td>
</tr>
<tr>
<td>ACS</td>
<td>Automated Commercial System (Customs database)</td>
</tr>
<tr>
<td>ACT</td>
<td>Application Compatibility Toolkit</td>
</tr>
<tr>
<td>AD</td>
<td>Active directory or Agriculture Department</td>
</tr>
<tr>
<td>ADODR</td>
<td>Authorized Department Official’s Designated Representative</td>
</tr>
<tr>
<td>AEI</td>
<td>APHIS enterprise infrastructure</td>
</tr>
<tr>
<td>AEOC</td>
<td>APHIS Emergency Operations Center (Riverdale)</td>
</tr>
<tr>
<td>AERO</td>
<td>APHIS Eastern Regional Office</td>
</tr>
<tr>
<td>AESM</td>
<td>APHIS Enterprise Service Management</td>
</tr>
<tr>
<td>AFB</td>
<td>Air Force Base</td>
</tr>
<tr>
<td>AGM</td>
<td>Asian gypsy moth</td>
</tr>
<tr>
<td>AHB</td>
<td>Africanized honey bee</td>
</tr>
<tr>
<td>AHPA</td>
<td>Animal Health Protection Act</td>
</tr>
<tr>
<td>AHT</td>
<td>Animal health technician</td>
</tr>
<tr>
<td>AIC</td>
<td>Animal import center</td>
</tr>
<tr>
<td>AICB</td>
<td>Administrative Investigations and Compliance Branch</td>
</tr>
<tr>
<td>AIR</td>
<td>Affirmation of interim rule</td>
</tr>
<tr>
<td>AITC</td>
<td>APHIS Information Technology Coordinators</td>
</tr>
<tr>
<td>ALB</td>
<td>Asian longhorned beetle</td>
</tr>
<tr>
<td>ALDP</td>
<td>Advanced Leadership Development Program</td>
</tr>
<tr>
<td>ALJ</td>
<td>Administrative Law Judge</td>
</tr>
<tr>
<td>AMOM</td>
<td>Airport and Maritime Operations Manual</td>
</tr>
<tr>
<td>AMS</td>
<td>Agricultural Marketing Service</td>
</tr>
<tr>
<td>AMT</td>
<td>APHIS Management Team</td>
</tr>
<tr>
<td>ANG</td>
<td>Air National Guard</td>
</tr>
<tr>
<td>ANPR</td>
<td>Advance notice of proposed rulemaking</td>
</tr>
<tr>
<td>APA</td>
<td>Administrative Procedures Act</td>
</tr>
<tr>
<td>APEC</td>
<td>Asia Pacific Economic Cooperation (group)</td>
</tr>
<tr>
<td>APHIS</td>
<td>Animal and Plant Health Inspection Service</td>
</tr>
<tr>
<td>APM</td>
<td>Animal Product Manual</td>
</tr>
<tr>
<td>AQAS</td>
<td>Agricultural Quarantine Activity Systems</td>
</tr>
<tr>
<td>AQI</td>
<td>Agricultural Quarantine Inspection (APHIS’ Plant Protection and Quarantine program)</td>
</tr>
<tr>
<td>AQIM</td>
<td>Agricultural quarantine inspection monitoring</td>
</tr>
<tr>
<td>ARD</td>
<td>Assistant Regional Director</td>
</tr>
<tr>
<td>ARM</td>
<td>Agricultural Risk Management System</td>
</tr>
<tr>
<td>ARO</td>
<td>APHIS Raleigh Office</td>
</tr>
</tbody>
</table>
### United States Department of Agriculture

#### 2016 Presidential Transition

**Animal and Plant Health Inspection Service (APHIS)**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARS</td>
<td>Agricultural Research Service</td>
</tr>
<tr>
<td>ASD</td>
<td>Administrative Support Division</td>
</tr>
<tr>
<td>ASF</td>
<td>African swine fever</td>
</tr>
<tr>
<td>ATAC</td>
<td>APHIS Technical Assistance Center</td>
</tr>
<tr>
<td>ATO</td>
<td>Authority to operate</td>
</tr>
<tr>
<td>ATS</td>
<td>Automated Targeting System (2 different databases: 1 Customs and 1 PPQ)</td>
</tr>
<tr>
<td>AUSA</td>
<td>Assistant United States Attorney</td>
</tr>
<tr>
<td>AV</td>
<td>1. Antivirus; 2. Audio Visual</td>
</tr>
<tr>
<td>AVIC</td>
<td>Area Veterinarian In Charge</td>
</tr>
<tr>
<td>AWA</td>
<td>Animal Welfare Act</td>
</tr>
<tr>
<td>AWS</td>
<td>Alternate work station/site</td>
</tr>
</tbody>
</table>

#### B

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BA</td>
<td>Biological assessment</td>
</tr>
<tr>
<td>BART</td>
<td>Backup and recovery tool</td>
</tr>
<tr>
<td>BASE</td>
<td>Budget and Accounting Service and Enhancement</td>
</tr>
<tr>
<td>BCR</td>
<td>1. Border cargo release; 2. Border Coordination Initiative</td>
</tr>
<tr>
<td>BEI</td>
<td>Behavior event interview</td>
</tr>
<tr>
<td>BGAN</td>
<td>Broadband Global Area Network</td>
</tr>
<tr>
<td>Blitz</td>
<td>A concentrated, short-term effort to visit all grocery stores, markets, etc. in a given area, looking for prohibited items</td>
</tr>
<tr>
<td>BOD</td>
<td>Board of Directors</td>
</tr>
<tr>
<td>BPA</td>
<td>Blanket purchase agreement</td>
</tr>
<tr>
<td>BPAS</td>
<td>Budget and Program Analysis Staff (APHIS’ Policy and Program Development)</td>
</tr>
<tr>
<td>BPI</td>
<td>Business process improvement</td>
</tr>
<tr>
<td>BPOS</td>
<td>Business Productivity Online Services</td>
</tr>
<tr>
<td>BPT</td>
<td>Business Practices Team</td>
</tr>
<tr>
<td>BRASS</td>
<td>Border Release Advance Selectivity System (Customs; systems to expedite release of high-volume, low-risk cargo)</td>
</tr>
<tr>
<td>BRS</td>
<td>Biotechnology Regulatory Services</td>
</tr>
<tr>
<td>BSE</td>
<td>Bovine spongiform encephalopathy (mad cow disease)</td>
</tr>
<tr>
<td>BSR</td>
<td>Black stem rust</td>
</tr>
<tr>
<td>BTS</td>
<td>Biological and Technological Support</td>
</tr>
</tbody>
</table>

#### C

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>C&amp;A</td>
<td>Certification and Accreditation</td>
</tr>
<tr>
<td>CA</td>
<td>Compliance Agreement (PPQ 519)</td>
</tr>
<tr>
<td>CAA</td>
<td>Clean Air Act</td>
</tr>
<tr>
<td>CAPS</td>
<td>Cooperative Agricultural Pest Survey</td>
</tr>
<tr>
<td>CARPOL</td>
<td>Certifications, Applications, Registrations, Permits and Other Licenses</td>
</tr>
<tr>
<td>CBD</td>
<td>Convention on Biological Diversity</td>
</tr>
<tr>
<td>CBI</td>
<td>Confidential business information</td>
</tr>
<tr>
<td>CBP</td>
<td>Customs and Border Protection</td>
</tr>
<tr>
<td>CCC</td>
<td>Commodity Credit Corporation</td>
</tr>
<tr>
<td>CDC</td>
<td>Centers for Disease Control and Prevention</td>
</tr>
<tr>
<td>CDFA</td>
<td>California Department of Food and Agriculture</td>
</tr>
<tr>
<td>CE</td>
<td>Categorical exclusion (under National Environmental Protection Act)</td>
</tr>
<tr>
<td>CEAH</td>
<td>Center for Epidemiology and Animal Health</td>
</tr>
<tr>
<td>CENS</td>
<td>Computer Emergency Notification System</td>
</tr>
<tr>
<td>CEQ</td>
<td>Council on Environmental Quality</td>
</tr>
<tr>
<td>CES</td>
<td>Customs Examination Site (Customs)</td>
</tr>
<tr>
<td>CFC</td>
<td>Combined Federal Campaign</td>
</tr>
</tbody>
</table>
### United States Department of Agriculture
#### 2016 Presidential Transition
#### Animal and Plant Health Inspection Service (APHIS)

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFIA</td>
<td>Canadian Food Inspection Agency</td>
</tr>
<tr>
<td>CFR</td>
<td>Code of Federal Regulations</td>
</tr>
<tr>
<td>CFS</td>
<td>Container Freight Station (Customs)</td>
</tr>
<tr>
<td>CGS</td>
<td>Coast Guard Station</td>
</tr>
<tr>
<td>CHRP</td>
<td>Citrus Health Response Program</td>
</tr>
<tr>
<td>CINC</td>
<td>Center for Incident Coordination</td>
</tr>
<tr>
<td>CIO</td>
<td>Chief information officer</td>
</tr>
<tr>
<td>CIS</td>
<td>Center for Internet Security</td>
</tr>
<tr>
<td>CITES</td>
<td>Convention on International Trade in Endangered Species</td>
</tr>
<tr>
<td>CLAMP</td>
<td>Closing the L.A. Marketplace Pathway—a California agriculture “swat” team that includes State, APHIS’ Investigative and Enforcement Services, and other Federal personnel</td>
</tr>
<tr>
<td>CMR</td>
<td>Change management request</td>
</tr>
<tr>
<td>COOP</td>
<td>Continuity of operations</td>
</tr>
<tr>
<td>COTR</td>
<td>Contracting officer's technical representative</td>
</tr>
<tr>
<td>CPAC</td>
<td>Contingency Planning Association of the Carolinas</td>
</tr>
<tr>
<td>CPAT</td>
<td>Civil Penalties Action Team</td>
</tr>
<tr>
<td>CPHST</td>
<td>Center for Plant Health Science and Technology</td>
</tr>
<tr>
<td>CPIC</td>
<td>Capitol Planning and Investment Control</td>
</tr>
<tr>
<td>CR</td>
<td>1. Civil rights, as in “CR staff,” “CR complaint,” or “OCR”; 2. Continuing resolution</td>
</tr>
<tr>
<td>CRA</td>
<td>Commodity risk assessment (staff or type of assessment)</td>
</tr>
<tr>
<td>CRB</td>
<td>Coconut rhinoceros beetle</td>
</tr>
<tr>
<td>CREC</td>
<td>Civil Rights Enforcement and Compliance (replaced by Office of Civil Rights Diversity and Inclusion)</td>
</tr>
<tr>
<td>CRIA</td>
<td>Civil rights impact analysis</td>
</tr>
<tr>
<td>CRS</td>
<td>Congressional Research Service</td>
</tr>
<tr>
<td>CS</td>
<td>Customer service</td>
</tr>
<tr>
<td>CSA</td>
<td>Cisco Security Agent</td>
</tr>
<tr>
<td>CSBPI</td>
<td>Customer Service Business Process Improvement</td>
</tr>
<tr>
<td>CSRS</td>
<td>Civil Service Retirement System</td>
</tr>
<tr>
<td>CTAC</td>
<td>Commercial Targeting and Analysis Center</td>
</tr>
<tr>
<td>CTO</td>
<td>Chief technology officer</td>
</tr>
<tr>
<td>CTT</td>
<td>Commuted travel time</td>
</tr>
<tr>
<td>CTUS</td>
<td>Customs Territory of the United States</td>
</tr>
<tr>
<td>CUCIMOC</td>
<td>Cisco Unified Communications Integration for Microsoft Office Communicator</td>
</tr>
<tr>
<td>CUE</td>
<td>Critical use exemption (for pesticide/insecticide)</td>
</tr>
<tr>
<td>CUVA</td>
<td>Cisco Unified Video Advantage</td>
</tr>
<tr>
<td>CVB</td>
<td>Center for Veterinary Biologics</td>
</tr>
<tr>
<td>CVO</td>
<td>Cisco Virtual Office</td>
</tr>
<tr>
<td>CWG</td>
<td>Coordinator's working group</td>
</tr>
</tbody>
</table>

### D
- **DA**: Deputy Administrator
- **DAM**: Domino Application Migration
- **DAR**: Designated agency representative
- **DATER**: Data Analysis Team for Evaluating Risk
- **DCC**: Dispatch Coordination Center
- **Devan**: Off-load containers of cargo from a ship or a semi-tractor trailer so that the back door of the container can be opened for inspection of the cargo
- **DFR**: Direct final rulemaking
- **DHS**: Department of Homeland Security
- **DMZ**: Demilitarized Zone
- **DNF**: Do not freeze (for laboratory samples)
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>DNS</td>
<td>Domain Naming Service</td>
</tr>
<tr>
<td>DO</td>
<td>Deputy's Office or Director's Office</td>
</tr>
<tr>
<td>DOC</td>
<td>Department of Commerce</td>
</tr>
<tr>
<td>DoD</td>
<td>Department of Defense</td>
</tr>
<tr>
<td>DOJ</td>
<td>Department of Justice</td>
</tr>
<tr>
<td>DPI</td>
<td>Department of Plant Industry (State of Florida)</td>
</tr>
<tr>
<td>DR</td>
<td>Departmental Regulation</td>
</tr>
<tr>
<td>DSUP</td>
<td>Desktop standard software updates</td>
</tr>
<tr>
<td>DVM</td>
<td>Doctor of Veterinary Medicine</td>
</tr>
<tr>
<td>E</td>
<td>Endangered and threatened (species)</td>
</tr>
<tr>
<td>e.g.</td>
<td>For example</td>
</tr>
<tr>
<td>EA</td>
<td>Environmental Assessment</td>
</tr>
<tr>
<td>EAD</td>
<td>Enterprise Active Directory</td>
</tr>
<tr>
<td>EA-FONSI</td>
<td>Environmental assessment—Finding of No Significant Impact</td>
</tr>
<tr>
<td>EAN</td>
<td>Emergency Action Notification (Plant Protection and Quarantine form 523)</td>
</tr>
<tr>
<td>EAP</td>
<td>Employee Assistance Program</td>
</tr>
<tr>
<td>eAuth</td>
<td>eAuthentication</td>
</tr>
<tr>
<td>EC</td>
<td>European Commission</td>
</tr>
<tr>
<td>eCPIC</td>
<td>Electronic Capitol Planning Investment Controls</td>
</tr>
<tr>
<td>ECS</td>
<td>Export Certification Specialist</td>
</tr>
<tr>
<td>EDT</td>
<td>Eastern daylight time</td>
</tr>
<tr>
<td>EEO</td>
<td>Equal employment opportunity</td>
</tr>
<tr>
<td>EGVM</td>
<td>European grapevine moth</td>
</tr>
<tr>
<td>EIA</td>
<td>Environmental impact assessment</td>
</tr>
<tr>
<td>EIS</td>
<td>Enterprise Infrastructure Services</td>
</tr>
<tr>
<td>EMET</td>
<td>Enhanced mitigation experience toolkit</td>
</tr>
<tr>
<td>EMLC</td>
<td>Emergency Management Leadership Council</td>
</tr>
<tr>
<td>EMM</td>
<td>Enterprise mobility management</td>
</tr>
<tr>
<td>EMRS</td>
<td>Emergency Management Response System</td>
</tr>
<tr>
<td>EMS</td>
<td>Enterprise Messaging System</td>
</tr>
<tr>
<td>EMSSD</td>
<td>Emergency Management Safety &amp; Security Division</td>
</tr>
<tr>
<td>ENS</td>
<td>Emergency Notification System</td>
</tr>
<tr>
<td>EO</td>
<td>Executive Order</td>
</tr>
<tr>
<td>EOC</td>
<td>Emergency Operations Center (both Raleigh and Fort Collins are referred to as EOCs)</td>
</tr>
<tr>
<td>EOM</td>
<td>End of message</td>
</tr>
<tr>
<td>eOPF</td>
<td>Electronic Official Personnel Folder</td>
</tr>
<tr>
<td>EOS</td>
<td>Enterprise operation services</td>
</tr>
<tr>
<td>EOSB</td>
<td>Enterprise Operation Services Branch</td>
</tr>
<tr>
<td>EP</td>
<td>Emergency Preparedness or Emergency Programs</td>
</tr>
<tr>
<td>EPA</td>
<td>Environmental Protection Agency</td>
</tr>
<tr>
<td>EPI</td>
<td>(pronounced epipi): Info. word processing and statistical database for public health; contains agricultural quarantine inspection and monitoring (AQIM) data</td>
</tr>
<tr>
<td>EPO</td>
<td>Environmental police officer</td>
</tr>
<tr>
<td>EPP</td>
<td>Employee Personal Page</td>
</tr>
<tr>
<td>EQS</td>
<td>Employee Qualification System</td>
</tr>
<tr>
<td>ER</td>
<td>Eastern Region</td>
</tr>
<tr>
<td>ERAS</td>
<td>Environmental Risk Analysis Staff (Policy and Program Development)</td>
</tr>
<tr>
<td>ERC</td>
<td>Emergency Response Center (Riverdale - cubicle area with 16 workstations)</td>
</tr>
<tr>
<td>ESA</td>
<td>Endangered Species Act</td>
</tr>
<tr>
<td>ESD</td>
<td>Enterprise Service Desk</td>
</tr>
</tbody>
</table>
### United States Department of Agriculture

2016 Presidential Transition

Animal and Plant Health Inspection Service (APHIS)

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESF</td>
<td>Emergency Support Function</td>
</tr>
<tr>
<td>EST</td>
<td>Eastern standard time</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>EXCERPT</td>
<td>Plant Protection and Quarantine database containing phytosanitary (plant health) requirements of foreign countries</td>
</tr>
</tbody>
</table>

### F

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>F&amp;V</td>
<td>Fruits and vegetables</td>
</tr>
<tr>
<td>FACA</td>
<td>Federal Advisory Committee Act</td>
</tr>
<tr>
<td>FAMU</td>
<td>Florida A&amp;M University</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organization of the United Nations (USDA affiliate)</td>
</tr>
<tr>
<td>FAQ</td>
<td>Frequently asked questions</td>
</tr>
<tr>
<td>FAS</td>
<td>Foreign Agricultural Services</td>
</tr>
<tr>
<td>FATA</td>
<td>Federal Agency Travel Administrator</td>
</tr>
<tr>
<td>FAVIR</td>
<td>Fruits and Vegetables Import Requirements</td>
</tr>
<tr>
<td>FB</td>
<td>Farm Bill</td>
</tr>
<tr>
<td>FCD</td>
<td>Federal continuity directive</td>
</tr>
<tr>
<td>FDA</td>
<td>Food and Drug Administration (Health and Human Services)</td>
</tr>
<tr>
<td>FDCC</td>
<td>Federal Desktop Core Configuration</td>
</tr>
<tr>
<td>FEDVIP</td>
<td>Federal Employees Dental and Vision Insurance Program</td>
</tr>
<tr>
<td>FEGLI</td>
<td>Federal Employees Group Life Insurance</td>
</tr>
<tr>
<td>FEHB</td>
<td>Federal Employees Health Benefits</td>
</tr>
<tr>
<td>FEMA</td>
<td>Federal Emergency Management Agency</td>
</tr>
<tr>
<td>FERS</td>
<td>Federal Employees Retirement System</td>
</tr>
<tr>
<td>FEVS</td>
<td>Federal Employee Viewpoint Survey</td>
</tr>
<tr>
<td>FF</td>
<td>Fruit fly</td>
</tr>
<tr>
<td>FFIS</td>
<td>Federal Financial Information System</td>
</tr>
<tr>
<td>FGIS</td>
<td>Federal Grain Inspection Service</td>
</tr>
<tr>
<td>FICA</td>
<td>Federal Insurance Contributions Act (part of the Social Security system)</td>
</tr>
<tr>
<td>FIFO</td>
<td>First in, first out</td>
</tr>
<tr>
<td>FIFRA</td>
<td>Federal Insecticide, Fungicide and Rodenticide Act</td>
</tr>
<tr>
<td>FIRM</td>
<td>Forms, Information, and Records Management (APHIS)</td>
</tr>
<tr>
<td>FIS</td>
<td>Federal inspection services (INS, customs, FWS, PHS, and APHIS)</td>
</tr>
<tr>
<td>FIST</td>
<td>Florida Investigation and Surveillance Team (similar to CLAMP)</td>
</tr>
<tr>
<td>FLTICP</td>
<td>Federal Long Term Care Insurance Program</td>
</tr>
<tr>
<td>FMD</td>
<td>Financial Management Division</td>
</tr>
<tr>
<td>FMLA</td>
<td>Family Medical Leave Act</td>
</tr>
<tr>
<td>FMMI</td>
<td>Financial Management Modernization Initiative</td>
</tr>
<tr>
<td>FNWA</td>
<td>Federal Noxious Weed Act</td>
</tr>
<tr>
<td>FO</td>
<td>1. Field Operations; 2. Federal Order</td>
</tr>
<tr>
<td>FOB</td>
<td>Terms indicating that the seller will incur the delivery expense to get the goods to the destination. (NOTE: With terms of FOB destination the title to the goods usually passes from the seller to the buyer at the destination.)</td>
</tr>
<tr>
<td>FOIA</td>
<td>Freedom of Information Act</td>
</tr>
<tr>
<td>FONSI</td>
<td>Finding of No Significant Impact (on the human environment)</td>
</tr>
<tr>
<td>FPAPA</td>
<td>Federal Plant Pest Act, superseded by the Plant Protection Act in June 2000</td>
</tr>
<tr>
<td>FPS</td>
<td>Federal Protective Service</td>
</tr>
<tr>
<td>FQPA</td>
<td>Food Quality Protection Act</td>
</tr>
<tr>
<td>FR</td>
<td>Federal Register</td>
</tr>
<tr>
<td>FRM</td>
<td>Final rulemaking</td>
</tr>
<tr>
<td>FRSMP</td>
<td>Federally Recognized State Managed Pest</td>
</tr>
<tr>
<td>FS</td>
<td>Forest Service (USDA)</td>
</tr>
</tbody>
</table>
United States Department of Agriculture  
2016 Presidential Transition  
Animal and Plant Health Inspection Service (APHIS)

FSA  Federal Seed Act  
FSAFEDS  Federal Flexible Spending Account Program  
FSI  Financial security information  
FSIS  Food Safety Inspection Service  
FSN  Foreign Service National (International Services’ term, APHIS employee abroad who is not U.S. citizen)  
FTE  Full time employee  
FWS  Federal Wage System  
FY  Fiscal year  
FYI  For your information

G  
GAL  Global address listing  
GAO  Government Accountability Office  
GAS  Giant African snail  
GATT  See World Trade Organization (WTO)  
GB  Gigabyte  
GE  Genetically engineered  
GEHA  Government Employee Health Administration  
GH  Grasshopper  
GIPSA  Grain Inspection, Packers and Stockyard Administration  
GIS  Geographical information systems  
GM  1. Genetically modified (alive); 2. Gypsy moth  
GMO  Genetically modified organisms  
GN  Golden nematode  
GOV  Government-owned vehicle  
GPEA  Government Paperwork Elimination Act  
GPO  1. Group policy object; 2. Government Publishing Office  
GPRA  Government Performance and Results Act  
GPS  Global positioning system  
GS  General Schedule  
GSA  General Services Administration  
GWSS  Glassy-winged sharpshooter

H  
HACCP  (pronounced ha-sip): Hazard Analysis Critical Control Points  
HC  Hog cholera  
HD  High definition  
HLB MAC  Huanglongbing Multi-Agency Coordination  
HP  Hewlett Packard  
HPA  Horse Protection Act  
HPAI  Highly pathogenic avian influenza  
HQ  Headquarters  
HR  Human resources  
HRD  Human Resources Division or Human Resources and Development  
HRDG  Human Resources Desk Guide  
HRO  Human Resources Office  
HSD  Homeland Security Department  
HSPD  Homeland Security Presidential Directive

I  
I&I  Impact and implementation (NAAE term)
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>I&amp;R</td>
<td>Inspect and release</td>
</tr>
<tr>
<td>i.e.</td>
<td>That is</td>
</tr>
<tr>
<td>IAS</td>
<td>Integrated Acquisition System</td>
</tr>
<tr>
<td>IC</td>
<td>Incident Commander</td>
</tr>
<tr>
<td>ICAM</td>
<td>Identity, Credential, and Access Management</td>
</tr>
<tr>
<td>ICS</td>
<td>Incident Command System</td>
</tr>
<tr>
<td>ILDP</td>
<td>Intermediate Leadership Development Program</td>
</tr>
<tr>
<td>IDP</td>
<td>Individual development plan</td>
</tr>
<tr>
<td>IDT</td>
<td>Integrated device technology</td>
</tr>
<tr>
<td>IE</td>
<td>Internet Explorer</td>
</tr>
<tr>
<td>IES</td>
<td>Investigative and Enforcement Services</td>
</tr>
<tr>
<td>IFA</td>
<td>Imported fire ant</td>
</tr>
<tr>
<td>ILA</td>
<td>International Longshoreman’s Association</td>
</tr>
<tr>
<td>IMT</td>
<td>Incident Management Team</td>
</tr>
<tr>
<td>IMS</td>
<td>Issues Management System</td>
</tr>
<tr>
<td>INS</td>
<td>Immigration and Naturalization Service</td>
</tr>
<tr>
<td>IP</td>
<td>Internet protocol; import permit</td>
</tr>
<tr>
<td>IPHIS</td>
<td>Integrated Plant Health Information System</td>
</tr>
<tr>
<td>IPM</td>
<td>Integrated pest management</td>
</tr>
<tr>
<td>IPPC</td>
<td>International Plant Protection Convention</td>
</tr>
<tr>
<td>IPPO</td>
<td>International Plant Protection Organization</td>
</tr>
<tr>
<td>IPTV</td>
<td>Internet protocol television</td>
</tr>
<tr>
<td>IRM</td>
<td>Interim rulemaking; Imports Regulations and Manuals</td>
</tr>
<tr>
<td>IRM ISMU</td>
<td>Imports Regulations and Manuals-Information Services and Manuals Unit</td>
</tr>
<tr>
<td>IRM PPP</td>
<td>Imports Regulations and Manuals-Plants for Planting Policy</td>
</tr>
<tr>
<td>IRM RCC</td>
<td>Imports Regulations and Manuals-Regulatory Coordination and Compliance</td>
</tr>
<tr>
<td>IS</td>
<td>International Services (APHIS)</td>
</tr>
<tr>
<td>ISAP</td>
<td>APHIS contract with IBM for computers and software</td>
</tr>
<tr>
<td>ISB</td>
<td>Information Security Branch</td>
</tr>
<tr>
<td>ISO</td>
<td>International Organization for Standardization</td>
</tr>
<tr>
<td>ISPM</td>
<td>Invasive Species and Pest Management, International Standards for Phytosanitary Measures</td>
</tr>
<tr>
<td>IST</td>
<td>Incident Support Team</td>
</tr>
<tr>
<td>IT</td>
<td>1. Immediate transport; 2. Information technology</td>
</tr>
<tr>
<td>ITD</td>
<td>Information Technology Division</td>
</tr>
<tr>
<td>ITD/ITDS</td>
<td>International Trade Data System (Customs)</td>
</tr>
<tr>
<td>ITEMS</td>
<td>Investigation Tracking Enforcement Management System</td>
</tr>
<tr>
<td>ITLAC</td>
<td>Information Technology Leadership Advisory Council</td>
</tr>
<tr>
<td>ITSM</td>
<td>Information Technology Service Management</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>JAQAP</td>
<td>Joint Agency Quality Assurance Plan</td>
</tr>
<tr>
<td>JB</td>
<td>Japanese beetle</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>KBw</td>
<td>Karnal bunt of wheat</td>
</tr>
<tr>
<td>KM</td>
<td>Knowledge management</td>
</tr>
<tr>
<td>KM/ED</td>
<td>Knowledge management and employee development</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAS</td>
<td>LincPass Activation Software</td>
</tr>
<tr>
<td>LBAM</td>
<td>Light brown apple moth</td>
</tr>
</tbody>
</table>
**United States Department of Agriculture**  
**2016 Presidential Transition**  
**Animal and Plant Health Inspection Service (APHIS)**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>LCL</td>
<td>Less-than-container load</td>
</tr>
<tr>
<td>LDAP</td>
<td>Lightweight Directory Access Protocol</td>
</tr>
<tr>
<td>LINC</td>
<td>Leadership Incident Coordination Center or short for Lincoln (LincPass)</td>
</tr>
<tr>
<td>LMO</td>
<td>Living modified organism, not necessarily a GM product</td>
</tr>
<tr>
<td>LMR</td>
<td>Labor management relations</td>
</tr>
<tr>
<td>LPA</td>
<td>Legislative and Public Affairs (APHIS)</td>
</tr>
<tr>
<td>LSS</td>
<td>Local support services</td>
</tr>
<tr>
<td>MAC</td>
<td>Multiagency Coordination</td>
</tr>
<tr>
<td>MAHRD</td>
<td>Mission Area Human Resources Directors</td>
</tr>
<tr>
<td>MB</td>
<td>Methyl bromide</td>
</tr>
<tr>
<td>MBAM</td>
<td>Microsoft BitLocker Administration and Monitoring</td>
</tr>
<tr>
<td>MBS</td>
<td>Minneapolis Business Site</td>
</tr>
<tr>
<td>MCI</td>
<td>Military Customs Inspector</td>
</tr>
<tr>
<td>MDT</td>
<td>Microsoft deployment tool</td>
</tr>
<tr>
<td>MEE</td>
<td>McAfee endpoint encryption</td>
</tr>
<tr>
<td>Medfly</td>
<td>Mediterranean fruit fly</td>
</tr>
<tr>
<td>Mexfly</td>
<td>Mexican fruit fly</td>
</tr>
<tr>
<td>MFF</td>
<td>1. Mediterranean fruit fly; 2. Mexican fruit fly</td>
</tr>
<tr>
<td>MOU</td>
<td>Memorandum of understanding</td>
</tr>
<tr>
<td>MRP</td>
<td>Marketing and Regulatory Programs (AMS, APHIS, GIPSA)</td>
</tr>
<tr>
<td>MRPBS</td>
<td>Marketing Regulatory Programs Business Services (APHIS, serves all 3 MRP agencies)</td>
</tr>
<tr>
<td>MS</td>
<td>Microsoft</td>
</tr>
<tr>
<td>MSPB</td>
<td>Merit Systems Protection Board</td>
</tr>
<tr>
<td>NAAE</td>
<td>National Association of Agriculture Employees (not a union)</td>
</tr>
<tr>
<td>NAFTA</td>
<td>North American Free Trade Agreement</td>
</tr>
<tr>
<td>NAHERC</td>
<td>National Animal Health Emergency Response Corps</td>
</tr>
<tr>
<td>NAHPS</td>
<td>National Animal Health Programs Staff (APHIS’ Veterinary Services)</td>
</tr>
<tr>
<td>NAIS</td>
<td>National Animal Identification System (no longer used)</td>
</tr>
<tr>
<td>NAPIS</td>
<td>National Agricultural Pest Information System</td>
</tr>
<tr>
<td>NAPPO</td>
<td>North American Plant Protection Organization</td>
</tr>
<tr>
<td>NAPPPQM</td>
<td>National Association of Plant Protection and Quarantine Managers</td>
</tr>
<tr>
<td>NAQIT</td>
<td>(pronounced nay-quit): National AQI Team</td>
</tr>
<tr>
<td>NAS</td>
<td>Naval Air Station</td>
</tr>
<tr>
<td>NASAHO</td>
<td>National Assembly of State Animal Health Officials</td>
</tr>
<tr>
<td>NASDA</td>
<td>National Association of State Departments of Agriculture</td>
</tr>
<tr>
<td>NCAH</td>
<td>National Center for Animal Health</td>
</tr>
<tr>
<td>NCAHP</td>
<td>National Center for Animal Health Programs</td>
</tr>
<tr>
<td>NCIE</td>
<td>National Center for Import and Export (replaced by NIES)</td>
</tr>
<tr>
<td>NCR</td>
<td>National Capital Region</td>
</tr>
<tr>
<td>NCRLCM</td>
<td>National Civil Rights Leadership Committee Meeting</td>
</tr>
<tr>
<td>NCSU</td>
<td>North Carolina State University</td>
</tr>
<tr>
<td>NEPA</td>
<td>National Environmental Policy Act</td>
</tr>
<tr>
<td>NER</td>
<td>North East Region (old organization)</td>
</tr>
<tr>
<td>NFC</td>
<td>National Finance Center</td>
</tr>
<tr>
<td>NGO</td>
<td>Nongovernment organization</td>
</tr>
<tr>
<td>NIC</td>
<td>National Incident Coordinator</td>
</tr>
<tr>
<td>NIES</td>
<td>National Import Export Services</td>
</tr>
<tr>
<td>NIMS</td>
<td>National Information Management System</td>
</tr>
</tbody>
</table>
### United States Department of Agriculture
### 2016 Presidential Transition
### Animal and Plant Health Inspection Service (APHIS)

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIMT</td>
<td>National Incident Management Team</td>
</tr>
<tr>
<td>NIS</td>
<td>National Identification Service</td>
</tr>
<tr>
<td>NITC</td>
<td>National Information Technology Center</td>
</tr>
<tr>
<td>NLE</td>
<td>National Level Exercise</td>
</tr>
<tr>
<td>NMWPM</td>
<td>Non-manufactured wood packing material, the approved term for solid wood packing material (SWPM)</td>
</tr>
<tr>
<td>NOAA</td>
<td>National Oceanic and Atmospheric Administration</td>
</tr>
<tr>
<td>NOM</td>
<td>National Operations Manager</td>
</tr>
<tr>
<td>NOW</td>
<td>Navel orangeworm</td>
</tr>
<tr>
<td>NPB</td>
<td>National Plant Board</td>
</tr>
<tr>
<td>NPPO</td>
<td>Non-specific national plant protection organization. In the United States, the NPPO is APHIS.</td>
</tr>
<tr>
<td>NPRG</td>
<td>New Pest Response Guidelines</td>
</tr>
<tr>
<td>NRCS</td>
<td>Natural Resources Conservation Service</td>
</tr>
<tr>
<td>NRF</td>
<td>National Response Framework</td>
</tr>
<tr>
<td>NSAR</td>
<td>National Select Agency Registry</td>
</tr>
<tr>
<td>NSPD</td>
<td>National Security Presidential Directive</td>
</tr>
<tr>
<td>NTE</td>
<td>Not to exceed</td>
</tr>
<tr>
<td>NVAP</td>
<td>National Veterinary Accreditation Program</td>
</tr>
<tr>
<td>NVSL</td>
<td>National Veterinary Services Laboratory</td>
</tr>
<tr>
<td>NWA</td>
<td>Noxious Weed Act, partially superseded by the Plant Protection Act in June 2000</td>
</tr>
<tr>
<td>NWRC</td>
<td>National Wildlife Research Center</td>
</tr>
</tbody>
</table>

### O
- **OA**: Office of the Administrator
- **OBPA**: Office of Budget and Program Analysis (USDA)
- **OC**: Office of Communications (USDA)
- **OCE**: Office of the Chief Economist (USDA)
- **OCIO**: Office of the Chief Information Officer
- **OCR**: Office of Congressional Relations (USDA)
- **OCRDI**: Office of Civil Right Diversity and Inclusion (APHIS)
- **OCS**: Office Communicator Services
- **ODA**: Office of the Deputy Administrator
- **OED**: Office of the Executive Director
- **OEM**: Office of Emergency Management
- **OFF**: Oriental fruit fly
- **OGC**: Office of the General Counsel (USDA)
- **OIC**: Officer in Charge (no longer in use—replaced by State Plant Health Director)
- **OIE**: World Organisation for Animal Health (from French Organisation International des Epizootie)
- **OIG**: Office of the Inspector General
- **OIRA**: Office of Information and Regulatory Affairs (Office of Management and Budget)
- **OMB**: Office of Management and Budget
- **OPIS**: Offshore Pest Information System (APHIS’ Plant Protection and Quarantine)
- **OPM**: Office of Personnel Management
- **ORACBA**: (pronounced “aura seeba”): Office of Risk Assessment and Cost Benefit Analysis (USDA)
- **OS**: Operating system
- **OSC**: Office of Special Counsel
- **OSEC**: Office of the Secretary
- **OU**: Organizational unit
- **OWB**: Old world bollworm
- **OWP**: Operational work plan
United States Department of Agriculture
2016 Presidential Transition
Animal and Plant Health Inspection Service (APHIS)

P
P&RA Permits & Risk Assessments (successor to BATS, now replaced by BTS)
PA Public Affairs (APHIS’ Legislative and Public Affairs)
PAA Performance Assessment and Accountability (APHIS’ Policy and Program Development)
PAD Policy Analysis and Development (APHIS’ Policy and Program Development)
PAG Preclearance Advisory Group
PATS Personnel Action Tracking System
PBW Pink bollworm
PC 1. Personal computer; 2. Phytosanitary certificate
PCC CEC Permitting and Compliance Coordination-Compliance and Environmental Coordination
PCC PPBP Permitting and Compliance Coordination-Pests, Pathogens, and Biocontrol Permits
PCC PPPP Permitting and Compliance Coordination- Plant and Plant Product Permitting
PCD Phytophthora canker disease (sudden oak death)
PCIT Phytosanitary Certificate Issuance and Tracking
PCN Pale cyst nematode
PD Position description
PDC Professional Development Center (APHIS’ Plant Protection and Quarantine)
PDEP Pest Detection and Emergency Programs
PDF Portable document format
PDMA Program Data Management & Analysis
PDMCS Printing, Distribution, Mail and Copier Solutions
PDS Professional Development Staff (APHIS’ Veterinary Services)
PEDS Planning Evaluation and Decision Support (APHIS’ Policy and Program Development)
PEI Prince Edward Island, Canada (“PEI potatoes”)
PERAL Plant Epidemiology Risk Analysis Laboratory
PExD Phytosanitary Export Database
PHP Plant Health Programs (APHIS’ Plant Protection and Quarantine)
PHS Public Health Service
PHSS Plant Health Safeguarding Specialist
Phyto Phytosanitary certificate (also called PC)
PIA Privacy impact assessment
PII Personally identifiable information
PIM Phytosanitary Issues Management (APHIS’ Plant Health Programs, Plant Protection and Quarantine)
Pin-ops Pest Information Network
PIS Plant inspection station
PIV Personal identification verification
PL Public law (used only when citing statutes, such as PL.102-14)
PM 1. Pest management; 2. Policy management
PMTV Potato mop top virus
POC Points of contact
POE Port of entry
POP Preclearance and Offshore Programs
Port Ops Port operations
PoS Power shell
POTS Plain old telephone system
POV Personally owned vehicle
PP Pay period
PPA Plant Protection Act
**United States Department of Agriculture**  
2016 Presidential Transition  
Animal and Plant Health Inspection Service (APHIS)

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>PPD</td>
<td>1. Policy and Program Development (APHIS); 2. Program planning and development</td>
</tr>
<tr>
<td>PPQ</td>
<td>Plant Protection and Quarantine (APHIS)</td>
</tr>
<tr>
<td>PPV</td>
<td>Plum pox virus</td>
</tr>
<tr>
<td>PQA</td>
<td>Plant Quarantine Act, superseded by the PPA in June 2000</td>
</tr>
<tr>
<td>PRA</td>
<td>1. Pest risk analysis; 2. Pest risk assessment</td>
</tr>
<tr>
<td>PRM</td>
<td>Proposed rulemaking</td>
</tr>
<tr>
<td>PSS</td>
<td>Program Support Services</td>
</tr>
<tr>
<td>PVYN</td>
<td>Potato virus Y necrotic strain</td>
</tr>
<tr>
<td>Q</td>
<td>Quality assurance</td>
</tr>
<tr>
<td>QA</td>
<td>Methyl bromide used for quarantine purposes</td>
</tr>
<tr>
<td>QC</td>
<td>Quality control</td>
</tr>
<tr>
<td>QIM</td>
<td>(pronounced quim): Quarantine intercepted material</td>
</tr>
<tr>
<td>QMI</td>
<td>Quarantine material intercepted</td>
</tr>
<tr>
<td>QMS</td>
<td>Quality Management System</td>
</tr>
<tr>
<td>QP</td>
<td>QuickPlace</td>
</tr>
<tr>
<td>QPAS</td>
<td>Quarantine Policy, Analysis and Support (APHIS’ Plant Protection and Quarantine)</td>
</tr>
<tr>
<td>R</td>
<td>1. Risk assessment; 2. Risk analysis</td>
</tr>
<tr>
<td>RA</td>
<td>Regulatory Analysis and Development (APHIS’ Policy and Program Development)</td>
</tr>
<tr>
<td>RAD</td>
<td>Risk Analysis Systems (APHIS’ Policy and Program Development)</td>
</tr>
<tr>
<td>RC</td>
<td>Release candidate</td>
</tr>
<tr>
<td>RD</td>
<td>Regional Director</td>
</tr>
<tr>
<td>RFC</td>
<td>Request for change</td>
</tr>
<tr>
<td>RHEL</td>
<td>Red Hat Enterprise Linux</td>
</tr>
<tr>
<td>RIA</td>
<td>Regulatory impact analysis, also known as regulatory analysis</td>
</tr>
<tr>
<td>RMS</td>
<td>Resource Management Staff, Resource Management Services</td>
</tr>
<tr>
<td>ROB</td>
<td>Regulatory Oversight Board (APHIS’ Plant Health Programs, Plant Protection and Quarantine)</td>
</tr>
<tr>
<td>ROSS</td>
<td>Resource and Ordering Status System</td>
</tr>
<tr>
<td>ROT</td>
<td>Reimbursable overtime</td>
</tr>
<tr>
<td>RPPO</td>
<td>Regional Plant Protection Organization</td>
</tr>
<tr>
<td>RRA</td>
<td>Risk reduction analysis</td>
</tr>
<tr>
<td>RWP</td>
<td>Regulatory work plan</td>
</tr>
<tr>
<td>S</td>
<td>Science and technology</td>
</tr>
<tr>
<td>S&amp;T</td>
<td>Chilean equivalent of USDA</td>
</tr>
<tr>
<td>SAGARPA</td>
<td>Mexican equivalent of APHIS</td>
</tr>
<tr>
<td>SAN</td>
<td>Storage area network</td>
</tr>
<tr>
<td>SAV</td>
<td>Symantec antivirus</td>
</tr>
<tr>
<td>SAW</td>
<td>SharePoint Administration Workgroup</td>
</tr>
<tr>
<td>SCCM</td>
<td>System Center Configuration Manager</td>
</tr>
<tr>
<td>SEL</td>
<td>Statement of earnings and leave</td>
</tr>
<tr>
<td>SEPPC</td>
<td>(pronounced sep-C): Surveillance, Emergency Program Planning and Coordination (APHIS’ Plant Protection and Quarantine)</td>
</tr>
<tr>
<td>SF</td>
<td>Standard form</td>
</tr>
<tr>
<td>SIG</td>
<td>Senior Implementation Group (group of FIS agency representatives)</td>
</tr>
<tr>
<td>SITC</td>
<td>(pronounced sit-C): Smuggling Interdiction and Trade Compliance (APHIS’ Plant Protection and Quarantine)</td>
</tr>
</tbody>
</table>
United States Department of Agriculture
2016 Presidential Transition
Animal and Plant Health Inspection Service (APHIS)

SL  Sick leave
SLF  Spotted lanternfly
SMCI  Senior Military Customs Inspectors
SME  Subject matter expert
SOD  Sudden oak death/Phytophora ramorum
SOP  Standard operating procedure
SORN  System of Records Notices
SOSO  State Operations Support Officer (work with State Plant Health Directors)
SP  1. Service ack; 2. SharePoint
SPHD  (pronounced spud): State Plant Health Director, an APHIS Plant Protection and Quarantine employee
SPRO  (pronounced sproe): State Plant Regulatory Official, a State employee
SPRS  Surveillance Preparedness and Response Services
SPS  Sanitary (animal health) and Phytosanitary (plant health), usually SPS Agreement
SQL  Structured Query Language
SSPP  Survey Supply Procurement Program
STAS  Science and Technology Analysis Services
Stat  Citation to U.S. Statutes-at-Large, a compendium of all U.S. laws arranged in chronological order (example: 96 U.S.Stat.144)
SVD  Swine vesicular isease
SWPM  Solid wood packing material

T
T&A  Time and attendance
T&E  1. Transportation and exportation (or T/E) (Plant Protection and Quarantine); 2. Threatened and endangered (species)
TAG  Technical advisory group
TCD  Thousand cankers disease
TDY  Temporary duty
TECS  (pronounced tex): Treasury Enforcement Computer System
TEU  20-foot equivalent (container) unit
TIA  Terminal Inspection Act
TM  Treatment Manual
TMACO  Telecommunications Mission Area Control Officer
TMB  Telecommunications Management Branch
TMC  Travel Management Company
TMS  Tandberg Management and Scheduling
TP  Talking points
TSE  Transmissible spongiform encephalopathy (diseases like BSE, chronic wasting disease and scrapie)
TSP  Thrift Savings Plan
TST  Trade Team or Trade Support Team (APHIS)
T/W  Telework

U
UAC  User Access Control
UC  Unified Command
ULP  Unfair labor practice
UPS  United Parcel Service or Uninterruptable Power Supply
USA  1. United States of America; 2. U.S. Attorney
USB  Universal Serial Bus
United States Department of Agriculture
2016 Presidential Transition
Animal and Plant Health Inspection Service (APHIS)

USCA U.S. Code Annotated, the U.S. Code with notes
USDA United States Department of Agriculture
USERRA Uniformed Services Employment and Reemployment Rights Act
USGCB United States Government Configuration Baseline
USMT User State Migration Tool
USTR United States Trade Representative

V
VERRC Voluntary Emergency Ready Response Corps
VM Virtual machine
VMO Veterinary Medical Officer
VOD Video on demand
VoIP Voice over Internet Protocol
VPN Virtual Private Network
V/R Very respectfully
VRA Veterans Recruitment Appointment
VS Veterinary Services (APHIS)
VSMT Veterinary Services Management Team
VTC Video teleconference
VVND Viscerotropic velogentic Newcastle disease

W
WADS Work Accomplishment Data System—APHIS’ Plant Protection and Quarantine database of port accomplishments
WAH Work at home
WAR Weekly activity report
WCM (pronounced wicum): Web Content Manager
WE Windows engineering
WERC Writing and Editing Regulatory Coordination (APHIS’ Veterinary Services)
WGI Within-grade increase
WHO World Health Organization
WLW Work life wellness
WMI Windows Management Instrumentation
WR Western Region
WS Wildlife Services (APHIS)
WTP World Trade Organization
WW Witch weed

X
XML eXtensible Markup Language
XPM Export Program Manual
WHAT WE DO: OUR MISSION

GIPSA facilitates the marketing of cereals, oilseeds, and related agricultural products, and protects fair trade practices, financial integrity, and competitive markets for livestock, meat, and poultry for the overall benefit of producers, consumers, and American agriculture. GIPSA fulfills its mission through the service provided by three program areas: (1) Packers and Stockyards Program (PSP); and (2) Grain Regulatory Program (GRP). The Inspection and Weighing Services are managed by GRP; and (3) Inspection and Weighing Services.

WHO WE ARE: OUR WORKFORCE

We employ over 700 people across the country. While GIPSA physically has offices and staff in 32 States and the District of Columbia, our presence and services extend nationwide, including Puerto Rico.

WHO WE SERVE: OUR CONSTITUENTS

Through our network and structure, GIPSA helps American agriculture — from farmers and ranchers to handlers, processors, and exporters — market the Nation’s livestock, poultry, meat, grain, and related commodities here at home and abroad.

KEY UPCOMING DECISIONS

- What regulatory changes should GIPSA undertake to implement the 2008 Farm Bill direction regarding the Packers and Stockyards Program?

BUDGET HIGHLIGHTS FY 2016

Total Budget Authority: $98.0 million
- Inspection & Weighing Mandatory User Fees: 56%, or $54.9 million
- Discretionary: 44%, or $43.1 million
  - Packers and Stockyards Program: 24%, or $23.1 million
  - Grain Regulatory Program: 20%, or $20.0 million

FY 2016 Budget Authority

- Packers and Stockyards
- Grain Regulatory
- Inspection and Weighing Services
I. **Organizational Overview**

Agency’s Mission/Strategic Plan

Mission Statement:

GIPSA facilitates the marketing of cereals, oilseeds, and related agricultural products, and protects fair trade practices, financial integrity, and competitive markets for livestock, meat, and poultry for the overall benefit of producers, consumers, and American agriculture.

<table>
<thead>
<tr>
<th>STRATEGIC GOALS</th>
<th>OBJECTIVES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Goal 1</strong></td>
<td><strong>Objective 1.1</strong> Strengthen Stakeholder Relationships and Their Understanding of the agency’s Role in Facilitating Fair and Competitive Marketing</td>
</tr>
<tr>
<td>Provide the Environment for Fair and Competitive Market Practices Between Agricultural Producers and Buyers</td>
<td><strong>Objective 1.2</strong> Protect Integrity and Confidence in Markets</td>
</tr>
<tr>
<td></td>
<td><strong>Objective 1.3</strong> Enhance Financial Protection of Producers</td>
</tr>
<tr>
<td></td>
<td><strong>Objective 1.4</strong> Improve Enforcement</td>
</tr>
<tr>
<td></td>
<td><strong>Objective 1.5</strong> Provide the Market With Terms and Methods for Quality Assessment</td>
</tr>
<tr>
<td></td>
<td><strong>Objective 1.6</strong> Provide Timely, Accurate, and Cost-Effective Official Grain Inspection and Weighing Services That Meet Market Needs</td>
</tr>
<tr>
<td><strong>Strategic Goal 2</strong></td>
<td><strong>Objective 2.1</strong> Deploy a Comprehensive Succession and Workforce Plan</td>
</tr>
<tr>
<td>Sustain and Enrich a Diverse and Engaged Workforce</td>
<td><strong>Objective 2.2</strong> Deploy a Comprehensive Training and Employee Development Program</td>
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<tr>
<td></td>
<td><strong>Objective 2.3</strong> Implement and Maintain a Model Equal Employment Opportunity (EEO) Program</td>
</tr>
<tr>
<td><strong>Strategic Goal 3</strong></td>
<td><strong>Objective 3.1</strong> Modernize Regulations and Policies To Respond to Current and Emerging Industry Practices and Increase the Consistency, Transparency, and Accessibility of Policies, Procedures, and Processes</td>
</tr>
</tbody>
</table>
United States Department of Agriculture
2016 Presidential Transition
Grain Inspection, Packers, and Stockyards Administration (GIPSA)

Supports the Business Needs of Our Employees and Customers

| Objective 3.2 Improve Operational Efficiency and Accuracy Through Increased Automation |
| Objective 3.3 Enhance Stewardship of Resources |
| Objective 3.4 Ensure a Safe and Healthy Workplace |

GIPSA’s FY 2016-2020 Strategic Plan is available on the GIPSA Reports and Publications website at https://www.gipsa.usda.gov/gipsapublications.aspx under the Other Agency Reports section.

Key mission delivery performance measures

Key Performance Measure, Packers and Stockyards Program (PSP)

Percent of industry compliance with the Packers and Stockyards Act

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Target</th>
<th>Actual</th>
<th>Result</th>
<th>Estimate/Target</th>
<th>Target</th>
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<tr>
<td>2011</td>
<td>76</td>
<td>87</td>
<td>81</td>
<td>84</td>
<td>83</td>
<td>82.4</td>
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<tr>
<td>2012</td>
<td>87</td>
<td>88.7</td>
<td>92.7</td>
<td>95.4</td>
<td>97</td>
<td>Met</td>
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<tr>
<td>2013</td>
<td>81</td>
<td>92.7</td>
<td>95.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>84</td>
<td>95.4</td>
<td></td>
<td>97</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>83</td>
<td>82.4</td>
<td></td>
<td>Not Met</td>
<td></td>
<td>83</td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>83</td>
<td>83</td>
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<tr>
<td>2017</td>
<td></td>
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</tr>
</tbody>
</table>

Key Performance Measures, Grain Regulatory Program (GRP)

Percent of market-identified quality attributes needed for trading for which GIPSA has provided standardization

This performance measure focuses on GIPSA’s role in providing the technology to measure grain quality and quantity, ensuring the market has access to reliable information which, in turn, reduces market risk and increases market efficiency. In FY 2015, GIPSA met its target of providing standardization for 97 percent of market identified attributes. Additionally, GIPSA projects that it will be positioned to provide standardization for 98 percent of market identified attributes in FY 2016 and again in 2017.

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual</th>
<th>Target</th>
<th>Actual</th>
<th>Result</th>
<th>Estimate/Target</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>86.8</td>
<td>88.7</td>
<td>92.7</td>
<td>95.4</td>
<td>97</td>
<td>Met</td>
</tr>
<tr>
<td>2012</td>
<td>88.7</td>
<td>92.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2013</td>
<td>92.7</td>
<td>95.4</td>
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<tr>
<td>2014</td>
<td>95.4</td>
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<tr>
<td>2015</td>
<td>97</td>
<td>97</td>
<td></td>
<td>Met</td>
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<td>98</td>
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<tr>
<td>2016</td>
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<td>98</td>
<td>98</td>
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<tr>
<td>2017</td>
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</tbody>
</table>
Percent accuracy of grain inspection certificates

GRP instituted changes to its quality assurance practices and made automation enhancements through FGIS online, resulting in the ability to accurately measure and capture data that was not previously available. GIPSA measures certificate accuracy through a comprehensive review of certificates issued through its Certificates program and third-party programs, and warehoused in the FGIS online Inspection Data Warehouse. GIPSA conducts quality management audits of official service providers. Official service providers include field offices, official agencies, and state agencies. As part of the review, GIPSA identifies and quantifies certificate accuracy for a subset of certificates issued. Certificate errors are identified and provided to the official service provider for correction and establishment of procedures to prevent their recurrence. In FY 2015, GIPSA is estimating certificate accuracy at 90 percent and aims to improve accuracy to 91 percent and 92 percent, respectively, in FY 2016 and FY 2017.

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Target</th>
<th>Actual</th>
<th>Result</th>
<th>Estimate</th>
<th>Target</th>
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<tr>
<td>2011</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>90</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>2012</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>90</td>
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<tr>
<td>2013</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<td>N/A</td>
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<tr>
<td>2014</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>2015</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>2016</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>2017</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Organization’s History

The Grain Inspection, Packers and Stockyards Administration (GIPSA) was established October 20, 1994, under the authority of the Agriculture Reorganization Act of 1994 (P.L. 103-354), to administer the programs and functions of the Federal Grain Inspection Service (FGIS) and the Packers and Stockyards Administration under the umbrella of one agency. The mission of the agency is to facilitate the marketing of cereals, oilseeds, and related agricultural products, and protects fair trade practices, financial integrity, and competitive markets for livestock, meat, and poultry for the overall benefit of producers, consumers, and American agriculture.

PSP activities are authorized by the Packers and Stockyards Act of 1921 (P&S Act), as amended, and Section 1324 of the Food Security Act of 1985. These activities are currently funded through appropriations. GIPSA’s PSP is responsible for administering the P&S Act, which prohibits unfair, deceptive, and fraudulent practices by market agencies, dealers, packers, swine contractors, and live poultry dealers in the livestock, poultry, and meatpacking industries. The P&S Act makes it unlawful for a regulated entity to engage in unfair, unjustly discriminatory, or deceptive practices. Packers, live poultry dealers, and swine contractors are also prohibited from engaging in specific anti-competitive practices. PSP conducts two broad types of activities—regulatory and investigative—in its administration and enforcement of the P&S Act. PSP activities cover two general areas:
United States Department of Agriculture
2016 Presidential Transition
Grain Inspection, Packers, and Stockyards Administration (GIPSA)


GIPSA’s FGIS, which is carried out under the authority of the United States Grain Standards Act, as amended (USGSA), and the Agricultural Marketing Act of 1946 (AMA), is currently funded through two sources: appropriations and user fees. FGIS promotes and enforces the accurate and uniform application of the USGSA and applicable provisions of the AMA; identifies, evaluates, and implements new or improved techniques for measuring grain quality; and establishes and maintains testing and grading standards to facilitate the marketing of U.S. grain, oilseeds, and related products.

FGIS Inspection and Weighing Services are also authorized under both the USGSA and the AMA. The USGSA requires the mandatory inspection and weighing of grain at export ports by GIPSA or delegated State agency personnel, and the permissive inspection and weighing of grain at domestic locations by designated State and private agency personnel. The USGSA also requires GIPSA to supervise all official inspection and weighing activities. On a request basis, GIPSA performs inspection of rice and related commodities under the AMA. Both statutes require GIPSA to collect user fees to fund the costs of operations including the supervision and administration of Federal grain inspection and weighing activities.
Organizational Chart

The Grain Inspection, Packers and Stockyards Administration (GIPSA) facilitates the marketing of livestock, poultry, meat, cereals, oilseeds, and related agricultural products, and promotes fair and competitive trading practices for the overall benefit of consumers and American agriculture.

Supersedes GIPSA chart dated July 31, 2006.
Biographies of career staff in key leadership positions

**Randall Jones**  
**Deputy Administrator, Federal Grain Inspection Service**  
202-720-9170, Randall.D.Jones@usda.gov

Since July 2008, Randall Jones has served as the Deputy Administrator, Federal Grain Inspection Service, Grain Inspection, Packers and Stockyards Administration (GIPSA) of the United States Department of Agriculture (USDA). As Deputy Administrator, Mr. Jones provides oversight of FGIS, which facilitates the marketing of U.S. grain and related agricultural products by providing the market with the official U.S. quality standards and methods to assess product quality; maintaining the integrity of the U.S. grain marketing system and overseeing America's national inspection system, a network of third-party Federal, State and private providers that provide impartial, user-fee funded official inspection and weighing services.

Prior to joining GIPSA, Mr. Jones served as Associate Deputy Administrator of the USDA Agricultural Marketing Service's Livestock and Seed Program. During his tenure, he oversaw research and promotion programs for beef, pork, lamb and soybeans; livestock and grain market reporting; domestic and foreign seed trade activities; and quality management programs to market seed and meat products domestically and internationally. He also was directly involved in the development and implementation of a new research and promotion program for sorghum. Before his service with the Agricultural Marketing Service, Mr. Jones served more than 16 years in various management positions with the USDA Farm Service Agency and the former Agricultural Stabilization and Conservation Service.

Mr. Jones received his Bachelor of Science from Virginia Tech in Blacksburg, Virginia. He is a native of Grayson County in southwest Virginia, where he grew up on a beef cattle and dairy farm.

**Marianne Plaus**  
**Director, Management and Budget Services**  
202-690-3460, Marianne.Plaus@usda.gov

Since August 2009, Ms. Marianne Plaus has served as the Management and Budget Services (MBS) Division Director of the Grain Inspection, Packers and Stockyards Administration (GIPSA). Marianne provides leadership in planning and directing a wide range of budgetary and administrative functions for the Agency. These include the Agency's budget execution and formulation activities, strategic planning and performance measurement oversight, management and internal control program, employee development and training, safety and health, continuity of operations, regulatory and issuance management, and Freedom of Information Act and Privacy Act.

Marianne began her career with USDA in July 1988 with the Federal Grain Inspection Service (FGIS), Standards and Procedures Branch as an Agricultural Marketing Specialist.
In 1994, Marianne joined the Office of the Deputy Administrator for FGIS. As the Special Assistant, she served as the senior policy advisor to the Deputy Administrator of FGIS and managed a diverse array of Administration, Departmental, and Agency initiatives, such as those related to biotechnology, strategic and workforce planning, and customer service. In 2002, Marianne advanced into the position of Chief of GIPSA’s Market and Program Analysis Staff. During this time, Marianne assisted the Agency by also serving as the Acting Deputy Director of the Field Management Division and the Chief of the Data and Information Analysis Staff for prolonged periods.

Marianne is from upstate New York and earned a Bachelor of Science Degree in Agronomy at Cornell University and a Master of Science Degree in Agronomy at the University of California, Davis.

Kevin N. Smith
Director, Civil Rights Staff
202-690-3640, Kevin.N.Smith2@usda.gov

Kevin Smith currently serves as GIPSA’s Director, Civil Rights Staff, a position he assumed in January 2012. In this role, he is responsible for administering the civil rights program, providing direction and leadership in the development and implementation of civil rights policies, and procedures while managing equal employment opportunity issues, and ensuring civil rights compliance. He provides vision and ensures adherence to civil rights concepts, principles, services and employment for all employees, applicants, clients and new hires.

Kevin joined GIPSA/Civil Rights Staff in 2006, as the Deputy Director/Complaints Manager. Prior to his employment with USDA, he served as a Senior EEO Specialist/Team Lead for the Office of the Administrative Assistant to the Secretary of the Army, Directorate of Equal Employment Opportunity, at the Pentagon. Kevin started his career in the EEO field as an EEO intern before eventually serving as a Senior EEO Specialist at the 18th Airborne Corp at Fort Bragg, NC. Prior to his employment at Fort Bragg, Kevin served as an Industrial Engineering Technician and Aircraft Electronics Worker at the Naval Aviation Depot in Jacksonville Florida.

Kevin is a graduate of the Federal Executive Institute. He grew up in Jacksonville, FL, currently lives in Oxon Hill, MD, and has two sons, Joshua and Tyler.
Daniel Knight
Information Technology Business Director & Chief Information Officer
202-720-0265, Daniel.Knight@usda.gov

Daniel Knight was selected as the Grain Inspection, Packers and Stockyards Administration (GIPSA) Information Technology (IT) Business Director in May 2012. His daily responsibilities include overseeing the IT Staff to support agency mission critical systems. His division consists of Cyber Security, Application Development and Network, Telecom, Sever and Client Services, IT Asset Management, and Capital Planning and Investment Controls. He directly advises the Administrator on all IT initiatives and communicates the vision to all employees and stakeholders. Dan chairs the GIPSA Change Control Board and Executive Information Technology Investment Review Board (EITIRB). He is an active member on several USDA committees and working groups and in these roles, he establishes and supports Inter-Agency Agreements with all USDA agencies and other federal agencies. He implements and supports all major government IT initiatives; this includes Enterprise Architecture, Shared Services, Data Center Consolidation, HSPD-12 and other Cyber Security activities. Through streamlining efforts and implementing shared services, Dan has been able to provide a higher level of support for GIPSA staff and a cost avoidance on IT Services of an estimated $1.2 Million. This cost avoidance turned into a re-investment on GIPSA’s future IT services.

Before joining GIPSA, Dan started his career at USDA in 1993 after serving an enlistment from 1987 to 1992 in the U.S. Navy. He has serviced four USDA sub-agencies: Farm Service Agency (FSA), Animal and Plant Health Inspection Service (APHIS), Food Safety and Inspection Service (FSIS) and the Office of the Chief Information Officer (OCIO). He has a Bachelor of Science in Criminology from the University of Maryland University College.

Dan brings with him over 28 years of Federal experience managing and overseeing numerous large scale information technology initiatives at GIPSA, within several other USDA agencies, and the Navy.

Biographies of political staff in key leadership positions

Larry Mitchell
Administrator, Grain Inspection, Packers and Stockyards Administration
202-720-0219, Larry.Mitchell@usda.gov

Larry Mitchell was appointed Administrator of the United States Department of Agriculture (USDA), Grain Inspection, Packers and Stockyards Administration (GIPSA) on June 3, 2012. He is responsible for a variety of programs that facilitate the marketing of livestock, poultry, meat, cereals, oilseeds, and related agricultural products, and to promote fair and competitive trading practices for the overall benefit of consumers and American agriculture. GIPSA’s programs directly and significantly impact two key sectors of American agriculture.
Before joining GIPSA, Mr. Mitchell served as the Associate Director of the Office of Advocacy and Outreach at USDA and previously served as Deputy Administrator for Farm Programs of the Farm Service Agency (FSA) of USDA and Deputy Vice President at Commodity Credit Corporation in the 1990s.

In the interim, Mr. Mitchell served in the private and nonprofit sectors as President of K Street Research, Inc. and as Chief Executive Officer of the American Corn Growers Association. Prior to serving at USDA in the 1990s, Mitchell held the position of Vice President of Government Relations for the National Farmers Union in Washington, D.C., Director of Federal and State Relation for the American Agriculture Movement, Editor of the AAM Reporter and as an independent consultant and writer on American farm issues. Before coming to Washington in 1989, Mr. Mitchell was a grain and cotton farmer in Texas. Mr. Mitchell earned a Bachelor’s degree from Tarleton State University in Plant and Soil Science.

Susan Keith
Deputy Administrator, Packers and Stockyards Program
202-720-7051, Susan.B.Keith@usda.gov

Susan Keith was appointed Deputy Administrator, Packers and Stockyards Program, Grain Inspection, Packers and Stockyards Administration (GIPSA) of the United States Department of Agriculture (USDA) on March 24, 2013. Ms. Keith is responsible for programs that ensure fair and competitive marketing for the livestock, meat, and poultry industries for the benefit of American Agriculture. Programs under the direction of the Deputy Administrator include fostering fair and open competition, and guarding against deceptive and fraudulent practices affecting the movement and price of meat animals and their products. The Packers and Stockyards Program also protects consumers and members of the livestock, meat, and poultry industries from unfair business practices, which can unduly affect meat and poultry distribution and prices.

Before joining GIPSA, Ms. Keith served as Senior Counselor to the General Counsel of the USDA Office of the General Counsel. Prior to her tenure at the Department of Agriculture, Ms. Keith served as General Counsel for the U.S. Senate Committee on Agriculture, Nutrition, and Forestry. During the 1990’s, Ms. Keith worked for the National Corn Growers on legislative and policy matters. She began her Federal career as a Legislative Assistant to Congressman Dave Nagle. Prior to coming to the Washington, D.C. area, she practiced law in Waterloo, Iowa. Ms. Keith earned a Juris Doctorate from the University of Iowa and a Bachelor of Arts degree from Coe College.
Organizational Budget and Financial Management

<table>
<thead>
<tr>
<th>Grain Inspection, Packers and Stockyards Administration</th>
<th>Budget Authority FY 2009-2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Dollars in Thousands)</td>
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<tbody>
<tr>
<td><strong>Discretionary:</strong></td>
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<td></td>
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</tr>
<tr>
<td>Grain Regulatory</td>
<td>17,930</td>
<td>18,272</td>
<td>17,930</td>
<td>16,480</td>
<td>16,473</td>
<td>17,913</td>
<td>20,001</td>
<td>20,005</td>
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</tr>
<tr>
<td><strong>Discretionary Sub-total</strong></td>
<td>$40,342</td>
<td>$41,964</td>
<td>$40,261</td>
<td>$37,750</td>
<td>$37,272</td>
<td>$40,261</td>
<td>$43,048</td>
<td>$43,057</td>
<td></td>
</tr>
<tr>
<td><strong>Mandatory User Fees:</strong></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inspection and Weighing Services, Net</td>
<td>42,463</td>
<td>42,463</td>
<td>47,500</td>
<td>46,094</td>
<td>50,824</td>
<td>49,171</td>
<td>49,912</td>
<td>54,936</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$82,805</strong></td>
<td><strong>$84,427</strong></td>
<td><strong>$87,761</strong></td>
<td><strong>$83,844</strong></td>
<td><strong>$88,096</strong></td>
<td><strong>$89,432</strong></td>
<td><strong>$92,960</strong></td>
<td><strong>$97,993</strong></td>
<td></td>
</tr>
</tbody>
</table>

* Congress reduced GIPSA's FY 2012 appropriation by $2,592,000 from FY 2011 levels, but did not articulate a rationale for the reduction.
Enterprise Workforce Data

Permanent Workforce FY 2009-FY 2016

Staff Years

Washington, DC (HQ) Field Offices Total Staff

GS Level Distribution

GS 1-GS 4, 0% ES/SES, 1%
GS 5 -GS 7, 26%
GS 8- GS 12, 54%
GS 13- GS 15, 20%
• GIPSA employs a workforce of 737 employees of which the following are full-time and intermittent:
  o Full-time: 643 employees
• Intermittent: 94 employees in support of FGIS.
• Of our total workforce, 27.2% are eligible to retire within the next year.
• Our headquarters is located in Washington, D.C., which houses 10% of our workforce.
• GIPSA’s grain-related field activities are located in 7 field offices (Grand Forks, North Dakota; Kansas City, Missouri; League City, Texas; New Orleans, Louisiana; Portland, Oregon; Stuttgart, Arkansas; and Toledo, Ohio), 1 Federal/State office in Olympia, Washington, and 3 sub offices. While not all work is conducted by federal employees, grain-related field activities offers official inspection and weighing services in all areas of the United States and services for U.S. grain exported through Canadian ports. These activities are conducted by either federal employees or individual contractors, or through cooperative agreements with official agencies, such as a State agency.
• PSP field activities are located in 3 regional offices (Atlanta, Georgia; Aurora, Colorado; and Des Moines, Iowa) with 43 resident agents, 5 resident auditors, 2 market inspectors, and 6 resident agent supervisors.
• Of GIPSA’s 643 permanent employees, 56% are in unions and 44% are non-union.
• GIPSA’s staffing in Mission Critical Occupations (MCOs) is shown in the table below:

<table>
<thead>
<tr>
<th>Job Series</th>
<th>Number of Permanent Employees</th>
<th>Percent Representation among MCOs (out of 384)</th>
<th>Percent MCOs within Permanent Workforce (out of 643)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economist GS-0110</td>
<td>9</td>
<td>2.34%</td>
<td>1.40%</td>
</tr>
<tr>
<td>Auditor GS-0511</td>
<td>24</td>
<td>6.25%</td>
<td>3.73%</td>
</tr>
<tr>
<td>Agricultural Marketing Specialist GS-1146</td>
<td>94</td>
<td>24.48%</td>
<td>14.62%</td>
</tr>
<tr>
<td>Agricultural Commodity Grader GS-1980</td>
<td>237</td>
<td>61.72%</td>
<td>36.86%</td>
</tr>
<tr>
<td>Information Technology GS-2210</td>
<td>20</td>
<td>5.21%</td>
<td>3.11%</td>
</tr>
<tr>
<td><strong>Total Permanent MCO Workforce:</strong></td>
<td><strong>384</strong></td>
<td><strong>100%</strong></td>
<td><strong>59.72%</strong></td>
</tr>
</tbody>
</table>
II. Policies and Regulations

Statutory Authorities

The Grain Inspection, Packers and Stockyards Administration (GIPSA) was established October 20, 1994, under the authority of the Agriculture Reorganization Act of 1994 (P.L. 103-354), to administer the programs and functions of the former Federal Grain Inspection Service (FGIS) and the Packers and Stockyards Administration.

PSP activities are authorized by the Packers and Stockyards Act of 1921 (P&S Act), as amended, and Section 1324 of the Food Security Act of 1985. GIPSA’s PSP is responsible for administering the P&S Act, which prohibits unfair, deceptive, and fraudulent practices by market agencies, dealers, packers, swine contractors, and live poultry dealers in the livestock, poultry, and meatpacking industries.

Inspection and Weighing Services are authorized under both the USGSA and the AMA. The USGSA requires the mandatory inspection and weighing of grain at export ports by GIPSA or delegated State agency personnel, and the permissive inspection and weighing of grain at domestic locations by designated State and private agency personnel. The USGSA also requires GIPSA to supervise all official inspection and weighing activities. On a request basis, GIPSA performs inspection of rice and related commodities under the AMA. Both statutes require GIPSA to collect user fees to fund the costs of operations including the supervision and administration of Federal grain inspection and weighing activities.

Important Policies and Regulations

Scope, Unfair Practices, Undue Preference and Advantage, Tournament Systems and Poultry Growing Arrangements

On May 18, 2016, the Executive Branch published the 2016 Spring Agenda. The Unified Agenda and Regulatory Plan reports data on regulatory and deregulatory actions under development throughout the Federal Government. The Agenda includes work plans for three Packers and Stockyards regulations – scope and unfair practices, final rule stage; tournament systems and poultry growing arrangements, proposed rule stage; and undue preference and advantage, proposed rule stage.

Since passage of the FY 2012 appropriations act, and subsequent appropriations acts, USDA has been precluded from working on certain proposed regulatory provisions related to the Packers and Stockyards Act (Act). The Consolidated Appropriations Act, 2016 does not include the prohibition. USDA must determine how to respond to the opportunity to revisit the regulations that were proposed in June 2010.
GIPSA predominantly releases notices and updates to existing regulations, which are not normally deemed significant/ economically significant by the Office of Information and Regulatory Affairs (OIRA).

Overview of the policy/regulation review process

GIPSA must effectively respond to the dynamic business environments in which the grain and livestock industries operate. Like many segments of American agriculture, these industries are experiencing rapid changes such as mergers, acquisitions, vertical integration, and increased automation. These changes shape how GIPSA operates and provides services. Working with our partners, stakeholders, and customers, GIPSA will monitor external factors that affect the market and aggressively pursue regulatory and policy updates that respond to current and emerging trends and practices.

To establish policy, GIPSA operates in strict compliance with the Administrative Procedures Act (5 USC §551 et seq.). GIPSA uses an inclusive approach to policy making when issues are identified by stakeholders and places a priority on stakeholder engagement. GIPSA interacts directly with industry on issues of mutual interest and concern, and with delegations from other countries, both governmental and market participants, to carry out the agency’s mission. P&SP must address stakeholder and congressional concerns with the goals of strengthening relationships, enhancing understanding of our mission, and building support for the work we do. GIPSA also works closely with the Grain Inspection Advisory Committee, authorized und the U.S. Grain Standards Act and administered under the rules of Federal Advisory Committee Act (FACA), which provides advice to GIPSA on the implementation of the USGSA and AMA by the agency. Through these stakeholder engagements, GIPSA is able to identify and prioritize policies and regulations.

FGIS Designation as an Official Agency

Any person, State, or local government may apply for designation as an official agency to perform official inspection and/or weighing services. Section 79(f)(1)(A) of the U.S. Grain Standards Act (USGSA) lists the conditions and criteria for designation, and Section 79(f)(1)(B) says that an applicant must be better able to provide service than any other applicant for designation. Applications for designation should be filed with GIPSA, according to the Federal Register notice which requests applicants for designation to perform official services. GIPSA evaluates each applicant for designation to determine whether the applicant meets the conditions and criteria contained in Sections 79(f)(1)(A) and (B) of the USGSA, and Section 800.199 of the regulations. Some factors GIPSA considers in determining which applicant is better able to provide service are past performance, quality and timeliness of service, commitment to excellence and customer service, cooperation with GIPSA, willingness and ability to purchase and use new technology, stability and adequacy of resources, the cost of official services, comments received, and the accuracy and detail of applications.
Regulated Entities Under the Packers and Stockyards Act

Those engaged in the business of marketing livestock, meat, and poultry in commerce are subject to the P&S Act. These include stockyards, commission firms, and livestock auctions. They include order buyers and livestock dealers. They include meat packers, meat brokers, meat wholesalers and distributors. They also include swine contractors and live poultry dealers. Farmers and ranchers are not subject to the P&S Act when they buy livestock for their own feeding purposes, or when they market their own livestock.

A business may be classified as a market agency, if it buys or sells livestock on a commission basis, or furnishes stockyard services; dealer, if it buys and sells livestock either on its own account or as the employee or agent of the vendor or purchaser; packer, if it buys livestock for slaughter, manufactures or prepares meats or meat food products for sale or shipment, or markets meats, meat food products, or livestock products in an unmanufactured form acting as a wholesale broker, dealer, or distributor; live poultry dealer, if it purchases live poultry, obtains live poultry under a poultry growing arrangement for slaughter or sells it for slaughter by another; swine contractor, if it obtains swine under a swine production contract for slaughter or sells it for slaughter by another.

Market agencies and dealers must register with GIPSA's Packers and Stockyards Program (P&SP) and obtain sufficient bond coverage before operating. Packers that purchase over $500,000 of livestock a year must have a sufficient bond in place to operate. "Bond" refers to either a surety bond or its financial equivalent.

GAO and OIG Audits

GIPSA does not have any significant reports from the last four years issued by external groups.

III. Congressional Relations and Issues

Overview

- Farmer Fair Practices Rules
  - Several Members and both the authorizing and appropriating committees of Congress have been very interested in the Farmer Fair Practices Rules. A few members are supportive of protecting livestock producers and poultry growers, but the thrust of the interest has been those members interested in continuing to block regulations.
  - Secretary Vilsack was questioned about the rules at his hearing in September before the Senate Agriculture, Nutrition and Forestry Committee. The Chairman and two other committee member submitted questions for the record regarding the rulemaking.
  - Chairman Conaway of the House Agriculture Committee wrote to Secretary Vilsack on October 20, 2016, regarding the rules.
• Elimination of the budget obligation limitation on Inspection and Weighing Fees Collected under the United States Grain Standards Act.

IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

GIPSA collaborates with other Federal agencies on various methods development initiatives as well as laboratory and service delivery processes. GIPSA collaborates with the Agricultural Research Service for direct research, and as a means to facilitate cooperative agreements with universities.

GIPSA works closely with the Foreign Agricultural Service to promote trade through support of Cochran program fellows at export locations and at GIPSA’s National Grain Center. GIPSA also works with the Office of Chief Scientist. Since 2009, FGIS has provided sampling and testing services for Corn Soy Blend and Corn Soy Blend Plus, and testing services only for the specialized food: Super Cereal Plus (2014). These commodities are purchased by the Farm Service Agency (FSA) as part of the U.S. Agency for International Development’s (USAID) international food aid assistance programs.

The Grain Inspection, Packers and Stockyards Administration (GIPSA; the customer) has a long standing agreement with the Animal and Plant Health Inspection Service’s (APHIS) Marketing and Regulatory Programs Business Services (MRPBS; the shared service provider) under which APHIS/MRPBS provides certain administrative, financial, and personnel services. This arrangement has been in place since the 1990s as part of the Marketing and Regulatory Programs Management Consolidation Plan.

Under the agreement, APHIS/MRPBS provides GIPSA with the following:

• Acquisition and Asset Management Services - procurement; real and property management; fleet management; and printing, distribution, mail, and copier services.
• Civil rights legal representation services.
• Financial Management Services – financial policies and programs; accounting and payment services; debt management; and billings and collections.
• Human Resources Services – background investigations; LincPass; employee relations; reasonable accommodations; employment classification, recruitment, and hiring; leave and compensation; and retirement and insurance benefits.
• GIPSA collaborates with APHIS by providing laboratory and scientific expertise to support investigations into inadvertent releases of genetically events. GIPSA also performs phytosanitary inspections on behalf of APHIS at export locations.

The USDA Food Safety and Inspection Service (FSIS) has provided technical expertise for GIPSA labor relations through a shared services agreement since 2015.
GIPSA maintains a memorandum of understanding (MOU) with the Food and Drug Administration (FDA) to report actionable levels of deleterious substances in grain and commodity shipments. Under this MOU, GIPSA also performs sanitation inspections on behalf of FDA while performing inspections at commodity plants.

In 2016, GIPSA signed an MOU with the Canadian Grain Commission to promote more cooperation between the two regulatory agencies, including sharing labor services for U.S. grain transshipped through Canada.

GIPSA’s P&SP collaborates with the National Agricultural Statistics Service and with the Agricultural Marketing Service. The P&SP works with both of these USDA agencies to share information regarding livestock markets. P&SP also works closely with USDA Office of the General Counsel on civil enforcement activities and with the Office of Inspector General on criminal enforcement activities. In addition, P&SP shares some statutory authority regarding competition with the Department of Justice and the Federal Trade Commission.

**Stakeholder group overview**

**Packers and Stockyards Program**

**American Farm Bureau Federation (AFBF)**
Website: [http://www.fb.org/](http://www.fb.org/)
Description: AFBF is the unified national voice of agriculture, working through grassroots organizations to enhance and strengthen the lives of rural Americans and to build strong, prosperous agricultural communities.
Engagement: GIPSA representatives typically meet with AFBF one or two times a year.

**Campaign for Contract Agriculture Reform (CCAR)**
Description: CCAR is a national alliance of organizations working to provide a voice for farmers and ranchers involved in contract agriculture, as well as the communities in which they live. The goal of the campaign is to assure that the processor-producer relationship serves as a fair partnership rather than a dictatorship.
Key Issues: competitive markets, fair treatment for livestock producers and poultry growers.
Engagement: GIPSA representatives typically meet with CCAR two or three times a year.

**Farm Aid**
Website: [https://www.farmaid.org/](https://www.farmaid.org/)
Description: Farm Aid works with local, regional and national organizations to promote fair farm policies and grassroots organizing campaigns designed to defend and bolster family farm-centered agriculture.
Key Issues: competitive markets, fair treatment for livestock producers and poultry growers.
Engagement: GIPSA representatives typically meet with Farm Aid two or three times a year.
Food and Water Watch
Website: https://www.foodandwaterwatch.org/
Description: Food & Water Watch champions healthy food and clean water for all.
Key Issues: competitive markets, fair treatment for livestock producers and poultry growers.
Engagement: GIPSA representatives typically meet with Food and Water Watch two or three times a year.

Livestock Marketing Association (LMA)
Website: http://lmaweb.com/
Description: LMA describes itself as the leading advocate for the livestock marketing industry, serving as the voice for local livestock auction markets on state and federal legislative and regulatory issues.
Key Issues: implementation of the laws and regulations that affect market agencies.
Engagement: GIPSA representatives meet frequently with LMA.

National Cattlemen’s Beef Association (NCBA)
Website: http://www.beefusa.org/
Description: NCBA is the marketing organization and trade association for U.S. cattle farmers and ranchers.
Key Issues: regulations affecting meat packers and possible interaction with livestock marketing arrangements.
Engagement: GIPSA representatives meet with NCBA frequently.

National Chicken Council (NCC)
Website: http://www.nationalchickencouncil.org/
Description: NCC is the national, non-profit trade association whose primary purpose is to advocate for the broiler industry.
Key Issues: regulations affecting live poultry dealers.
Engagement: GIPSA representatives typically meet with NCC one or two times a year.

National Family Farm Coalition (NFFC)
Website: http://nffc.net/
Description: NFFC represents family farm and rural groups whose members face the challenge of the deepening economic recession in rural communities.
Key Issues: competitive markets, fair treatment for livestock producers and poultry growers.
Engagement: GIPSA representatives typically meet with NFFC two or three times a year.

National Farmers Union (NFU)
Website: https://nfu.org/
Description: NFU represents family farmers, fishers, and ranchers across the country, with formally organized divisions in 33 states. NFU utilizes a grassroots structure to develop policy positions.
Key Issues: competitive markets, fair treatment for livestock producers and poultry growers.
Engagement: GIPSA representatives typically meet with NFU two or three times a year.
National Pork Producers Council (NPPC)
Website: http://nppc.org/
Description: NPPC, representing 43 affiliated state associations, works to ensure that the U.S. pork industry remains a consistent and responsible supplier of high-quality pork to domestic and international markets.
Key Issues: regulations affecting meat packers and possible interaction with livestock marketing arrangements.
Engagement: GIPSA representatives meet with NPPC frequently.

National Sustainable Agriculture Coalition (NSAC)
Website: http://sustainableagriculture.net/
Description: NSAC is an alliance of grassroots organizations that advocates for federal policy reform to advance the sustainability of agriculture, food systems, natural resources, and rural communities.
Key Issues: competitive markets, fair treatment for livestock producers and poultry growers.
Engagement: GIPSA representatives typically meet with NSAC two or three times a year.

National Turkey Federation (NTF)
Website: http://www.eatturkey.com/
Description: NTF serves as the national advocate for the turkey farmer and processors-representing their point of view to Congress and federal agencies.
Key Issues: regulations affecting live poultry dealers.
Engagement: GIPSA representatives typically meet with NTF one or two times a year.

North American Meat Institute (NAMI)
Website: https://www.meatinstitute.org/
Description: NAMI is a national trade association that represents companies that process 95 percent of meat and 70 percent of turkey products in the United States.
Key Issues: regulations affecting packers.
Engagement: GIPSA representatives typically meet with NAMI one or two times a year.

Organization for Competitive Markets (OCM)
Website: http://competitivemarkets.com/
Description: OCM is a national, non-profit public policy research organization dedicated to returning the food and agricultural sector to supply-demand based competition.
Key Issues: competitive markets, fair treatment for livestock producers and poultry growers.
Engagement: GIPSA representatives typically meet with OCM one or two times a year.

Ranchers-Cattlemen Action Legal Fund, United Stockgrowers of America (R-CALF USA)
Website: http://www.r-calfusa.com/
Description: NPPC, representing 43 affiliated state associations, works to ensure that the U.S. pork industry remains a consistent and responsible supplier of high-quality pork to domestic and international markets.
Key Issues: regulations affecting meat packers and possible interaction with livestock marketing arrangements.
Engagement: GIPSA representatives meet with R-CALF one or two times a year.

**Rural Advancement Foundation International – USA (RAFI)**
Website: Website: [http://rafiusa.org/](http://rafiusa.org/)
Description: RAFI’s mission is to cultivate markets, policies, and communities that sustain thriving, socially just, and environmentally sound family farms.
Key Issues: competitive markets, fair treatment for livestock producers and poultry growers.
Engagement: GIPSA representatives typically meet with RAFI two or three times a year.

**Federal Grain Inspection Service**
**American Association of Grain Inspection and Weighing Agencies (AAGIWA)**
Website: [http://www.aagiwa.org/](http://www.aagiwa.org/)
Type: Trade Association
Membership: 34 official agency members and 14 associate members
Description: AAGIWA is the national association that represents the interests of State and private agencies who carry out official inspection and weighing services under the USGSA through designations and delegations.
Key Issues: Grain standards, instructions, regulations, training.
Engagement: AAGIWA invites GIPSA representatives to its annual meeting and to call in to periodical conference calls to discuss issues. GIPSA seeks input from AAGIWA when revising or implementing policy.

**Canadian Grain Commission (CGC)**
Website: [https://www.grainscanada.gc.ca/index-eng.htm](https://www.grainscanada.gc.ca/index-eng.htm)
Type: Foreign Government
Description: The CGC is a Canadian government entity that works in the interest of grain producers in Canada. CGC establishes grain quality standards, and regulate grain handling.
Key Issues: Grain Quality, grain weighing, storage, handling, delivery, research.
Engagement: In 2016, GIPSA signed an MOU with the Canadian Grain Commission to promote more cooperation between the two regulatory agencies, including sharing labor services for U.S. grain transshipped through Canada. GIPSA tries to meet in person with the CGC once a year.

**North American Export Grain Association (NAEGA)**
Website: [http://naega.org/](http://naega.org/)
Type: Trade Association
Membership: 26 members
Description: NAEGA is a not for profit trade association consisting of private and publicly owned companies and farmer-owned cooperatives involved in and providing services to the bulk grain and oilseed exporting industry.
Key Issues: Trade, export laws, GIPSA regulations, privatization of inspection, biotechnology.
Engagement: GIPSA keeps regular contact with NAEGA representatives concerning potential changes to policy that impact member organizations.
United States Department of Agriculture  
2016 Presidential Transition  
Grain Inspection, Packers, and Stockyards Administration (GIPSA)

National Grain and Feed Association (NGFA)  
Website: https://www.ngfa.org/  
Type: Trade Association  
Membership: 1,126 organizations  
Description: NGFA is a non-profit trade association that represents and provides services for grain, feed and related commercial businesses. Its activities focus on enhancing the growth and economic performance of U.S. agriculture.  
Key Issues: Trade, transportation, biotechnology, safety, GIPSA regulations  
Engagement: GIPSA keeps regular contact with NGFAA representatives concerning potential changes to policy that impact member organizations.

U.S. Dry Pea and Lentil Council  
Website: http://www.pea-lentil.com/  
Type: Trade Association  
Membership: 6 organizations  
Description: The USA Dry Pea & Lentil Council (USADPLC) is a non-profit organization that promote and protect the interests of growers, processors, warehousemen and sellers of dry peas, lentils and chickpeas in the United States.  
Key Issues: Marketing, research, education.  
Engagement: U.S. Dry Pea and Lentil Council meets with FGIS once a year and other various USDA agencies.

USA Rice Federation  
Website: https://www.usarice.com/  
Type: Trade Association  
Description: The USA Rice Federation is the global advocate for all segments of the U.S. rice industry with a mission to promote and protect the interests of producers, millers, merchants and allied businesses.  
Key Issues: Trade, regulations, conservation  
Engagement: FGIS attends their annual meeting in New Orleans.

U.S. Rice Producers Association  
Website: http://www.usriceproducers.com/  
Type: Trade Association  
Description: Represents all rice producers to enhance rice markets domestically and internationally.  
Key Issues: Research, rice education, quality.  
Engagement: FGIS meets with the U.S. Rice Producers on a yearly basis. Currently conducting a Rice mill study due to some of their concerns.

U.S. Grains Council (USGC)  
Website: http://www.grains.org/  
Type: Trade Association  
Description: U.S. Grains Council is an organization that focuses on developing the U.S. grain markets and improving trade for U.S. grain around the world.  
Key Issues: Grain Quality, trade.
Engagement: GIPSA assists the U.S. Grains Council (USGC) in conducting the annual export corn quality survey. The survey results are provided to USGC so they can advise importers worldwide on what is available for sale, the cost, and the advantages of U.S. corn. Assisted USGC in conducting sorghum quality survey. The survey results assist USGC in analyzing sorghum crop quality data and working with trading partners if any crop quality issues arise.

U.S. Wheat Associates
Website: http://www.uswheat.org/
Type: Trade Association
Description: U.S. Wheat Associates is an organization that focuses on developing the U.S. wheat market around the world.
Key Issues: Wheat quality, international trade.
Engagement: GIPSA conducts a Wheat Export Cargo Survey and a Weed Seed Survey with the U.S. Wheat Associates. The survey results help U.S. Wheat Associates advise importers worldwide on what wheat is available for sale, the cost, and the advantages that U.S. wheat has over the competition.

NGFA-NAEGA Industry Workshop
- Twice a year; one meeting with Gulf Exporters and one meeting with the Pacific Northwest Exporters.
- Discuss regional concerns and issues.

American Association of Grain Inspection & Weighing Agencies (AAGIWA) Board Meetings & Annual Meeting
- FGIS is often invited to participate in AAGIWA Board meetings and Annual Meeting.
- Discuss current issues.

Grain Inspection Advisory Committee
Type: Federal Advisory Committee Act (FACA)
Membership: The committee is comprised of 15 members
How are members chosen: GIPSA typically solicits new members each year through a Federal Register notice. The Secretary of Agriculture selects and appoints new members.
Schedule for selection: Members serve 3-year terms on the Committee. Ten members’ terms’ will expire in April 2017.
Statutory and Regulatory Basis: The USDA Grain Inspection Advisory Committee is authorized under Section 21(e) of the United States Grain Standards Act (Act). The Committee convenes twice annually to advise GIPSA on the programs and services the Agency delivers under the Act. Members and alternate members do not require any affiliation, but rather are selected to represent all segments of the grain industry, including grain producers, processors, merchandisers, handlers, exporters, consumers, grain inspection agencies, and scientists.
Meeting Schedule: The Committee convenes twice annually, generally in May/June and November/December. The next meeting is scheduled for October 19-20, 2016, in Portland,
United States Department of Agriculture
2016 Presidential Transition
Grain Inspection, Packers, and Stockyards Administration (GIPSA)

Oregon. The spring meeting, timeframe and place, will be voted on by the members at the October meeting.

**Compensation:** Committee members serve without compensation, but are reimbursed for travel expenses.

**Recent engagements with stakeholder group**

**Grain Inspection Advisory Committee**
The next Grain Inspection Advisory Committee meeting is scheduled for October 19-20, 2016 in Portland, Oregon. The spring meeting, timeframe and place, will be voted on by the members at the October meeting.

Previously, the Grain Inspection Advisory Committee met May 17-18, 2016 at GIPSA’s National Grain Center in Kansas City, Missouri. Information regarding this meeting can be found at [https://www.gipsa.usda.gov/fgis/advisorycommittee.aspx](https://www.gipsa.usda.gov/fgis/advisorycommittee.aspx).

V. **Top Issues**

**Hot Topics**

**Farmer Fair Practices Rules**
Since passage of the Consolidated and Further Continuing Appropriations Act, 2012, USDA had been precluded from working on certain proposed regulatory provisions related to the Packers and Stockyards Act (Act). These proposed regulations included provisions to clarify that it is not necessary to find harm to competition in order to find that a packer, swine contractor, or live poultry dealer has engaged in an unfair, unjustly discriminatory, or deceptive practice or device or has given an undue or unreasonable preference or advantage.

The Consolidated Appropriations Act, 2016 does not include the prohibition. USDA intends to issue an interim final rule to clarify that it is not necessary to establish harm to competition in order to prove that a packer, swine contractor, or live poultry dealer has engaged in an unfair or unjustly discriminatory practice. USDA intends to propose regulations to establish the kinds of conduct or action that would be considered unfair under the Act without a showing of harm to competition. USDA also intends to propose a regulation to establish criteria for live poultry dealers who use a poultry grower ranking system to determine the amount of compensation poultry growers receive.

**Other Packers and Stockyards Program Regulations**
Congress recently passed legislation to clarify that online or video livestock auctions that handle the proceeds of the sale are subject to the Packers and Stockyards Act and to authorize electronic payments by packers, livestock market agencies, and livestock dealers. GIPSA will review current regulations to determine what changes are
necessary to make the regulations consistent with the amendments to the Packers and Stockyards Act.

GIPSA has also identified regulations that are out of date and should either be updated or eliminated. These regulatory changes are less critical than the Farmer Fair Practices rules and the regulatory changes that are necessary to address the statutory changes.

**Reevaluating the Budget Obligation Limitation on Inspection and Weighing Fees Collected Under the United States Grain Standards Act**

Currently, the annual appropriations act includes a budget obligation limitation on fees collected from inspection and weighing services which allows the Grain Inspection, Packers and Stockyards Administration (GIPSA) to operate its Federal Grain Inspection Service’s official inspection and weighing program. This program provides both mandatory and voluntary services, including a variety of inspection, weighing, and related services on grains, pulses, oilseeds, and processed and graded commodities. These services extend to both domestic and international markets, with services being mandatory for exports. These mandatory services include official weighing of the majority of grain exported from the United States and of intercompany barge grain received at export port locations; official inspection of the majority of grain exported from the United States; and testing of all corn exported from the United States for aflatoxin prior to shipment, unless the contract stipulates testing is not required.

In FY 2014, GIPSA experienced a dramatic increased demand for export inspection services in direct response to an increase of more than 35 percent in grain exports. In FY 2015 grain exports were higher than the record in FY 2014 and are anticipated to continue to increase through FY 2017. Demand for inspection services will increase with a continued increase in export volumes because of the statutory requirement to inspect and weigh export grain. To meet the increased demand for services, grain exporters and handlers are opening new export facilities that require around the clock service by GIPSA, thus increasing GIPSA’s costs. Additionally, GIPSA’s cost for installing inspection laboratories at these new facilities is approximately $200,000 each. In order to support mandatory official inspection and official weighing services along with the voluntary domestic services, and continue to meet the demand of the domestic and foreign grain and related commodity markets, the limitation on official inspection and official weighing services expenses that is currently in place needs to be eliminated.

GIPSA has executed various cost containment initiatives to limit obligations while meeting increased demand for services. GIPSA has limited supply and equipment purchases and changed hiring practices to optimize cost-efficient use of intermittent, part-time, and full-time employees to minimize overtime. Beginning in calendar year 2017, GIPSA will annually adjust its export inspection fees based on a rolling 5-year average of the volume of grain exports so that it maintains an operating reserve of between three to six months, ensuring a direct link between the user fees and the volume of grain exports.
United States Department of Agriculture  
2016 Presidential Transition  
Grain Inspection, Packers, and Stockyards Administration (GIPSA)

Timeline

Packers and Stockyards Program  
Assuming that the Farmer Fair Practices Rules are published in the Federal Register in November or December 2016, with a 60-day comment period, the new administration will have to first determine whether to extend the comment period. I would anticipate that decision before mid-February, 2017. Once the comment period closes, the program will have to review comments and decide how to proceed on the proposed rules.

The President recently signed P.L. 114-237, which amended the Packers and Stockyards Act to define market agency to include livestock sales conducted online through video or other electronic methods and to allow packers, market agencies, and dealers to pay for livestock by wire, electronic fund transfer, or any other method determined appropriate. The new administration will need to review existing regulations and decide how to proceed with rules to implement the amendments to the Packers and Stockyards Act.

Federal Grain Inspection Service  
No key decisions or program actions are anticipated in the first six months of the new administration, through June 30, 2017.
Appendix A: Acronyms

This list of acronyms includes not only those used in this document, but also acronyms frequently used in GIPSA documents.

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Meaning</th>
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<tbody>
<tr>
<td>AMA</td>
<td>Agricultural Marketing Act of 1946</td>
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<tr>
<td>CRS</td>
<td>Civil Rights Staff</td>
</tr>
<tr>
<td>DIIA</td>
<td>Department Initiatives and International Affairs</td>
</tr>
<tr>
<td>ERO</td>
<td>Eastern Regional Office</td>
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<tr>
<td>FGIS</td>
<td>Federal Grain Inspection Service</td>
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<tr>
<td>FMD</td>
<td>Field Management Division</td>
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<tr>
<td>GAO</td>
<td>Government Accountability Office</td>
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<tr>
<td>GIPSA</td>
<td>Grain Inspection, Packers and Stockyards Administration</td>
</tr>
<tr>
<td>GRP</td>
<td>Grain Regulatory Program</td>
</tr>
<tr>
<td>ITS</td>
<td>Information Technology Staff</td>
</tr>
<tr>
<td>MBS</td>
<td>Management and Budget Services</td>
</tr>
<tr>
<td>MRO</td>
<td>Midwestern Regional Office</td>
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<tr>
<td>OIG</td>
<td>Office of the Inspector General</td>
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<tr>
<td>P&amp;S Act</td>
<td>Packers and Stockyards Act</td>
</tr>
<tr>
<td>P&amp;SP</td>
<td>Packers and Stockyards Program</td>
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<tr>
<td>QACD</td>
<td>Quality Assurance and Compliance Division</td>
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<tr>
<td>TSD</td>
<td>Technology and Science Division</td>
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<tr>
<td>USDA</td>
<td>U.S. Department of Agriculture</td>
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<tr>
<td>USGSA</td>
<td>United States Grain Standards Act</td>
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<tr>
<td>WRO</td>
<td>Western Regional Office</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Tab</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATURAL RESOURCES AND ENVIRONMENT</td>
<td>1</td>
</tr>
<tr>
<td>FOREST SERVICE</td>
<td>2</td>
</tr>
<tr>
<td>NATURAL RESOURCES CONSERVATION SERVICE</td>
<td>3</td>
</tr>
</tbody>
</table>
MISSION AREA BRIEFING MATERIAL

The Mission Area template contains the following sections:

I. **Organizational Overview**

   Mission Area Fact Sheet  
   Organizational Chart  
   Biographies for Career and Political Staff in Key Leadership Positions  
   Overview of Agency Programs and Operations  
   Budget and Staffing Summary

II. **Top Issues/Hot Topics**

   Timeline  
   Mission Area Issues  
   GAO and OIG Audits
AGENCY BRIEFING MATERIAL

Each Agency template contains the following sections:

I. **Organizational Overview**
   - Agency Fact Sheet
   - Agency’s Mission/Strategic Plan
   - Key Mission Delivery Performance Measures
   - Organization’s History
   - Organizational Chart
   - Biographies of Career Staff in Key Leadership Positions
   - Biographies of Political Staff in Key Leadership Positions
   - Organizational Budget and Financial Management
   - Enterprise Workforce Data

II. **Policies and Regulations**
   - Statutory Authorities
   - Important Policies and Regulations
   - Overview of the Policy/Regulation Review Process
   - GAO and OIG Audits

III. **Congressional Relations and Issues**
   - Overview

IV. **Internal and External Stakeholders**
   - Important Relationships with Other Federal Departments or Organizations
   - Stakeholder Group Overview
   - Recent Engagements with Stakeholder Groups

V. **Top Issues**
   - Hot Topics
   - Timeline

**Appendix A: Acronyms**
WHO WE ARE: Natural Resources and Environment (NRE)

The Office of the Under Secretary of Agriculture for Natural Resources and Environment promotes the conservation and sustainable use of natural resources on the Nation’s private working lands, and sustains production of clean air and water, recreational opportunities, wildlife habitat and other goods and services that the public demands of the National Forests and Grasslands. The Under Secretary is responsible for the day-to-day operations of the United States Forest Service (FS) and Natural Resources Conservation Service (NRCS), and serves as the principal advisor to the Secretary of Agriculture on policy to promote the conservation, restoration and sustainable use of the Nation’s natural resources.

WHO WE ARE: OUR WORKFORCE

- FS includes over 28,000 full time employees and NRCS over 10,000.
- 10,000 – 12,000 temporary employees are hired annually by FS (May – Sept.)
- Offices and research stations distributed throughout the 50 states, the Pacific Islands and Caribbean

WHO WE SERVE: OUR CONSTITUENTS

NRE agencies work with state and tribal natural resource managers and working farm, forest and ranchland owners across the country to help them achieve their stewardship goals. FS works with diverse groups who rely upon the nation’s forests and grasslands for recreation, community economic development, clean air and water and wildlife habitat.

KEY UPCOMING DECISIONS

Regional Conservation Partnership Program:
Early 2017 decisions on program focus for the fourth funding round for this partner-driven stewardship program, which will invest over $200 million in 2018.

Fire Suppression Budget and Forest Management Reform:
A number of alternative proposals have been put forward during the 114th Congress to address the chronic problem of budgeting for wildland fire and its attendant impacts to non-fire programs at the Forest Service. Most also include provisions to accelerate the pace and scale of forest restoration. Further push for legislative solutions or implementation will require the immediate attention of the next Administration.

BUDGET HIGHLIGHTS FY 2016

NRCS 2016 budget authority was nearly $4.5 billion, of which roughly 77 percent was mandatory and 23 percent discretionary. NRCS has seen relative consistency in budget authority over the past several years.

FS budget authority in FY 2016 was $6.38 billion ($5.68B – discretionary; $704M in mandatory). 56% of discretionary authority is attributed to Fire. This is up from 16% in 1995.
United States Department of Agriculture
2016 Presidential Transition
Natural Resources and Environment Mission Area (NRE)

I. Organizational Overview

Organizational Chart

USDA Natural Resources and Environment

Under Secretary

Chief of Staff

Deputy Under Secretary (Natural Resources Conservation Service)

Chief of the Natural Resources Conservation Service

Deputy Under Secretary (Forest Service)

Chief of the Forest Service*

Special Assistant

Senior Advisor

Confidential Assistant

In addition, the office of the Under Secretary includes two detailed positions from NRCS and Forest Service who serve as staff assistants to the Deputy Under Secretaries. The office also includes three executive assistants and one administrative support position.

Lastly, the office provides leadership for the Department on behalf of the Secretary in his role as Chair of the Council. The RESTORE Executive Director reports to the Council.

* Denotes non-political career SES position
Biographies for career and political staff in key leadership positions

Robert Bonnie
Under Secretary for Natural Resources and Environment
202-720-7173, Robert.bonnie@osec.usda.gov

Robert Bonnie is Under Secretary for Natural Resources and Environment at the US Department of Agriculture, a post he has held since August, 2013. In that role, he oversees the work of the US Forest Service (FS) and Natural Resources Conservation Service (NRCS). He also works with the Secretary, other USDA agencies, and other federal partners on climate change policy. Bonnie joined USDA in 2009 as a Senior Advisor to Secretary of Agriculture Tom Vilsack for environment and climate change. Prior to that, he was vice president for land conservation for the Environmental Defense Fund. He grew up on a farm in Kentucky and now lives in Virginia.

Ann Mills
Deputy Under Secretary for Natural Resources and Environment (NRCS)
202-720-7173, Ann.mills@osec.usda.gov

As Deputy Under Secretary for Natural Resources and Environment, Ann C. Mills has responsibility for the Natural Resources Conservation Service (NRCS), the federal agency with primary responsibility for working with private landowners to conserve, maintain and improve their natural resources. America’s farms, ranches and forests provide 87% of the surface supply of drinking water in America. USDA programs play a significant role in protecting the nation's supply of clean abundant water.

Mills brings to this position 20 years of policy and management experience with government and nonprofit conservation advocacy. Most recently, as a senior executive at American Rivers, Mills led the implementation of programs to develop sustainable solutions for flood and drought mitigation and water quality improvement across the country including urban and rural watersheds in Northern California's Sierras and Bay Delta; the Columbia, Missouri and Mississippi river basins; the Great Lakes; and the Chesapeake Bay. Mills also served as a senior staff person for Senate Democratic Leader Tom Daschle, chief of staff to California Lt. Governor Leo McCarthy and legislative assistant to then-Congressman Richard Durbin and Congressman James McClure Clarke. She holds a Master’s Degree from the Lyndon B. Johnson School of Public Affairs at The University of Texas at Austin, and a BA in Political Science from Tufts University.
Leslie Jones  
Deputy Under Secretary for Natural Resources and Environment (FS)  
202-720-7173, Leslie.jones@osec.usda.gov  

Leslie Jones has worked in conservation for more than two decades. As Deputy Under Secretary for Natural Resources and Environment, she has responsibility for the Forest Service, the federal agency with responsibility for 193 million acres of National Forest System lands. The Forest Service also provides financial and technical assistance through its State and Private Forestry programs to States, municipalities and a host of community partners across all landscapes. She also served as Chief of Staff to the Under Secretary and Senior Advisor. Prior to joining the Obama Administration she was General Counsel for The Wilderness Society, served in leadership positions in the New England land trust community, and worked as an attorney for the Vermont Attorney General. She holds a Juris Doctor and Masters of Environmental Law from Vermont Law School and a BA in Human Ecology from College of the Atlantic. She grew up on both coasts, in California and Maine, and now lives in Virginia.

Patrick Holmes  
Chief of Staff to the Under Secretary for Natural Resources and Environment  
202-720-7173, Patrick.holmes@osec.usda.gov  

Patrick Holmes serves as Chief of Staff to the Under Secretary for Natural Resources and Environment at USDA. In his current role, Patrick provides coordination, communication, management, and counseling the Office of the Under Secretary and supports execution of a diverse suite of priorities facing the Department, including climate and energy, conservation finance, public-private partnerships, and forest restoration. Prior to joining the Obama Administration at USDA, Patrick has worked for the Colorado Conservation Trust, the Somoran Institute, the Yale Center for Business and Environment and the State of the Rockies Project. He is a graduate of the Yale School of Forestry and Environmental Studies and Colorado College, a past fellow of the Kinship Conservation Institute and a Wyss Scholar.

Meryl Harrell  
Senior Advisor to the Under Secretary for Natural Resources and Environment  
202-720-7173, Meryl.Harrell@osec.usda.gov  

Meryl Harrell serves as Senior Advisor to the Under Secretary for Natural Resources and Environment at USDA. In her current role, Meryl is responsible for policy issues related to the Forest Service, including recreational access and economic activity, land management planning, job training opportunities for youth and veterans, and other natural resource management issues. She previously served as Chief of Staff to the Under Secretary and as a Special Assistant to the Under Secretary. Prior to joining USDA in 2009, she worked for the Obama campaign in Wisconsin and on the Transition, and has worked on public lands policy at The Wilderness Society. Meryl received her J.D. from the Yale Law School and an A.B. in geosciences and environmental studies from Princeton University. She is also an alum of the Teton Science School, where her love of rocks turned into a passion for public lands. Meryl enjoys camping and hiking.
Justin Ehrenwerth
Executive Director of the Gulf Coast Ecosystem Restoration Council [Career]
justin.ehrenwerth@restorethegulf.gov

Justin R. Ehrenwerth serves as Executive Director of the Gulf Coast Ecosystem Restoration Council (Council). Created by the RESTORE Act of 2012 and comprised of the Governors of the five Gulf Coast States and Secretaries from six federal agencies, the Council is responsible for restoring and protecting the natural resources, ecosystems, fisheries, marine and wildlife habitats, beaches, coastal wetlands and economy of the Gulf Coast. Prior to joining the Council, Ehrenwerth served as Chief of Staff to the Deputy Secretary of Commerce. Previously, Ehrenwerth served as Assistant Counsel to the President in the White House Counsel’s Office where he was a member of the Oversight and Litigation group representing the White House in Congressional investigations and advising Federal agencies on oversight matters. During the first two years of the Obama administration, Ehrenwerth served in the Department of Commerce’s Office of General Counsel.

Ehrenwerth has held leadership positions on a number of national and statewide political campaigns including the Obama for America and Kerry-Edwards campaigns. He has been active in the non-profit sector having worked at the University of Pittsburgh Institute of Politics and the Northern California Grantmakers. He also served as a Marshall-Brennan Constitutional Literacy Teaching Fellow as well as a Coro Fellow in Public Affairs. Ehrenwerth currently serves on the Board of the Coro Center for Civic Leadership.

Ehrenwerth is a summa cum laude graduate of Colby College and holds an MA in Philosophy, Politics and Economics from the University of Oxford and a J.D. from the University of Pennsylvania Law School.

Overview of Agency Programs and Operations

The Office of the Under Secretary of Agriculture for Natural Resources and Environment promotes the conservation and sustainable use of natural resources on the Nation's private working lands, and sustains production of clean air and water, recreational opportunities, wildlife habitat and other goods and services that the public demands of the National Forests and Grasslands. The Under Secretary is responsible for the day-to-day operations of the United States Forest Service and Natural Resources Conservation Service and serves as the principal advisor to the Secretary of Agriculture on policy to promote the conservation, restoration and sustainable use of the Nation’s natural resources, often in coordination with other USDA agencies and offices. In addition, the Office of the Under Secretary provides leadership and counsel to the Secretary in his role as Chair of the Gulf Coast Ecosystem Restoration Council. In response to the Deepwater Horizon spill, in July 2012 the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act (RESTORE Act) established the Gulf Coast Ecosystem Restoration Council (Council). The Council is responsible for helping to restore the ecosystems and economies of the Gulf Coast region by developing and overseeing implementation of a Comprehensive Plan and prioritizing projects to receive funding from
appropriate BP settlement funds. Finally, the Office provides political leadership for the Department on a host of conservation, climate change, public lands, and natural resource initiatives led by offices of the White House.

**Forest Service – Overview**

*Mission and Responsibilities:* The mission of the Forest Service is to sustain the health, diversity, and productivity of the Nation’s forests and grasslands to meet the needs of present and future generations. The Forest Service manages 193 million acres in 44 States and territories—154 national forests, 20 national grasslands, and one prairie comprising 30 percent of all federally owned lands. The agency also provides financial and technical assistance through its State and Private Forestry programs to States, municipalities and a host of community partners across all landscapes, including 426 million acres of private forest land, 69 million acres of State forest land, 19 million acres of Tribal forests, and 130 million acres of urban and community forests. The Forest Service is comprised of nine Regional Offices, where regional foresters serve as the senior executive leaders coordinating activities between national forests and grasslands (overseen by forest supervisors), monitoring activities on those lands to ensure quality operations, providing guidance for forest plans, and allocating budgets to the forests.

The Forest Service is one of the largest forestry research organizations in the world, with seven research stations, two Technology and Development Centers, 80 Experimental Forests, a Forest Products Laboratory, and a Geospatial Service and Technology Center that support scientific advances in resource management. Through its International Programs office, the agency works with more than 80 countries worldwide to support sustainable management and protection of forests, providing assistance and sharing best practices. The State and Private Forestry (S&PF) organization of the Forest Service reaches across the boundaries of National Forests to States, Tribes, communities and non-industrial private landowners. S&PF is the federal leader in providing technical and financial assistance to landowners and resource managers to help sustain the nation’s forests and protect communities from wildland fires.

Various activities on Forest Service lands contribute more than $36 billion to America’s economy each year supporting nearly 450,000 jobs. The Forest Service is the preeminent federal wildfire fighting agency, providing the lion’s share of the personnel and assets needed to protect communities and resources from the threats of increasingly catastrophic wildfire events. Of note, Forest Service receives its discretionary appropriations through Title III of the regular Interior, Environment, and Related Agencies appropriations bill. In some years, the FS has received additional discretionary monies through supplemental appropriations bills.

**Program and Initiative Highlights:**

*Accelerating Forest Restoration on National Forests*

In 2012, the Forest Service issued a strategy aimed at *Increasing the Pace of Restoration and Job Creation on Our National Forests*. The health of our forest ecosystems, watersheds, and forest dependent communities is in jeopardy amid increased threats of wildfire, drought, development,
insects and disease. Restoration offers an antidote, building resilience for forests and communities alike. The Forest Service restoration strategy emphasizes collaboration, and endeavors to move beyond the conflicts which have characterized forest policy in the past and toward a shared vision that allows environmentalists, forest industry, local communities, and other stakeholders to work collaboratively toward healthier forests and watersheds, safer communities and more vibrant local economies. The foundation of the strategy is the Forest Planning Rule, published in 2012, which sets guidelines for adaptive land management plans for our National Forest System. The Agency’s goal is to ensure an adaptive land management planning process that is inclusive, efficient, collaborative and science-based to promote healthy, resilient, diverse and productive National Forests and Grasslands.

A key component of the restoration strategy is the Collaborative Forest Landscape Restoration Program (CFLRP). In the five years since the initial CFLRP projects began, the program has improved more than 1.33 million acres for wildlife habitat; treated more than 1.45 million acres to reduce the risk of catastrophic fire; treated more than 84,500 acres of land to achieve healthier condition through timber sales; and contributed to generating an average of 4,360 jobs per year. Moreover, CFLRP projects attracted new partners and built community relationships, leveraging more than $76.1 million in matching funds. A CFLRP five year progress report is available here. Other strategies include:

- Improving the efficiency of restoration project planning under the National Environmental Policy Act (NEPA) through larger, landscape-scale approaches, partnerships with collaboratives, and the use of a host of adaptive and streamlined tools;
- Expanding markets for forest products, including biomass energy and green building materials such as cross-laminated timber that support forest restoration, create local economic opportunity, and reduce environmental impacts (see the U.S. Tall Wood Building Prize Competition);
- Implementing new provisions of the 2014 Farm Bill such as the Good Neighbor Authority, which authorizes federal agencies to enter into cooperative agreements or contracts with state foresters to conduct restoration projects on federal forestland when similar and complementary restoration services are being performed on adjacent state or private lands; and
- Launching a new Joint Chiefs’ Landscape Restoration Program--- a partnership between Forest Service and the Natural Resource Conservation Service to design and implement treatments where private and public lands meet, and where restoration objectives cross ownership boundaries.

A 2015 accomplishments report details these and other major efforts of the Forest Service to accelerate the pace and scale of forest restoration. The agency has also led collaborative initiatives building partnerships with other USDA agencies, corporations, utilities, industry and conservation groups to further advance restoration goals. Examples include:

- Through the Wood to Energy Initiative, Forest Service has partnered with the Rural Business Cooperative Service, Rural Utilities Service, Farm Service Agency, others at USDA and relevant industry trade-associations to support
over 240 wood energy projects since 2009, and advance mutual goals for coordination and communications.

- Working with Coca-Cola North America, the Forest Service has forged a partnership to restore and protect damaged watersheds on national forests restoring over one billion liters of water in areas important to Coke’s bottling facilities. The partners have committed to double that outcome through 2018.

- Across the West, partnerships with water utilities and municipalities to reduce the risk of catastrophic wildfire to municipal water supplies have brought together new partners to invest in the Forest Service’s restoration objectives. For instance Denver Water entered into 5-year partnership bringing over $18 million in outside investment and the City of Flagstaff passed a voter approved bond initiative to invest $10 million to protect the city’s water system. A recent report from the World Resources Institute highlights these and related partnerships.

Budgeting and Responding to the Increase of Wildfire

Our forest and grassland resources are at risk due to uncharacteristically severe wildfires, severe outbreaks of insects and disease, drought and invasive species, all exacerbated by a changing climate. Many states have recently experienced the largest and/or most destructive fires in their history. Fire seasons are longer, 78-days longer since 1970 on average. Decades of fire suppression have led to increases in fuels in many forest types across the country. The area affected by an epidemic of mountain pine beetle in the West has reached 32 million acres on the national forests alone. California is facing a particularly critical situation as a result of five year drought and related stressors. Surveys estimate that 66 million trees died from 2010 to October 2015 in California, with millions more dying over the course of the next several seasons. Finally, the increase of homes in the wildland urban interface—the area where forests and communities meet—is making wildfire suppression more complex, more dangerous for firefighters, and more expensive.

The Forest Service has the most experienced, well trained, and effective wildland fighting force in the world, which it coordinates alongside other state and federal firefighting forces. Through the nation’s largest wildfire fighting workforce and aviation and equipment fleet, the Forest Service uses risk management approaches to facilitate and promote wildland firefighter safety while protecting lives, homes and property from wildfire threats. In an average year, the Forest Service responds to over 50,000 wildfires burning nearly 6 million acres. At the peak of the 2015 season, a record setting year in which 10 million acres burned from 68,151 wildland fires, over 150 helicopters, 30 fixed-wing air tankers and 32,000 personnel were deployed—most of these resources were contributed by the Forest Service.

Working with the U.S. Department of the Interior and the wildland fire community, the Forest Service developed a long-term National Cohesive Wildland Fire Management Strategy with three primary components: (1) restoring and maintaining resilient landscapes; (2) developing fire-adapted communities; and (3) responding to wildfire safely, effectively, and efficiently.
Comprehensive fire budget reform is necessary to meet the funding needs of all forest service programs and to ensure the agency can continue to support all three components of the National Cohesive Strategy.

The impact of the rising cost of suppression on the Forest Service’s budget is detailed in a 2014 Report on the state by state impacts of fire transfer, and a 2015 Forest Service Report: Rising Firefighting Costs Raises Alarms. Presently the Administration is engaged in dialogue with congressional authorizers, appropriators and key champions to pursue a comprehensive solution to the Agency’s fire budget challenges. As part of a potential solution, dialogue is also occurring around a series of proposed forest management reforms aimed at increasing the pace and scale of restoration.

Because wildfire knows no jurisdictional bounds, the Forest Service’s State and Private Forestry programs are an integral component of our state, local and tribal partnerships. Rural firefighting resources are often the first line of defense in meeting expanded protection needs for wildland-urban interface fires. They provide nearly 80% of initial attack on wildland fires in the United States. The Forest Service has a variety of programs to help State and rural firefighters enhance their departments with equipment, training and communications, including the Federal Excess Personal Property (FEPP) program and the Volunteer Fire Assistance Program (VFA). The Forest Service also works with communities to focus on advance planning that can protect them from the risk of wildland fire, for example, helping them become fire adapted communities through the development of Community Wildfire Protection Plans (CWPPs) and the Firewise program. CWPPs help communities address wildfire response, community preparedness, and structure protection. Through CWPPs, communities can influence how and where federal agencies prioritize the reduction of hazardous fuels. The Firewise program is a multi-agency effort to help homeowners, community leaders, planners, and developers work together to protect people, property, and natural resources from the risk of wildland fire—before a fire approaches. The Firewise program emphasizes wildfire readiness and responsible community design, including fire-resistant building materials and landscaping.

Improving Recreation Access and Economic Opportunity
Outdoor experiences are a critical way the American public connects with the Forest Service, with more than 160 million visits to National Forests and Grasslands annually. The outdoor recreation economy supports 6.1 million direct jobs, $80 billion in federal, state and local tax revenue and $646 billion in spending each year. America’s vast system of public forests and grasslands provides opportunities for over 165 million visitors each year to recreate and support local economies through tourism. These recreational uses support approximately 200,000 full and part time jobs and contribute over $13 billion to local communities each year ranging from hiking group, to off-highway vehicle users to four season ski resorts. Forest Service recreation special use permits provide organized access for service providers who take groups of people to national forests and grasslands to experience outdoor recreation, while allowing the Forest Service to manage visitor volume in specific locations and protect resources. In 2016, the agency began taking steps to improve access such as:

- Streamlining the process to receive or renew a recreation special use permit, making it simpler and faster through the use of existing agency authorities;
United States Department of Agriculture
2016 Presidential Transition
Natural Resources and Environment Mission Area (NRE)

- Increasing staff capacity and the consistency of the permit process across the country by developing new standardized training programs and exploring new staffing strategies;
- Encouraging managers to take greater advantage of allowable waivers when a special use permit is not required, for example, where a proposed use would have only nominal impact on lands, resources, and programs or operations; and
- Investing in technology to improve business tools and data that support recreation special uses, including developing an electronic permit application process.

Additionally, Forest Service has partnered with USDA Rural Development’s Community Economic Development (CED) Division and NIFA to jointly educate each other’s field-based contacts on how they can leverage each other in supporting rural communities in using recreation as an economic driver. FS’ partnership with CED has resulted in the development of a Recreational Economy Resource Guide – a common tool that agencies can use to train staff and have a unified material to market available resources to the public around the recreational economy.

**Engaging New and Underrepresented Stewards**

Our Nation’s forests and grasslands, community green spaces, and urban forests all play a critical role in fostering healthy and sustainable communities, and offer opportunities for all Americans to connect with the outdoors. Through volunteer, employment, and diverse partnership strategies, the Forest Service is engaging a new generation of stewards while safeguarding important values derived from the nation’s forests. Examples include:

- Through the 21st Century Conservation Service Corps (21CSC), the Forest Service works with over 190 partners to provide job training and employment opportunities for thousands of young Americans and veterans to protect and restore our natural and cultural resources. Since 2014, we supported more than 10,000 jobs and training opportunities each year through 21CSC. Programs like 21CSC serve to engage new populations in the benefits of public lands, and help to create the next generation of thoughtful and engaged conservationists.
- The nation’s American Indian and Alaska Native people retain histories, values, and spiritual underpinnings that are inextricably intertwined with America’s forests; especially with the national forests. Many of these cultural and physical connections predate establishment of the United States and the National Forest System. Through more than 100 meetings with tribal members and other outreach, a set of recommendations were reached to enhance consultation, protection, respectful interpretation and appropriate access to culturally significant lands and resources known as Sacred Sites. A new final rule ensures that federally recognized Indian tribes have access to forest products for traditional and cultural purposes.
- In partnership with state forestry agencies, the Forest Service helps over 7,000 communities plan, manage, and grow urban forests through the Urban and Community Forestry Program and the National Urban and Community Forestry Advisory Council’s Ten Year Action Plan. Well-maintained urban forests can help
provide a host of benefits such as mitigating climate and extreme weather impacts, enhancing public health, improving water quality by reducing storm water runoff, and enhancing community livability.

- In the U.S. South, through partners such as the U.S. Endowment for Forestry and Communities, the Federation of Southern Cooperatives, the Forest Service and NRCS are providing forestry, land tenure and technical services to help prevent the loss of African-American owned forests and helping to resolve heirs’ property problems across three states – Alabama, North Carolina and South Carolina.
- The Forest Service operates 27 Job Corps Civilian Conservation Centers in coordination with the Department of Labor, which offer educational and vocational training to about 5,000 economically disadvantaged youth (see hot issues section for additional background regarding outstanding budget and closure issues with the program).

New tools and Research for a Changing Climate

The Forest Service has been the leading Federal agency in developing the tools, programs and policies to advance climate adaptation planning. Recently, the agency collaborated with the U.S. Global Change Research Program to publish a report on accomplishments by federal agencies in adapting to climate change. To date, one-third of national forest units have completed, or are in the process of completing, climate change vulnerability assessments and an adaptation strategy.

Adaptation planning is founded on partnerships between Forest Service research stations and national forest resource managers in collaboration with other federal and state agencies, tribes, and local stakeholders. The USDA Climate Hubs were established in February of 2014 to deliver science-based knowledge, practical information and program support to farmers, ranchers, forest landowners, and resource managers to support climate-informed decision-making in light of the increased risks and vulnerabilities associated with a changing climate. An online and interactive Adaptation Workbook, offers a structured process to consider the potential effects of climate change on forest ecosystems and design forest management and conservation actions that can help prepare for changing conditions. The process is completely flexible to accommodate a wide variety of geographic locations, scales, forest types, and management goals.

Our forests – national forests as well as private and other public forests – provide an important ecosystem service in the form of carbon sequestration – the uptake and storage of carbon in forests and wood products. This service is becoming more valuable as the impacts of greenhouse gas emissions are becoming more fully understood and experienced. The Forest Service has always led efforts to practice, develop, and demonstrate sound and sustainable management of forest-based resources; the management of forest carbon is no exception. The Forest Service has developed regional carbon assessment reports to help forest managers and the public understand how much carbon is stored in forest ecosystems and harvested wood products.

Alongside NRCS, Forest Service is a key contributor to the Department’s Building Blocks for Climate Smart Agriculture and Forestry Initiative—an effort to leverage existing programs to
United States Department of Agriculture  
2016 Presidential Transition  
Natural Resources and Environment Mission Area (NRE)

support conservation practices and technologies that reduce emissions, increase carbon storage and help build resilience, while also creating new economic opportunities in Rural America. Through efforts to enhance reforestation in the aftermath of wildfire, improve soil health, improve nutrient management, grow markets for long-lived wood products, partner with livestock producers, support urban forestry and others, USDA has created a framework for climate action for farmers, ranchers and forest landowners that is compatible with their stewardship and economic goals. Many of these technologies and practices are already in high demand by producers, industry and relevant associations.

Natural Resources Conservation Service (NRCS) – Overview

Mission and Responsibilities: NRCS improves the health of our Nation’s natural resources while sustaining and enhancing the productivity of American agriculture. Seventy-percent of the nation’s land is privately owned and tended to. NRCS’ expert staff work with partners to create voluntary, incentive-based solutions that help the Nation’s farmers, ranchers and forest landowners evaluate and deploy options to enhance their stewardship within the context of their business operations. NRCS’s natural resources conservation programs help people reduce soil erosion, enhance water supplies, improve water quality, increase wildlife habitat, and reduce damages caused by floods and other natural disasters.

Voluntary conservation works, providing predictability and certainty for producers and improving environmental outcomes. Example initiatives include:

- Through Working Lands for Wildlife (WLFW), NRCS works with conservation partners and private landowners to restore populations of declining wildlife species, to provide regulatory certainty and to strengthen and sustain rural economies. Private lands are essential for providing habitat for nearly two-thirds of all species listed as threatened or endangered under the Endangered Species Act (ESA). Assistance is available to producers through Farm Bill conservation programs who want to make conservation improvements to their land, which not only benefits the species and habitat but also helps them strengthen their operations by lowering input costs and improving efficiency and yields. WLFW also gives peace of mind to participating producers. As long as they maintain the conservation practices and systems that benefit the targeted species, they can continue their farming, ranching and forest operations and remain compliant with the ESA regulatory responsibilities for up to 30 years. In part because of these voluntary efforts, the U.S. Fish and Wildlife Service has either delisted or taken off the candidate list six species since September 2014 – determining that these populations were now healthy enough that they did not warrant Federal protections under the Endangered Species Act (ESA).

- Through the Mississippi River Basin Healthy Watersheds Initiative (MRBI), NRCS has invested significantly in high-priority water quality projects and delivered on the ground benefits. For example, as a result of MRBI conservation efforts, Arkansas was able to remove two stream segments from the State’s Clean Water Act 303(d) impairment designation. In 2014, Oklahoma removed nine more streams from its 303(d) list as a result of Farm Bill tools and worked with partners,
farmers, ranchers and other landowners. Oklahoma now ranks second in the nation for EPA-recognized water quality success stories.

- Through the WaterSmart-EQIP partnership under the National Drought Resilience Partnership, NRCS and the Bureau of Reclamation have partnered to help water districts and producers on private working lands better conserve water resources, improve water and energy efficiency, and provide a strengthened federal response to ongoing and potential drought across 13 states in the West. Through the partnership, NRCS supports on-farm water delivery system improvements that complement irrigation system infrastructure improvements made by the Bureau of Reclamation.

- Since 2010, NRCS has been working through the StrikeForce for Rural Growth and Opportunity initiative to assist farmers and ranchers in communities that face persistent poverty. NRCS and other USDA agencies are focusing assistance and outreach in over 770 counties, parishes, boroughs, and census areas, and Indian reservations in 20 states to jump start collaboration and investment in these communities.

- Through the Sentinel Landscapes partnership NRCS and partners aim to accomplish three critical goals: preserve agricultural lands, assist with military readiness, and restore and protect wildlife habitat. In this unique collaboration, the U.S. Department of Agriculture, Department of Defense, and Department of the Interior work with state, local, and private partners to preserve and restore natural lands important to the nation’s defense mission. The basic premise is to preserve and restore habitat around the military base to ensure at-risk species can survive, while also improving military readiness by ensuring training activities can proceed unimpeded.

- Since 2009, targeted agricultural conservation investments of nearly $1 billion are putting the agricultural community on its way toward meeting or exceeding key goals for cleaner water and a healthier ecosystem in the Chesapeake Bay. USDA has a goal of helping to install conservation practices on 4 million acres of farmland in these priority areas by 2025. NRCS and its conservation partners have worked with farmers to install practices on 1.6 million acres in priority areas since 2010 — about 41 percent of the 2025 goal.

A key element of NRCS’ conservation approach comes through technical assistance to landowners to develop a voluntary conservation plan. Voluntary conservation plans can be developed for a farm, ranch, private non-industrial forestry operation, or shellfish or aquaculture operation. The plans:

- Inventory and assess the condition of natural resources on/around an operation;
- Contain valuable information about the land and the operation like maps, soil type, and native plants and animal species that may be present; and
- Discuss alternatives for meeting landowner objectives and natural resource needs.

NRCS plans give operators one tool that may be helpful in weighing tradeoffs and accessing financial incentives. NRCS’ major financial incentive programs are the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP) and the
United States Department of Agriculture
2016 Presidential Transition
Natural Resources and Environment Mission Area (NRE)

**Agricultural Management Assistance Program** (AMA). NRCS also offers easement programs to eligible landowners to conserve working agricultural lands, wetlands, grasslands and forestlands.

**Deploying Partnerships and Leveraging Resources**
The Regional Conservation Partnership Program (RCPP), launched in 2015, brings a radically different approach to investing in natural resource conservation and empowers local communities to work with multiple partners, farmers and ranchers to design and invest in regional solutions that work best for them. As this [video](#) details, with participating partners investing along with USDA, our $1.2 billion investment in RCPP over the five-year Farm Bill is expected to leverage an additional $1.2 billion from partners for a total of $2.4 billion for innovative conservation work. RCPP puts partners in the driver seat, and lets them draw from NRCS suite of conservation programs to create change, examples include:

- The Tri-State Western Lake Erie Basin Phosphorous Reduction Initiative. A recent algal bloom crisis left 400,000 residents in the Toledo, Ohio area without water to drink, bathe or cook. The coalition brings together more than 40 partnering organizations from Michigan, Ohio and Indiana to reduce phosphorus runoff into Lake Erie, targeting funding to the streams and rivers that have the largest impact on water quality in the lake.

- A coalition of partners led by the Illinois Corn Growers and the University of Illinois was awarded a $5.3 million RCPP agreement for implementation of the Precision Conservation Management (PCM) effort to help farmers reduce nutrient loss from their fields by adapting precision technology, data and farm business management principles to the nutrient loss and conservation. PCM is a service program that combines farm business and financial practices with precision technology and data management to help farmers better integrate and manage conservation on their farms. It will provide analysis, technical assistance, financial assistance and data assessment to help reduce complexity and manage risks associated with the nutrient loss efforts. PCM combines $9.86 million in private matching contributions.

- In Colorado, the state’s Energy Office was awarded 1.1 million in RCPP funds to support energy efficiency improvements, matched by 1.3 million from the Colorado Energy Office (CEO). Funds will help finance energy and water saving projects identified through CEO’s Colorado Dairy and Irrigation Efficiency Program. Over the two-year grant period, the efficiency improvements are expected to achieve over 5,250 MWh of electricity savings and 524,000 gallons of water savings annually, and will provide additional environmental benefits to Colorado’s agricultural producers.

**Measuring Results, Stewarding Public Resources and Streamlining Conservation Delivery**
Measuring the results of conservation and the hard work of farmers is essential to demonstrating meaningful impact. The Conservation Effects Assessment Project (CEAP) is an NRCS-led multi-agency effort to quantify the environmental effects of conservation practices and develop the science base for managing the agricultural landscape. CEAP embodies a model of shared leadership, leveraging funding and expertise of more than 60 Federal and State agencies.
universities, and non-profit organizations to guide USDA conservation policy and program development and help farmers and ranchers make more informed decisions for their land. NRCS’ Science and Technology

As NRCS improves the way it measures the impacts of programs, the agency is also pursuing new ways to better reach producers, enable high-quality, science based planning, and streamline business processes for the agency and producers alike. Conservation Client Gateway is a secure online web application that gives landowners and land managers, operating as individuals, the ability to track their payments, report completed practices, request conservation assistance, and electronically sign documents anytime, anywhere. Conservation Client Gateway provides users the flexibility to determine when they want to engage with NRCS online and when they prefer in-person conservation planning assistance. Client gateway is part of a broader effort to put more boots on the ground, improve service to producers and create new efficiencies.

As more funds are delivered for conservation, robust accounting and documentation procedures must be in place to manage public funds responsibly. Over the past several years, NRCS has made significant improvements such as enhancing the agency’s internal controls over financial resources, reducing potential information technology security risks, and strengthening the reporting of its financial obligations. Specifically, NRCS implemented system enhancements to preclude improper payments resulting in NRCS meeting its improper payment rate target for the first time in FY2016. Additionally, improvements to the annual internal control review process, and robust testing and validation has led to early identification and remediation of potential weaknesses.

Prior to 2016, NRCS did not have the capacity to perform multiple concurrent vulnerability assessments (source code and running application scans) with existing hardware. Not only was the goal to implement a modern scanning platform that services the growing NRCS IT portfolio, but to provide vulnerability assessment services across the USDA. In order to achieve these objectives the Information Technology (IT) Security Division designed and constructed a private cloud of state of the art vulnerability assessment tools from IBM, HP and other commercial vendors. The IT Security Division collaborated with National Information Technology Center (NITC) and Agriculture Security Operations Center (ASOC) to operationalize the Enterprise Vulnerability Assessment (EVA) virtual scanning platform. EVA version 1.0 provides the NRCS with the capability to perform up to 352 scans at once.

External Auditors identified findings of non-compliance with Federal Information Security Management Act (FISMA) audit log requirements on the Web-based Total Cost Accounting System (WebTCAS) and Protracts/FundManager applications. To resolve these findings the IT Security Division designed an agency-wide application logging and management solution which captures auditable events that exceed FISMA requirements. The IT Security Division formed a working group comprised of NRCS Application Project Teams, NRCS Production Support Operations (PSO) and NITC to implement the Application Audit Logging Solution (AALS) on WebTCAS and Protracts/FundManager. With the implementation of AALS the audit findings against WebTCAS and Protracts/FundManager were closed.

14
Independent auditors found that NRCS has made continued improvement in financial reporting processes and controls and financial management for information technology systems, ensuring that the infrastructure is robust and data safeguarded.

Fostering Conservation Innovation

Through NRCS’ Conservation Innovation Grant (CIG) program, USDA is investing in projects that promote creativity and problem-solving in conservation. Since 2009, 368 CIGs have been awarded to support conservation approaches and technologies that develop new technologies and investments in natural resource conservation and help farmers and ranchers make their operations more resilient. Through CIG, NRCS has pioneered initiatives in emerging environmental markets for greenhouse gas and water quality credits among others. The agency supports the coalition on Agricultural Greenhouse Gases (C-AGG), the National Network for Water Quality Trading—facilitated by the Willamette Partnership, and the Conservation Finance Practitioners Roundtable led by the Conservation Finance Network (a program of the Conservation Fund)—three networks that bring together experts and grant recipients to advance lessons learned and scale new innovations in conservation. Example efforts include:

- In North Dakota’s Prairie Pothole region, a CIG helped develop the methodology needed to quantify, and create a market for, carbon stored in grasslands. Thanks to USDA’s support, in partnership with Ducks Unlimited, The Climate Trust and the Bonneville Environmental foundation, in 2014 Chevrolet purchased almost 40,000 tons of greenhouse gasses from ranchers to partially offset the company’s carbon emissions.

- In Oregon, the Freshwater Trust worked with Willamette Partnership and a number of other organizations, agencies and regulators to develop the standards, calculation methodologies, verification procedures, and state policies necessary to allow for the trading of credits for water temperature in Oregon. Through the project, the city of Medford, OR worked with farmers, ranchers and other private landowners to plant shade trees to cool the Rogue River in order to meet its regulatory compliance requirements for cooling wastewater and protecting salmon habitat.

- In the city of Peoria, Illinois, Fresh Coast Capital is piloting an innovative approach to financing green infrastructure through impact investing in agroforestry and vegetable farming. The project will serve as a model for expansion with privately funded impact investment capital throughout Peoria and into 40 or more cities facing both land vacancy and stormwater compliance challenges.

- In partnership with major food companies, agricultural investors, and conservation-minded farmers, the Xerces Society is developing a first-of-its-kind certification program that incentivizes the large-scale adoption of pollinator conservation through a marketing-driven platform. This program, known as Bee Better Farming, will leverage scalable investments from the private sector to develop clearly defined pollinator conservation metrics that will be rewarded with a formally recognized certification.
The Nature Conservancy is developing impact investment blueprints for Gulf of Mexico restoration that outline how public funding can be used to attract private investment funds to conservation, greatly expanding the impact of various Deepwater Horizon settlement funds. The blueprints will be combined with a pipeline of specific deal opportunities to provide place-based examples of how private investment can complement settlement funds and support voluntary working lands conservation and restoration.

**Gulf Ecosystem Restoration Council (RESTORE) – Overview**

Spurred by the Deepwater Horizon oil spill, the RESTORE Act was signed into law by President Obama on July 6, 2012. The Act calls for a regional approach to restoring the long-term health of the valuable natural ecosystems and economy of the Gulf Coast region. The RESTORE Act dedicates 80 percent of civil and administrative penalties paid under the Clean Water Act, after the date of enactment, by responsible parties in connection with the Deepwater Horizon oil spill to the Gulf Coast Restoration Trust Fund (Trust Fund) for ecosystem restoration, economic recovery, and tourism promotion in the Gulf Coast region. This effort is in addition to the restoration of natural resources injured by the spill that is being accomplished through a separate Natural Resource Damage Assessment (NRDA) under the Oil Pollution Act. A third and related Gulf restoration effort is being administered by the National Fish and Wildlife Foundation (NFWF) using funds from the settlement of criminal charges against BP and Transocean Deepwater, Inc.

In addition to creating the Trust Fund, the RESTORE Act established the Council. The Council is currently chaired by the Secretary of the U.S. Department of Agriculture (USDA) and includes the Governors of the States of Alabama, Florida, Louisiana, Mississippi and Texas, and the Secretaries of the U.S. Departments of Army, Commerce, Homeland Security and the Interior, and the Administrator of the U.S. Environmental Protection Agency. The Council has oversight of the expenditure of 60 percent of the funds made available from the Trust Fund. The Chair is selected by the states and appointed by the President. Commerce was the Chair from 2012-2015. USDA became Chair this year. There is no defined term for the Chair.

Following publication of an Initial Plan completed in 2013, Council members collaborated to develop an initial funded priorities list of projects using a process that emphasized public input, transparency, and coordination with other restoration programs. Each proposal underwent a rigorous science review by three external experts from both inside and outside the Gulf region to assess whether the project utilized best available science.

The Council’s Initial Comprehensive Plan outlined a process to guide the development, evaluation and selection of Council-Selected Restoration Component activities to ensure consistency with the Priority Criteria set forth in the RESTORE Act as well as the Council’s goals and objectives. Through a new comprehensive plan, expected to be finalized in December of 2016, the Council has reaffirmed and retained key elements of this process while supplementing it
with guidance based on lessons learned over its first three years of operation. The draft Comprehensive Plan Update is intended to improve Council decisions by:

- Reinforcing the Council’s goals and objectives;
- Setting forth an initial Ten-Year Funding Strategy;
- Establishing the Council’s vision for Gulf restoration;
- Increasing collaboration among Council members and partner restoration programs;
- Providing for advancement of large-scale projects and programs;
- Refining the process for ensuring that the Council’s decisions are informed by the best available science; and
- Improving the efficiency, effectiveness and transparency of Council actions.

The Council has a staff of approximately 20 professionals, overseen by Executive Director Justin Ehrenwerth who reports to the Council as a whole. USDA provides administrative support for the council staff, who are career civil servants.

There are two important issues for the Restore Council which an incoming Administration will need to address. First, in October, OMB and CEQ issued a federal memorandum on permitting and environmental review of large scale Gulf restoration projects. It will be important to implement the policies outlined in the memo by encouraging greater coordination and collaboration amongst federal agencies to speed restoration. Second, the new Comprehensive Plan calls for a series of public meetings to begin developing restoration projects for the next round of funding. Those meetings will begin in 2017 and will require input from the Council Chair.
United States Department of Agriculture  
2016 Presidential Transition  
Natural Resources and Environment Mission Area (NRE)

Budget and Staffing Summary

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<tr>
<td>Reimbursements:</td>
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<tr>
<td>Forest Service</td>
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<tr>
<td>NRCS</td>
<td>32,888</td>
<td>96,873</td>
<td>61,243</td>
<td>62,014</td>
<td>72,066</td>
<td>50,667</td>
<td>91,041</td>
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<td><strong>Reimbursements Sub-total</strong></td>
<td><strong>32,888</strong></td>
<td><strong>96,873</strong></td>
<td><strong>61,243</strong></td>
<td><strong>62,014</strong></td>
<td><strong>72,066</strong></td>
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<td><strong>91,041</strong></td>
<td><strong>70,000</strong></td>
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<td>Total, Mission Area</td>
<td><strong>$10,629,157</strong></td>
<td><strong>$10,370,980</strong></td>
<td><strong>$10,178,137</strong></td>
<td><strong>$10,446,596</strong></td>
<td><strong>$10,040,345</strong></td>
<td><strong>$10,552,154</strong></td>
<td><strong>$10,371,827</strong></td>
<td><strong>$11,626,165</strong></td>
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**Summary by Agency:**

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<td>Forest Service Total</td>
<td>6,846,306</td>
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<td>5,835,626</td>
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<td>4,342,511</td>
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**Staff Years:**

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<td>10671</td>
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<td><strong>Total Staff Years</strong></td>
<td><strong>45581</strong></td>
<td><strong>48206</strong></td>
<td><strong>47428</strong></td>
<td><strong>45101</strong></td>
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<td><strong>43083</strong></td>
<td><strong>42870</strong></td>
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</table>
II. Top Issues/Hot Topics

Timeline

See below

Mission Area Issues

| Wildfire Suppression Budget Fix and Forest Management Provisions | More than 150 bipartisan Congressional members have voiced strong support to remedy the Forest Service’s growing budget dilemma resulting from the skyrocketing costs for fire suppression, which now consume more than 56 percent of the agency’s budget. This trend, resulting from hotter, more severe wildfires and longer fire seasons erodes the agency’s ability to meet its mission in other critical programs like forest restoration, recreation and services to the public. If this trend continues, it is projected that fire suppression will consume more than 70 percent of the agency’s budget by 2020. The agency has already experienced a 40 percent drop in workforce while needs for increased restoration to foster forest ecological resilience are rising rapidly. Several pieces of draft legislation have been introduced. Pending the outcome of this Congress, work will be needed to implement reform or seek additional congressional action. | January-June 2017 |
| Farm Bill Revision | The 2014 Farm Bill expires in September 2018, but Congress will hold hearings and begin the work of rewriting the next Farm Bill early in 2017. Significant attention will be paid to implementation of the 2014 Farm Bill Forest Service authorities and whether to amend or expand existing (or create new) authorities to assist the Forest Service in accomplishing their missions. The 2014 Farm Bill significantly expanded the tools that will support the ability of the Forest Service to accomplish restoration work on the ground. Among the tools include permanent authorization for stewardship contracting and the Good Neighbor Authority. In addition, the 2014 Farm Bill provided the Forest Service with an increased ability to address insect and disease infestations. For NRCS, anticipated topics of interest in the new Farm Bill may include but are not limited to the Regional Conservation Partnership Program (RCPP), Conservation Stewardship Program (CSP) reinvention, Chesapeake Bay restoration efforts, and conservation compliance activities. This is likely to be a difficult reauthorization | Ongoing |
The Forest Service continues to advance mineral withdrawal applications and processes in several locations throughout the National Forest System. A mineral withdrawal refers to prohibited actions for a specified parcel of land for a defined period of time, usually 3, 5, or 20 years. Withdrawal action prohibits all mining activities under the 1872 Law, except actions that have been authorized under an approved Plan of Operations on mining claims with prior valid existing rights. The Forest Service works in conjunction with the Department of the Interior and Bureau of Land Management to process withdrawals as the authority for mineral withdrawals rest with the Secretary of Interior. There have been several pieces of legislation in the 114th Congress relating to mineral withdrawal on National Forest System lands.

The Northwest Forest Plan (NWFP) was an amendment to multiple forest plans on Forest Service and BLM managed public lands in western Washington, Oregon and northern California. The NWFP is widely perceived to be a regional plan requiring change with a high level of consistency. These forest plans are over 20 years old, and per the National Forest Management Act, are in need of plan revision. The issue is how to revise individual National Forest plans in this broader landscape context, especially since the BLM is currently revising its plans for its O&C lands in the region.

The NWFP has a substantial record of broad scale monitoring and science. The latest monitoring results (20 year NWFP monitoring report) have revealed issues related to managing wildfire, reduced populations of the endangered northern spotted owls, and timber harvest levels below projections of the NWFP. A science synthesis intended to provide a scientific framework for making changes to plans in the Northwest is in its final
stages, and is expected to be released in November 2016. This work will be formally peer reviewed by the Ecological Society of America and is considered to be a highly influential science assessment by the White House Office of Management and Budget. There is active consideration to develop a bioregional assessment to determine what actions to take in the future.

| **EPA and Biomass Energy** | EPA has not resolved longstanding regulatory and permitting issues associated with CO2 emissions from biogenic sources. Short-rotation agricultural feedstocks and forest biomass feedstocks offer potential opportunities to displace fossil fuel consumption and support energy independence and economic development goals. In the case of forests, markets for wood products can also be important to provide incentives for maintaining working forests from conversion to other uses and for supporting forest restoration costs across all forest landownerships. Uncertainty in EPA’s treatment of biogenic carbon under the stationary sources permitting program and the Clean Power Plan, has created disincentives for investment in bioenergy solutions. This issue is polarizing and of great interest to a number of industry and environmental stakeholders. USDA research, economists and forest inventory and analysis programs can be helpful to assess the impacts of bioenergy policy decisions. EPA continues work through the Science Advisory Board to take input on this topic. EPA is also working to finalize a biogenic accounting framework that would assist states in making permitting decisions regarding different bioenergy projects or programs. | Ongoing |

| **Rosemont Mine (Arizona)** | Rosemont Copper Mine is a proposed open pit copper mine with mixed ownership, including 3,670 acres of NFS lands on the Coronado National Forest. The proposed mine is currently undergoing a permitting review process under the direction of the Forest Service and the US Army Corps of Engineers. T&E species, air quality, surface water quality, and groundwater impacts are all issues. Supplemental Information Reports were completed in response to official objections. The Coronado National Forest reviewed the US Fish and Wildlife Service’s final Biological Opinion based on the Forest’s submittal of a Supplemental Biological Assessment. The FS Record of Decision for the project is awaiting signature but is on hold until the Army Corps of Engineers signs the ROD for issuance of the 404 Clean Water Act permit. FS cannot authorize a locatable operation until it is compliant with Clean Water Act | To Be Determined pending Corps of Engineers permit. |
requirements. The FS ROD should be signed after compliance with CWA.

| Job Corps Program Budget and Closures | The Forest Service operates 27 Job Corps Civilian Conservation Centers, which offer educational and vocational training to about 5,000 economically disadvantaged youth. Forest Service centers have operated since 1964 through an interagency agreement with Department of Labor (DOL), which manages the overall Job Corps program and other centers. Working with DOL, we are in the process of closing the Ouachita Job Corps Center in Arkansas, and have been implementing performance improvement measures across the Forest Service system. Over the past 5 years, DOL has consistently reduced the budget it provides to the Forest Service to run Job Corps Civilian Conservation Centers, including reducing FS center allocations at greater percentages than the system overall. Every year for the past few years, USDA has had to negotiate with DOL to reduce the degree of their cuts to prevent workforce impacts like RIFs. At the same time, Forest Service has been working to address two closures, implement performance improvements across the system, be responsive to new DOL system-wide safety measures, and manage a federal workforce. The program also delivers service to the National Forest System— for example, FS fire management officers are now at every center training students in fire response, and more than 1,000 Job Corps students deployed to support fire prevention and response efforts across the country in 2015.

This year, DOL’s initial budget allocation was for a budget of $151.8M – a reduction of more than $3.5M from the previous PY budget of $155.5M. USDA appealed and requested an increase of $4.7M above DOL’s initial allocation for a budget of $156.5M, including to address DOL concerns such as the need to fill 150 critical staff vacancies, including for safety and security, counseling, trades and residential living.

DOL has in the past charged that USDA centers are more expensive to run. Last summer, DOL audited the FS Job Corps budget and found that, in fact, on a per capita basis, USDA centers are at the lower end of the scale in terms of per student cost. Forest Service Centers often carry higher human capital expenditures including different salary and benefits packages for our workforce as opposed to some of the contracted centers managed by | Ongoing |
| Resolution Copper Minerals Development (Arizona) | Within the Southeast Arizona Land Exchange and Conservation Act of 2013, there is a proposed copper mine. The National Forest and private lands identified for exchange will be appraised. After the lands are exchanged, 4,430 acres will still be NFS lands. Significant issues include a proposed bill for the designation of Oak Flat (on the National Forest land that is to exchanged) as a Traditional Cultural Property, and potential impacts to Native American Sacred Sites, Threatened and Endangered species, air quality, surface water quality, and groundwater. If requested by Resolution, special use permits for drilling and mine development will keep moving forward for issuance per the Act. Public scoping is in progress for the Resolution Mine Plan/Land Exchange EIS. In addition, a Final EA for baseline data collection for a tailings facility was released Jan. 15, 2016. The objection process was completed on May 16, 2016, and the forest is addressing the Southwest Regional Forester direction. | Fiscal Year 2017 |
| Building Blocks for Climate Smart Agriculture and Forestry | Both NRCS and Forest Service are playing leadership roles in a strategy to advance conservation practices and technologies that reduce greenhouse gas emissions and increase carbon storage in trees and soils as part of the U.S. Commitment to reduce emissions by 26-28% over 2005 levels by 2025. Through a series of voluntary and incentive-based programs, USDA and its partners plan to reduce greenhouse gas emissions and increase carbon sequestration by 120 million metric tons of carbon dioxide equivalent by 2025. The strategy is called the Building Blocks for Climate Smart Agriculture and Forestry. Through efforts to enhance reforestation in the aftermath of wildfire, improve soil health, improve nutrient management, grow markets for long-lived wood products, partner with livestock producers and others, USDA has created a framework for climate action for farmers, ranchers and forest landowners that is compatible with their stewardship and economic goals. Many of these technologies and practices are already in high demand by producers, industry and relevant associations. Efforts to increase and measure practice adoption in partnership with USDA’s Climate Change Program Office will be required to sustain a voluntary approach to climate solutions for agriculture and forestry and to meet our international commitments. | Ongoing |
### National Drought Resilience Partnership (NDRP)

Significant drought is impacting three regions of the US: California and other western states have been in drought for going on 5 years; and more recently, Northeastern states from Maine to New Jersey; and Southeastern states including parts of Georgia, Tennessee, Alabama and Mississippi. Long-term forecasts suggest more frequent and intense droughts. Led by NRE, multiple USDA agencies have mobilized to support long-term drought strategies on public and working lands. USDA has also emerged as a leader among federal agencies, serving as the permanent co-chair and the administrative home for the National Drought Resilience Partnership, a 13-federal agency partnership established by the President in March of 2016 through a Presidential Memorandum, tasked working collaboratively across the federal government to support state and local strategies long term drought resilience strategies. We are responsible for managing the NDRP. The Under Secretary serves as Co-Chair of the NDRP Principals Committee and the Deputy Under Secretary for Conservation co-chairs the NDRP Steering Committee. NRE’s Confidential Assistant serves as the Executive Secretariat, managing day-to-day activities. The NDRP Steering Committee is required to report progress to the Principals Committee and the White House Council on Climate Preparedness and Resilience in March of 2017. The most recent NDRP progress report can be found on the USDA website.

### Deepwater Horizon Settlement Funds – RESTORE and NRDA

USDA is the Chair of the Gulf Coast Ecosystem Restoration Council (RESTORE). The Office of the Under Secretary staffs the Secretary in his role as chair. USDA is also a member of the Natural Resource Damages Assessment (NRDA) Trustee Council, which is responsible for planning and carrying out restoration projects to address the injury that occurred as a result of the Deepwater Horizon oil spill disaster that began on April 20, 2010. The Deputy Under Secretary for Conservation has been serving as the Secretary’s designee on the NRDA Trustee Council, which is providing general oversight of seven Trustee Implementation Groups that are developing restoration projects and plans to accomplish the significant work needed for the Gulf. Development of these projects is guided by the programmatic restoration plan finalized in 2016 as part of the legal settlement with BP for up to $8.8 billion, a subset of the historic settlement of $20 billion that also provided funds to the RESTORE Council. The development of these plans is ongoing and initial rounds of restoration payments will begin to be disbursed beginning in the Spring of 2017. The USDA - NRCS,
United States Department of Agriculture  
2016 Presidential Transition  
Natural Resources and Environment Mission Area (NRE)

| **Forest Service Recreation Modernization Effort** | Gulf Coast Ecosystem Restoration Team (GCERT) based in Madison, Mississippi, is staffing USDA’s engagement on NRDA and RESTORE, with oversight from the Under Secretary’s office. | Ongoing |

Forest Service recreation special use permits provide organized access for service providers who take groups of people to national forests and grasslands to experience outdoor recreation, while allowing the Forest Service to manage visitor volume in specific locations and protect resources. In September 2016, the agency began taking steps to improve access such as:

- Streamlining the process to receive or renew a recreation special use permit, making it simpler and faster through the use of existing agency authorities;
- Increasing staff capacity and the consistency of the permit process across the country by developing new standardized training programs and exploring new staffing strategies;
- Encouraging managers to take greater advantage of allowable waivers when a special use permit is not required, for example, where a proposed use would have only nominal impact on lands, resources, and programs or operations; and
- Investing in technology to improve business tools and data that support recreation special uses, including developing an electronic permit application process.

Implementation of these and other improvements to support recreation access will be an ongoing need.

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GAO and OIG Audits

| **Office of Inspector General’s 2017 Audit of Forest Service Efforts to Improve Quality of Work Environment** | In spring 2017, the Forest Service expects the Office of Inspector General to conduct an audit of the agency’s efforts to improve the work environment. Since 2012, the Forest Service has progressed significantly to improve the quality of its work environment for all employees. Agency leaders have placed specific focus on the Pacific Southwest Region, the largest unit in the Forest Service which employs a workforce of 6000, which also hosts the largest firefighting workforce. The agency paid serious attention to complaints from women firefighters who have alleged discrimination and harassment in the agency. Six women filed a putative class complaint; it hasn’t been certified, however. In four years the agency has undertaken a number of aggressive actions to address allegations— | Spring 2017 |
including investigating every allegation and taking appropriate disciplinary actions. The agency has also made significant investments to improve the workplace. Specifically, the agency revamped the Employees Relations organization and increased the number of Employee Relations professionals who assist agency leaders in investigating, assessing and addressing employee misconduct; the Forest Service contracted a 3rd party to conduct a climate assessment of the work environment in the Pacific Southwest Region to address employee concerns for harassment and discrimination. A comprehensive action strategy resulted from that assessment; the agency has also instituted civil rights, harassment and antidiscrimination training for agency leaders, supervisors and employee relations professionals; the agency invested in a telephone hotline for employees to report allegations of harassment and discrimination. The Forest Service redesigned the Civil Rights Organization for more effective and consistent program delivery. In addition, the agency invested in new data systems to monitor and address workplace trends in the agency’s field units. In August 2016, The Forest Service finalized and began implementing a new Anti-harassment Policy, which raises a standard conduct and makes clear a zero tolerance of any form of harassment, including bullying; it imposes a standard for all employees to immediately report any form of harassment and institutes protocols to protect victims and hold accountable those responsible for harassment. It is one of the strictest policies in USDA.

| Highly Erodible Land and Wetland Conservation Compliance | Eligibility for most USDA financial assistance programs is contingent on a program participant’s compliance with the highly erodible land (HELC) and wetland (WC) conservation compliance provisions, as required under the Food Security Act of 1985. In the 2014 Farm Act, Congress re-linked crop insurance subsidies to conservation compliance, which triggered these requirements for an additional segment of agriculture. The new requirements were implemented smoothly, without much push back. However, some conservation groups are positioning to re-start the discussion for further strengthening compliance requirements. Farm groups already have voiced concerns, which could tee this up for the Farm Bill reauthorization in 2017. A recent audit report from USDA’s Office of Inspector General (Audit Report 50601-0005-31) has also raised congressional interest in compliance implementation. The report looked at various aspects of compliance implementation including the dataset used to select tracts | Ongoing |
for review and the guidance for the field activities associated with conducting compliance status reviews. NRCS will have implemented all recommendations by December 31, 2016 and has briefed the House and Senate Agriculture Committees on progress.
WHAT WE DO: OUR MISSION
Our mission at the Forest Service is to sustain the health, diversity, and productivity of the Nation’s forests and grasslands to meet the needs of present and future generations. The agency manages 193 million acres of national forests and grasslands, and supports the sustainable stewardship of nearly 650 million acres of non-Federal forest land. Communities depend on natural resources from forests and grasslands for their livelihoods and well-being - these lands generate over $36 billion annually. The key programs that contribute to our mission are Preparedness, Suppression, Integrated Resource Restoration, Hazardous Fuels, Research, and Recreation.

WHO WE ARE: OUR WORKFORCE
- Over 28,000 full time employees
- 10,000 – 12,000 temporary employees hired annually during peak season (May – Sept.)
- Offices and research stations distributed throughout 48 States and Puerto Rico

WHO WE SERVE: OUR CONSTITUENTS
The National Forests and Grasslands offer rich natural resources, breathtaking scenery, and clean, abundant drinking water for millions of Americans. The agency partners to support the sustainable stewardship of non-federal forests. The agency also has the world’s largest forestry research organization.

KEY UPCOMING DECISIONS
- Next Generation Airtanker. The 2015 Omnibus provided $65 million to acquire aircraft for the next-generation airtanker fleet to support the agency’s strategy to modernize and enhance firefighting mobility, effectiveness, efficiency and safety. A contract award is anticipated by the summer of 2017.
- Fire funding fix. Continue supporting the proposal to fund wildland fire suppression of the costliest, most catastrophic fires (1 to 2% of fires) using an “off-budget” disaster cap adjustment.

BUDGET HIGHLIGHTS FY 2016
- Total budget authority (BA) in FY 2016 was $6.384B ($5.68B in Discretionary BA; $704M in Mandatory BA).
- 56% of the discretionary BA is attributed to Fire. This is up from 16% in 1995.
- A supplemental appropriation of $700M to repay accounts for “fire transfer” in FY 2015 is not counted toward FY 2016 budget authority.
I. **Organizational Overview**

**Agency’s Mission/Strategic Plan**

The mission of the Forest Service is to sustain the health, diversity, and productivity of the Nation’s forests and grasslands to meet the needs of present and future generations.

**Strategic Goal 1. Sustain Our Nation’s Forests and Grasslands**
- Strategic Objective A. Foster resilient, adaptive ecosystems to mitigate climate change
- Strategic Objective B. Mitigate wildfire risk
- Strategic Objective C. Conserve open space

**Strategic Goal 2. Deliver Benefits to the Public**
- Strategic Objective D. Provide abundant clean water
- Strategic Objective E. Strengthen communities
- Strategic Objective F. Connect people to the outdoors

**Strategic Goal 3. Apply Knowledge Globally**
- Strategic Objective G. Advance knowledge
- Strategic Objective H. Transfer technology and applications
- Strategic Objective I. Exchange natural resource expertise

**Management Goal 1. Excel as a High-Performing Agency**
- Management Objective A. Recruit a diverse workforce
- Management Objective B. Promote an inclusive culture
- Management Objective C. Attract and retain top employees

Link to the USDA Forest Service Strategic Plan: FY2015 - 2020
Key mission delivery performance measures

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<th>Performance Measure</th>
<th>FY 2012 Actual</th>
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<td>2.1</td>
<td>Percentage of public and private forest and grazing land with conservation or management applied to improve or sustain productivity and ecological health *</td>
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<td>6.4%</td>
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<td>2.1 - KPI</td>
<td>Acres treated annually to sustain/restore watershed (millions)</td>
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<td>2.533</td>
<td>2.906</td>
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<td>2.1 - KPI</td>
<td>Volume of timber sold (billion board feet)</td>
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<td>2.867</td>
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<td>2.2</td>
<td>Percent of National Forests in compliance with a climate change adaptation and mitigation strategy</td>
<td>36%</td>
<td>49%</td>
<td>64%</td>
<td>89%</td>
<td>100%</td>
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<td>2.3</td>
<td>Percent of watersheds in properly functioning condition</td>
<td>52%</td>
<td>52%</td>
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<td>52%</td>
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<td>2.4</td>
<td>Cumulative number of acres in the National Forest system that are in a desired condition relative to fire regime</td>
<td>59,468,313</td>
<td>59,784,485</td>
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<td>60,417,289</td>
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<td>2.4 - KPI</td>
<td>Acres of Wildland Urban Interface hazardous fuels treated to reduce the risk of catastrophic wildfire (millions)</td>
<td>1.867</td>
<td>1.737</td>
<td>1.725</td>
<td>1.577</td>
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* FY 2012 and 2013 performance data is not available because the measure was developed for the updated USDA Strategic Plan.

Organization’s History

Federal forest management dates back to 1876 when Congress created the office of Special Agent in the U.S. Department of Agriculture to assess the quality and conditions of forests in the United States. In 1881 the Department expanded the office into the Division of Forestry. A decade later, Congress passed the Forest Reserve Act of 1891 authorizing the President to designate public lands in the West into what were then called “forest reserves.” Responsibility for these reserves fell under the Department of the Interior until 1905 when President Theodore Roosevelt transferred their care to the Department of Agriculture’s new Forest Service after Congress formally established it to provide quality water and timber for the nation’s benefit. Gifford Pinchot led this new agency as its first Chief, charged with caring for the newly renamed national forests. Historic milestones of the Forest Service are listed below:
• **1891**- The Forest Reserve Act allowed the President to establish forest reserves from public domain land.

• **1897**- The Organic Act provided that any new reserves would have to meet the criteria of forest protection, watershed protection, and timber production, thus providing the charter for managing the forest reserves, later called national forests, for more than 75 years.

• **1905**- The Forest Service was formally established in 1905, previously these federal lands were known as Forest Reserves.

• **1911**- The Weeks Act allowed the establishment of Eastern National Forests. The law created a National Forest Reservation Commission and authorized federal funds to purchase lands on the watersheds of navigable streams.

• **1960**- The Multiple Use Sustained Yield Act directed the agency to manage for multiple uses including: water, forge, wildlife and fisheries, wood, and recreation.

• **1976**- The National Forest Management Act changed forest planning by obliging the Forest Service to use a systematic and interdisciplinary approach to resource management.

• **1976**- The Federal Land Policy and Management Act is best summarized by the term ‘multiple-use’. The Act directed the management of the public lands and their various resource values so that they are utilized in the combination that will best meet the present and future needs of the American people.
United States Department of Agriculture
2016 Presidential Transition
Forest Service (FS)

Biographies of career staff in key leadership positions

Thomas L. Tidwell
Chief
202-205-8439, ttidwell@fs.fed.us

During his 39 year career with the Forest Service, Tom Tidwell has served in a variety of positions at all levels of the agency, including as district ranger, forest supervisor, and legislative affairs specialist in the Washington Office. As deputy regional forester for the Pacific Southwest Region, Tom facilitated collaborative approaches to wildland fire management, roadless area management, and other issues. As regional forester for the Northern Region, Tom strongly supported community-based collaboration in the region, finding solutions based on mutual goals and thereby reducing the number of appeals and lawsuits.

In 2009, after being named Chief, Tom set about implementing the Secretary of Agriculture’s vision for America’s forests. Under his leadership, the Forest Service is restoring healthy, resilient forest and grassland ecosystems—ecosystems that can sustain all the benefits that Americans get from their wildlands, including plentiful supplies of clean water, abundant habitat for wildlife and fish, renewable supplies of wood and energy, and more. Such benefits are at risk from the effects of climate change, and Tom has led the way in forging a national response. Under Tom’s leadership, the Forest Service has charted a national roadmap for addressing climate change through adaptation and mitigation. The Forest Service is taking steps to help ecosystems adapt to the effects of a changing climate while also taking action to mitigate climate change, partly by reducing greenhouse gas emissions.

Tom has facilitated an all-lands approach to addressing the challenges facing America’s forests and grasslands, including the overarching challenge of climate change. Such challenges cross borders and boundaries; no single entity can meet them alone. Under Tom’s leadership, the Forest Service is working with states, Tribes, private landowners, and other partners to restore ecosystems on a landscape scale.

Daniel J. Jirón
Associate Chief
202-205-1779, djiron@fs.fed.us

With more than 29 years in public service and natural resources management, Dan Jirón was appointed Associate Chief of the Forest Service July 2016. Dan serves as the direct senior executive support to the Chief of the Forest Service. This leadership role includes advancing strategic goals of the agency: Sustaining the Nation’s Forests and Grasslands; Delivering Benefits to the Public; Applying Scientific-Based Knowledge Globally; and Exceling as a High Performing Agency. In addition, he plays a lead role for the agency in carrying out the Secretary of Agriculture’s “All Lands Approach” to forest management, as well as in transformative efforts to enhance diversity and inclusion in the Agency’s culture.
Dan assists the Chief in overseeing delivery and achievement of the agency’s mission, stewarding 193 million acres of national forests and grasslands, leading a workforce of 28,000 permanent employees and serving the American public. Further, Dan has demonstrated an exceptional ability to forge strong relationships with partners and communities to sustain and restore the nation’s healthy, resilient forests and grasslands ecosystems—ecosystems that can sustain all the benefits that Americans get from their wildlands, including plentiful supplies of clean water, abundant habitat for wildlife and fish, renewable supplies of wood and energy.

Prior to this appointment, Dan served in variety of leadership positions including Regional Forester of the Rocky Mountain Region; Deputy Regional Forester in the Pacific Southwest Region; Forest Supervisor of the Santa Fe National Forest; District Ranger on the Salt Lake Ranger District of the Uinta-Wasatch-Cache National Forest; District Ranger on the South Park Ranger District of the Pike and San Isabel National Forest, Comanche and Cimarron National Grasslands; Director of Communications and Legislative Affairs of the Intermountain Region, National Press Officer in Washington, DC and aide to United States Senator Ben Nighthorse Campbell of Colorado.

Dan earned a Bachelor’s degree from Colorado State University-Pueblo and a Master’s degree from Regis University of Denver.

**Angela V. Coleman**  
**Chief of Staff**  
202-205-0998, **acoleman@fs.fed.us**

Angela Coleman serves as Chief of Staff of the Forest Service, Washington D.C. She accepted this appointment January 2015. In this assignment, she oversees Chief’s Office daily operations and staff, issues management, Office of Communications and Legislative Affairs programs. She provides senior-level support to the Chief of the agency and the Executive Leadership Team to advance and deliver the agency’s natural resource conservation mission.

Prior to this assignment, Angela served as the Associate Deputy Chief, Business Operations. In that role, she guided integration of the agency’s people-focused programs in Human Resource Management, Civil Rights, Employee Relations, Recruitment and Retention advance corporate efforts to create an inclusive, diverse work environment. She also served as Associate Deputy Chief, Research and Development, where she assisted in leading scientific and technology advancement to support natural resource management. Before that, she served as Deputy Regional Forester for the Pacific Southwest Region for National Forests located in California and parts of Nevada. Prior to this position, she served as Chief of Staff to the Deputy Chief of the National Forest System, Forest Service in Washington, DC. In that capacity, she provided direct assistance to the Deputy Chief as a senior advisor on policy, personnel, and issue management.
Before joining the Washington Office Deputy Chief’s staff, Angela served seven years as Regional Communications Director for the Forest Service, Southern Region in Atlanta. A native of Phenix City, Alabama, Angela’s career with the Forest Service spans more than 22 years.

Antoine Dixon  
Chief Financial Officer  
202-205-0429, aldixon@fs.fed.us

Tony Dixon has contributed more than 25 years to the Agency as a veteran leader in natural resources management and public service. He currently serves as the Chief Financial Officer for the Forest Service, a position he has held since July 2016. In this capacity, he is responsible for overseeing financial management, execution of the Agency’s six billion dollar budget, and management of more than 500 employees. His goals are to achieve sound financial management, improve financial reporting, and develop internal controls that ensure compliance with accounting principles, standards, applicable laws, as well as fulfilling Office of Management and budget requirements.

Prior to this assignment, he worked as the National Director of Strategic Planning, Budget, and Accountability. He provided management and oversight of the execution, formulation, and presentation of the agency’s budget. He also guided development and implementation of the agency’s new strategic plan and its performance and accountability measures.

Tony launched his career as a cooperative education student on the Routt National Forest in Steamboat Springs, CO. He has served in a variety of positions and geographical locations, including the National Director of the Forest Service Job Corps Program, Deputy Regional Forester of the Rocky Mountain Region, and Forest Supervisor of the National Forests in Mississippi. He also served as the Deputy Regional Director of Public Affairs in the Atlanta-based Southern Regional Office and held a number of positions in the National Headquarters in Washington, DC, including Program Analyst, Legislative Affairs Specialist, Deputy Area Budget Coordinator, and Chief of Staff for the Deputy Chief of the National Forest System.

Tony has a bachelor’s degree in marketing and forestry from Alabama A&M University and a master’s degree in administration from Central Michigan University.

Leslie Weldon  
Deputy Chief, National Forest System  
202-205-1689, lweldon@fs.fed.us

In November 2011, Leslie Weldon was named Deputy Chief for National Forest System with the Forest Service. In this role, Leslie is the lead executive responsible for policy, oversight and direction for natural resource programs that guide management of 193 million acres of national forests and grasslands. The Forest Service stewards these lands using current science and information to achieve sustainable multiple-use management, using an ecological approach, to provide a range of benefits to the American people.
Leslie’s 35-year career with the Forest Service began in 1981 as a summer hire monitoring seedlings, fighting forest fires, and surveying spotted owls on the Mt. Baker-Snoqualmie National Forest in Washington. During this time she began training in fisheries through the coop-education program. After receiving her Bachelor’s degree in Biological Sciences from Virginia Tech, she was hired as a fisheries biologist for three districts on the Mt. Baker-Snoqualmie National Forest.

Leslie served as Regional Forester for the Northern Region of the Forest Service, Forest Supervisor for the Deschutes National Forest in Bend, Oregon, and External Affairs Officer in the Office of the Chief. In this capacity she was responsible for several national programs including, Legislative Affairs, Office of Communication, Press Office, and the National Partnership Office.

**Vicki Christiansen**  
**Deputy Chief, State and Private Forestry**  
202-205-1657, vcchristiansen@fs.fed.us

Vicki Christiansen is the Deputy Chief for State and Private Forestry programs. She provides leadership and oversight to the agency’s Fire and Aviation Management program and State and Private programs that provide technical and financial assistance to State agencies and other landowners and resource managers of the Nation’s urban and rural forests. These programs enhance state and local entities ability to protect communities and the environment from wildland fires, insects, disease, and invasive plants.

Vicki has gained more than 36 years of wildland fire and natural resource leadership experience, including six years with the Forest Service and nearly 30 years of service in the states of Arizona and Washington. During her Forest Service career, Vicki has played a prominent role leading the “Life First” effort that further advances our intention to significantly increase the odds of everyone returning home safely. In addition, she’s a stalwart for the all lands management approach to maintaining health and resiliency of forests, namely through her contributions to the National Cohesive Wildland Fire Management Strategy. Vicki has built a stellar reputation within the forestry and wildland fire management community, forging strong ties and working collaboratively with leaders at the state, regional and national levels. She has become an unwavering voice for creating an inclusive, diverse workforce. She brings a wealth of knowledge, leadership and service to her new role.

Vicki has served as Associate Deputy Chief in State and Private Forestry, Washington Office and previously worked as Deputy Director of Fire and Aviation Management. Prior to her Forest Service career, Vicki served as Arizona State Forester and Director of the Arizona Division of Forestry where she oversaw protection of 22 million acres of state and private lands in Arizona. Vicki chaired the Wildland Fire Committee for the National Association of State Foresters. In addition, she served as Washington State Forester as a part of her 26-year career with the state’s Department of Natural Resources. She launched
her career as a wildland firefighter while in college and later accepted a permanent position in Washington as a forester. In that role she oversaw reforestation of state trust lands in the Mt. Saint Helens blast zone. She subsequently accepted other assignments where she focused on managing state trust lands and regulating forest practices on state and private lands.

In addition to credentials in wildland fire management and specialized expertise as a fire line-blasting advisor, Vicki earned a bachelor’s degree in forest management at the University of Washington. She maintains ties to number of organizations within the natural resources conservation and fire management community.

**Lenise Lago**  
**Deputy Chief, Business Operations**  
202-205-1707, llago@fs.fed.us

Lenise Lago has served as Deputy Chief for Business Operations since 2011. She provides leadership and oversight for all the administrative functions for the agency which include Safety, Job Corps, and Sustainable Operations, and oversees the work of more than 4,000 employees.

From 2009-2011, Lenise served as Deputy Regional Forester of the Pacific Northwest Region. In this position, she provided oversight for Recreation, Lands, Minerals, Engineering, Public Affairs, Civil Rights, Human Resources, Acquisition Management and Data Resource Management for the Region, in addition to co-chairing the regional labor management forum.

Lenise moved to Washington, DC, to become Assistant Budget Director in October 2003 and became Forest Service Budget Director in November 2006. Lenise prepared and presented five Agency Budget Requests to Congress and accompanied the Chief as a witness at the annual budget hearings for three budget cycles. Lenise worked very closely with Congressional Staff on a number of funding bills including annual appropriations and emergency supplemental appropriations for hurricanes, wildfires, and the American Reinvestment and Recovery Act.

Lenise worked briefly in the forest products industry before joining the Forest Service in 1989. She has worked in a variety of Planning, Budget, and Resource Management jobs. She has had assignments on two Ranger Districts, two National Forests, and two Regional Offices all within Montana, Oregon and Washington.

A native of Athens, Georgia, Lenise attended the University of Georgia where she earned a Bachelor’s Degree in Timber Management and a Master of Forest Resources from the University of Georgia’s Warnell School of Forest Resources.
Dr. Carlos Rodriguez-Franco  
Acting Deputy Chief, Research and Development  
202-205-1665, crodriguezfranco@fs.fed.us

Dr. Carlos Rodriguez-Franco currently serves as the Acting Deputy Chief for Research and Development where he provides national leadership for basic and applied natural resources research.

Before taking on his current assignment, Dr. Rodriguez-Franco was Associate Deputy Chief for R&D. He has also served as Research and Development Director for Sustainable Forest Management Research, Executive Lead for Cultural Transformation, a Scientist Liaison, and International Affairs Specialist with U.S. Department of Agriculture’s Agricultural Research Service.

Prior to joining the U.S. Department of Agriculture, he worked 25 years with the National Institute of Forestry, Agriculture and Animal Husbandry Research in Mexico.

Dr. Rodriguez-Franco has a doctorate in Forest Sciences from Yale University. He has written 90 scientific articles related to silviculture and forest management published in Mexico and the United States. Dr. Rodriguez-Franco authored a book in Spanish entitled “Sampling Designs Applied to Forest Inventories.” Other contributions include participation in the “Forestry Compendium” and the book “Pines of Silvicultural Importance” published by CAB International, and a chapter in the book “Urban Air Pollution and Forests: Resources at Risk in the Mexico City Air Basin” published by Springer Verlag.

Doug Crandall  
Director, Legislative Affairs  
202-205-1637, dcrandall@fs.fed.us

Doug Crandall has been Director of Legislative Affairs for the Forest Service since 2007.

During this time he also completed two assignments for the Secretary of Agriculture, first as Acting Assistant Secretary of Congressional Relations for one year, and second as Acting Deputy Under Secretary of Natural Resources and Environment for five months.

Previously to this, for eight years, he was Staff Director for the Subcommittee on Forests and Forest Health, with jurisdiction in the U. S. House of Representatives over most legislation and oversight concerning the Forest Service and Bureau of Land Management.

He also served with the Society of American Foresters as Policy Director, the National Forest Foundation as Vice President, and the American Forest and Paper Association as Director responsible for National Forest issues. Prior to that, he spent ten years managing a lumber company in Livingston, MT, and four years on the Brazilian Amazon, first as a forester and float-plane pilot, then as a plywood mill manager. Doug graduated with a BS
in Forestry from Oregon State University where he was selected as Most Outstanding Graduating Senior by the faculty. He has been a member and officer of numerous forestry, industry, conservation and community organizations.

**Tracy Perry**  
**Director, Law Enforcement and Investigations**  
202-605-4869, tperry@fs.fed.us

Tracy Perry has served as Director of Law Enforcement and Investigations for the Forest Service since July 2016. In this position, he provides management and oversight for over 650 employees responsible for public and employee safety and resource protection on 193 million acres of national forests and grasslands throughout the country.

Prior to accepting the role of Director, Tracy served as Deputy Director of Law Enforcement and Investigations for more than 6 years. In that position, he provided oversight and technical supervision to nine Special Agents in Charge and four Assistant Directors located at various duty locations throughout the nation. He also provided legal advice and technical guidance to National and Regional level Line and Staff Officers related to law enforcement issues on national forests and grasslands.

Tracy has worked for the Forest Service Law Enforcement and Investigations program since 1989. During his 27 year Forest Service career, he has worked at the District level as a Law Enforcement Officer, at the Forest level as a Special Agent, at the Regional level as Assistant Special Agent in Charge and at the National level as Deputy Director, Acting Director, and now Director. He was instrumental in the development of the agency’s national case management policy, the Law Enforcement and Investigations National Recruitment Plan and the National Timber Theft Prevention Plan.

His formal education includes a Bachelor’s Degree in Forensic Science from Jacksonville State University and a Master’s Degree in Criminal Justice, also from Jacksonville State University. He is a graduate of the FBI National Academy program (Session 194) and the Federal Executive Institute’s Leadership for a Democratic Society program.

He is a member of the International Association of Chiefs of Police, the National Sheriffs’ Association, the Western States Sheriffs Association, and the National Organization of Black Law Enforcement Executives.

**Erin O’Connor**  
**Director, Office of Communications**  
202-205-1470, eoconnor@fs.fed.us

Erin O’Connor has served as Director for the Forest Service Office of Communication since 2015. She oversees all national communication programs, including web and social media programs, national media issues and creative media. Erin advises the Chief on media and corporate communications, and is developing a new digital engagement program. She keeps the Department of Agriculture’s Office of Communications and the office of the Under Secretary for Natural Resources and Environment apprised of decisions
made for communications strategy at the national level. Erin also maintains close communication ties with all regional public affairs offices and research stations nationwide.

Erin was named Strategic Communications director in the Intermountain Region in July 2004, and served on the Regional Leadership Team. She provided advice and counsel across all disciplines for 12 national forest and grassland administrative units in six states. Erin maintained close relationships with Congressional delegations by working closely with staff members and Washington Office legislative specialists. She also coordinated special events, including two regional events in honor of the centennial anniversary of the Forest Service.

Erin moved to Ogden, Utah, in September 2001 to serve as deputy director for Strategic Communications for the Intermountain Region. She oversaw development of the region’s website and implemented it as a tool for sharing information with the public. She also served as an incident information officer during the events surrounding the deaths of two Forest Service firefighters who lost their lives battling the Cramer Fire.

Erin worked for a short time with the National Park Service before joining the Forest Service in 1989. She has worked in a variety of positions, including firefighter, wilderness ranger, and district ranger, but most often in public affairs. She has had assignments on three ranger districts, one forest supervisor’s office, and one regional office across California, Nevada and Utah.

Erin O’Connor grew up in Long Island, New York. She holds a Bachelor’s Degree in Forest Management from Washington State University.

Cynthia West
Executive Director, Office of Sustainability and Climate Change
202-205-0838, cdwest@fs.fed.us

Dr. Cynthia West has contributed 24 years of public service with the Forest Service and has extensive experience in forest economics and ecology, forest products, and ecosystem services research and research management. In 2015 Dr. West was appointed as the Executive Director of the newly formed Office of Sustainability and Climate Change for the Forest Service. In this assignment she is provides leadership to guide policy addressing sustainable operations and incorporating climate considerations into land management programs and priorities for the agency. As executive lead, she ensures the Forest Service meets national requirements for developing and implementing climate adaptation/mitigation plans and sustainability reporting.

Prior to this appointment she served in to leadership positions in the national office of the Forest Service since 2012 as Associate Deputy Chief for Research & Development and Director for Resource Use Sciences. She has extensive experience in research management, as Deputy Station Director for the Forest Service, Pacific Northwest Research Station (PNW) in Portland, OR for nine years before entering Senior Executive Service. In this position, she provided oversight for the Station’s research programs across
ten laboratories and eleven experimental forests in Alaska, Washington, and Oregon. Before joining the PNW Station in 2002, Dr. West served as Department Head of Forest Products at Mississippi State University (MSU). Prior to MSU she served for nine years with the Forest Service in the Northeastern Research Station as a researcher and project leader conducting economics and international wood products trade research and industry development in Princeton, West Virginia and at Virginia Tech in Blacksburg, Virginia where she served as Adjunct Faculty in the Wood Science Department.

Dr. West received a bachelor’s degree in forest management, a master’s degree in marketing and management, and a Ph.D. in wood science, all from Virginia Polytechnic Institute and State University.

**Theodore (Ted) Hale Gutman**  
**Director, Office of Civil Rights**  
202-205-0998, theodorehgutman@fs.fed.us

Ted Gutman serves as National Director, Office of Civil Rights for Forest Service, Washington D.C. Ted has helped to shape the Agency’s new civil rights program with a vision to inspire everyone to belong, contribute and succeed.

Ted has served in numerous capacities in his approximately sixteen year career with the federal government including serving as the Director of the Complaints Adjudication Division, Office of the Assistant Secretary of Civil Rights and Deputy Human Resource Director for Marketing and Regulatory Programs Business Services.

Mr. Gutman came to the Agency from private practice serving as the In-house Counsel for EKA Health and Mobility Systems, a small health equipment corporation in Prince George’s County. Ted has a long history of serving the public both in the public and private sectors including working with the President’s Committee on Employment for Persons with Disabilities and supporting the needs of the community with Catholic Charities Legal Network and the in his studies and pro bono work with District of Columbia School of Law.

**Valdis E. Mezainis**  
**Director, International Programs**  
202-644-4621, vmezainis@fs.fed.us

Dr. Valdis E. Mezainis, Director of International Programs, came to the Forest Service from the USDA Foreign Agricultural Service, where he had been the Director of the Research and Scientific Exchange Division since 1988. He served as Director of the Office of International Cooperation and Development’s International Training Division from 1985-1988. Prior to that, Dr. Mezainis held several positions with the Peace Corps.

A native of Chicago, Illinois, Dr. Mezainis earned his Bachelor of Science degree in biology from Loyola University (Chicago). He received his master’s degree in fisheries and aquatic ecology from Auburn University in 1977, and a doctor of philosophy degree in
soil and water science from the University of Arizona, where Gamma Sigma Delta named him the outstanding graduate student in the College of Agriculture.

Dr. Mezainis has worked worldwide in international development for over 40 years and has had long-term residential assignments in India and Cameroon. He has received numerous federal government achievement awards throughout his career including the Presidential Rank Award given to members of the Senior Executive Service for outstanding public service.

**Biographies of political staff in key leadership positions**

Not applicable.
### Organizational Budget and Financial Management

#### Forest Service Budget Authority FY 2009-2016 (Dollars in Thousands)

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United States Department of Agriculture  
2016 Presidential Transition  
Forest Service (FS)

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Discretionary Sub-total $4,762,566 $5,389,112 $5,096,746 $4,844,965 $4,552,469 $4,896,611 $5,073,246 $5,680,346
## United States Department of Agriculture
### 2016 Presidential Transition
#### Forest Service (FS)

### 2009-2016 Budget Overview

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**Mandatory Sub-total:** $733,740 $678,173 $738,880 $820,650 $812,632 $672,516 $855,449 $703,790

**Recovery Act Funds:** $1,150,000 $1,150,000 $1,150,000 $1,150,000 $1,150,000 $1,150,000 $1,150,000 $1,150,000

**Supplementals:** $200,000 $200,000 $200,000 $200,000 $200,000 $200,000 $200,000 $200,000

**Total:** $6,846,306 $6,067,285 $5,835,626 $5,665,615 $5,369,101 $6,169,127 $5,928,695 $7,084,136
The Forest Service’s discretionary funds are appropriated through the Interior, Environment, and Other Related Agencies Appropriations Subcommittee. This is different from other USDA agencies who work through the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Subcommittee.

The agency’s discretionary budget has been relatively flat when considering fiscal years 2015 and 2016 (enacted) and the FY 2017 Request. The FY 2016 Enacted levels inflate the budget authority received because of a one-year increase to the FLAME Reserve Account of $520 million. The increase was programmed by Congress when a fire funding fix could not be agreed upon. The FY 2017 President’s budget requests an “off-budget” suppression cap adjustment and negated the need to request FLAME Reserve funding. On balance, the three fiscal years displayed below are operationally flat.

<table>
<thead>
<tr>
<th>Program</th>
<th>FY 2015 Enacted</th>
<th>FY 2016 Enacted</th>
<th>FY 2017 Estimates</th>
<th>Program Changes</th>
<th>Percent of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest &amp; Rangeland Research</td>
<td>296,000</td>
<td>291,000</td>
<td>291,982</td>
<td>982</td>
<td>0%</td>
</tr>
<tr>
<td>State and Private Forestry</td>
<td>232,653</td>
<td>237,023</td>
<td>234,004</td>
<td>-3,019</td>
<td>-1%</td>
</tr>
<tr>
<td>National Forest System</td>
<td>1,494,330</td>
<td>1,509,364</td>
<td>1,500,996</td>
<td>-8,368</td>
<td>-1%</td>
</tr>
<tr>
<td>Capital Improvement &amp; Maintenance</td>
<td>360,374</td>
<td>364,164</td>
<td>343,280</td>
<td>-20,884</td>
<td>-6%</td>
</tr>
<tr>
<td>Land Acquisition</td>
<td>48,666</td>
<td>64,601</td>
<td>66,819</td>
<td>2,218</td>
<td>3%</td>
</tr>
<tr>
<td>Other Appropriations Total</td>
<td>4,865</td>
<td>4,865</td>
<td>4,806</td>
<td>-59</td>
<td>-1%</td>
</tr>
<tr>
<td>Wildland Fire Management</td>
<td>2,333,298</td>
<td>2,386,329</td>
<td>2,451,445</td>
<td>65,116</td>
<td>3%</td>
</tr>
<tr>
<td>FLAME Wildfire Suppression Reserve Fund</td>
<td>303,060</td>
<td>823,000</td>
<td>0</td>
<td>-823,000</td>
<td>-100%</td>
</tr>
<tr>
<td>Discretionary Appropriations Subtotal</td>
<td>5,073,246</td>
<td>5,680,346</td>
<td>4,893,332</td>
<td>-787,014</td>
<td>-14%</td>
</tr>
<tr>
<td>Fire Transfer Repayment</td>
<td>0</td>
<td>700,000</td>
<td>0</td>
<td>-700,000</td>
<td>-100%</td>
</tr>
<tr>
<td>Suppression Cap Adjustment</td>
<td>0</td>
<td>0</td>
<td>864,096</td>
<td>864,096</td>
<td>100%</td>
</tr>
<tr>
<td>Discretionary Appropriations Total</td>
<td>5,073,246</td>
<td>6,380,346</td>
<td>5,757,428</td>
<td>-622,918</td>
<td>-10%</td>
</tr>
<tr>
<td>Permanent Appropriations</td>
<td>524,520</td>
<td>559,690</td>
<td>319,186</td>
<td>-240,504</td>
<td>-43%</td>
</tr>
<tr>
<td>Trust Funds</td>
<td>330,929</td>
<td>144,100</td>
<td>144,100</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Grand Total, Forest Service</td>
<td>$5,928,695</td>
<td>$7,084,136</td>
<td>$6,220,714</td>
<td>($863,422)</td>
<td>-12%</td>
</tr>
</tbody>
</table>

Of note is that Congress appropriates wildfire management funding to both the Forest Service and the Department of Interior through the Interior Appropriations bill, and the agencies jointly coordinate wildfire management. The Forest Service covers 193 million acres of National Forest System land, while the Department of Interior manages 400 million acres of national parks, wildlife refuges, and preserves, Indian reservations, and other public lands. The Forest Service provides aviation assets for the federal government, which significantly drives up its costs (from FY2007-2016, the Forest Service received an average of 76% of total wildfire management appropriations whereas the Department of Interior received 24%).
The Forest Service faces two related but distinct challenges from the rising costs of fire suppression. First, wildland firefighting (suppression) activities are currently funded within the U.S. Department of Agriculture (Forest Service) and Department of Interior budgets, based on a 10-year rolling average. Using this model, the agencies must average firefighting costs from the past 10 years to predict and request costs for the next year. When the average was stable, the agencies were able to use this model to budget consistently for the annual costs associated with wildland fire suppression. Over the last few decades, however, wildland fire suppression costs have increased as fire seasons have grown longer and the frequency, size, and severity of wildland fires have increased. The growth in fire suppression costs has steadily consumed an ever-increasing portion of the agencies' appropriated budgets, including at a rate of roughly $100 million a year over the last few years for the Forest Service. Today the agency spends over 50 percent of its budget on fire suppression.

The second challenge is that when appropriated resources fall short, as they did in 2015 by $700 million, the Forest Service is forced to transfer funds from non-fire programs to cover the cost of suppression beyond appropriations in any given fiscal year. These mid to late season transfers stop projects, cause uncertainty and instability in planning, and impact the agency's ability to implement projects. The impact of the rising cost of suppression on the Forest Service’s mission is detailed in a 2014 Report on the state by state impacts of fire transfer, and a 2015 Forest Service Report: Rising Firefighting Costs Raises Alarms.

The Forest Service’s discretionary budget increased 12% ($607 million) in FY 2016 compared to the FY 2015 enacted level. The primary reason for the change was an increase of $520 million to the FLAME Wildfire Suppression Reserve Fund – a fund available to the Forest Service after the Suppression appropriation has been exhausted. Congress elected to appropriate such a high level of funding at the point when a fire funding fix looked unlikely to pass Congress during FY 2016 appropriation negotiations.

See Agency Budget Tables_Forest Service_FINAL.xlsx for a complete history of annual funding levels for both discretionary and mandatory accounts.

**Financial Management**

As an agency, we effectively manage our program of work within our approved budget authority. There are internal controls in place at all levels of the agency to ensure programs and activities are managed effectively to achieve desired outcomes while avoiding overspending. In FY 2017, we will continue to pay attention to how we manage programs to ensure we are spending funds as effective and efficient as possible to achieve the performance outcomes expected. Some specific steps include:

- **Project planning.** This provides an opportunity for us to reach our goal of effective program and fund management; therefore, Regions/Station/Area establish a preliminary program annually by late September.

- **Program oversight and compliance.** The process for program oversight and compliance reviews is consistent with direction issued by OMB, and
implemented by USDA, to broaden A-123 internal control standards beyond financial controls into program management and oversight. The objectives of the reviews under the approach are to evaluate the: 1) effectiveness and efficiency of operations, 2) reliability of financial and program reporting, 3) compliance will applicable laws, regulations, and policy, and 4) alignment with strategic goals, congressional intent, and mission results.

- **Mid-year Reviews.** To ensure funds are managed within unit allocations at the budget line item level, units develop and implement a program of work consistent with their allocations to avoid overspending. To ensure this occurs, all RSA and the WO complete a mid-year review by mid-May and submit the results of the review to the CFO and Director of Strategic Planning, Budget & Accountability. The review includes an analysis of Region/Station/Area budget allocations, program of work, expected performance accomplishments, and projected spending through the end of the fiscal year, along with any corrective actions required to ensure programs are within budget allocations.
Enterprise Workforce Data

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington DC (HQ)</td>
<td>750</td>
<td>753</td>
<td>755</td>
<td>748</td>
<td>750</td>
<td>753</td>
<td>756</td>
<td>750</td>
</tr>
<tr>
<td>Field Offices</td>
<td>33645</td>
<td>36007</td>
<td>34961</td>
<td>33076</td>
<td>32055</td>
<td>31501</td>
<td>32137</td>
<td>31635</td>
</tr>
<tr>
<td>Total Staff</td>
<td>34395</td>
<td>36760</td>
<td>35716</td>
<td>33824</td>
<td>32805</td>
<td>32254</td>
<td>32893</td>
<td>32385</td>
</tr>
</tbody>
</table>

**Current Workforce by Location**

<table>
<thead>
<tr>
<th>Location</th>
<th>Number of Staff Years</th>
<th>Percentage of Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Washington DC (HQ)</td>
<td>750</td>
<td>2%</td>
</tr>
<tr>
<td>Regional/Station HQ</td>
<td>4241</td>
<td>13%</td>
</tr>
<tr>
<td>Forests/Labs/S&amp;PF/II</td>
<td>7644</td>
<td>24%</td>
</tr>
<tr>
<td>Ranger Districts</td>
<td>16682</td>
<td>52%</td>
</tr>
<tr>
<td>HQ External Units</td>
<td>1667</td>
<td>5%</td>
</tr>
<tr>
<td>Centralized Bus. Serv</td>
<td>1401</td>
<td>4%</td>
</tr>
<tr>
<td>Total Field Offices</td>
<td>31635</td>
<td>98%</td>
</tr>
<tr>
<td><strong>Total Staff</strong></td>
<td><strong>32385</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
The Forest Service employs a workforce of 39,063 employees of which the following are full-time and part-time:
- Full-time: 27,529 employees
- Part-time: 11,534 employees

The Forest Service employs additional seasonal employees to provide support during peak months. From May through September, we hire 10,000 to 12,000 additional seasonal employees to fight forest fires and assist in field work (e.g., data collection).

Of our total workforce, 17% are eligible to retire within the next year.

Our headquarters is located in Washington, D.C., which houses 2% of our workforce.

The Forest Service has 9 regional offices, 7 research stations, and 1 office administering State & Private Forestry programs in the northeast. The following are the names and locations of each:

- **National Forest System Regional Headquarters**
  - Region 1, Northern Region – Missoula, MT
  - Region 2, Rocky Mountain Region – Golden, CO
  - Region 3, Southwest Region – Albuquerque, NM
  - Region 4, Intermountain Region – Ogden, UT
  - Region 5, Pacific Southwest Region – Vallejo, CA
  - Region 6, Pacific Northwest Region – Portland, CA
  - Region 7, Southern Region – Atlanta, GA
  - Region 8, Eastern Region – Milwaukee, WI
  - Region 9, Alaska Region – Juneau, AK

- **State and Private Forestry**
  - Northeastern Area – Newtown Square, PA

- **Research and Development Stations**
  - International Institute of Tropical Forestry – headquartered in San Juan, Puerto Rico
  - Pacific Northwest Research Station – headquartered in Portland, OR
  - Pacific Southwest Research Station – headquartered in Albany, CA
  - Rocky Mountain Research Station – headquartered in Fort Collins, CO
  - Northern Research Station – headquartered in Newtown Square, PA
  - Southern Research Station – headquartered in Asheville, NC
  - Forest Products Laboratory – headquartered in Madison, WI
II. Policies and Regulations

Statutory Authorities

Agricultural Act of 2014 - Insect and Disease Infestation Designation – Amends the Healthy Forests Restoration Act (HFRA) to require designation of an insect and disease priority treatment area in at least one National Forest per State, if requested by the Governor. Treatments in those areas may be conducted in accordance with the authorities provided for fuels treatments in HFRA and also may be categorically excluded. Also, authorizes $200,000,000 per year for these activities through 2024.

- Good Neighbor Authority – Expands Colorado Good Neighbor Act authority (CGNA) to Puerto Rico and all States with National Forest System lands. (Also includes BLM managed lands) Through this authority the Secretary of Agriculture, via cooperative agreement or contract, can permit State agencies to perform watershed restoration and forest management services on National Forest System lands when similar and complementary restoration services are being performed on adjacent State or private lands.

- Cultural and Heritage Cooperation Authority – authorized the reburial of human remains and cultural items on National Forest System lands; prevents the unauthorized disclosure of information regarding human remains or cultural items on National Forest System lands; authorizes tribal access to National Forest System lands for traditional and cultural purposes; and authorized the Forest Service to provide forest products to Indian tribes for traditional and cultural purposes.

Collaborative Forest Landscape Restoration (CFLR) – The Omnibus Public Land Management Act of 2009 authorizes the Collaborative Forest Landscape Restoration Fund, establishing a Treasury fund to be used to pay up to 50 percent of the cost of carrying out and monitoring ecological restoration treatments on National Forest System land. The Act authorizes $40,000,000 for each of fiscal years 2009 through 2019, to remain available until expended. Actual appropriated amounts have varied by year.

Cooperative Forestry Assistance Act of 1978 – Authorizes cooperation and assistance to non-Federal forest landowners and communities in rural forest management, urban and community forest management, production of timber and other forest resources, insect and disease control, rural fire prevention and control, forest management and planning assistance, and technology implementation. Includes authorization for many State and Private Forestry programs, including the Forest Stewardship Program, the Forest Legacy Program, and the Urban and Community Forestry Program.

Healthy Forests Restoration Act (HFRA) of 2003 – Title I of HFRA provides for expedited environmental review, a pre-decisional Forest Service administrative review process, and other measures on National Forest and Bureau of Land Management (BLM) lands that are
at-risk of catastrophic fire. Titles II through VI authorize various forest health restoration programs, including promoting the use of woody biomass, creating the Health Forest Reserve Program, and providing watershed forestry assistance.

Multiple Use Sustained-Yield Act of 1960 – Clarifies forest lands are to be administered for outdoor recreation, range, timber, watershed, wildlife, and fish. Authorized and directed the development and administration of the renewable surface resources of the National Forests for multiple use and sustained yield of the several products and services obtained there from.

National Forest Management Act (NFMA) of 1976 – The NFMA requires that the Forest Service prepare and revise at fifteen-year intervals a land management plan (LMP) for each national forest to provide for multiple use and sustained yield of the products and services obtained from the forest. NFMA also establishes restrictions on timber harvest, such as provisions that harvest can only occur where soil, slope or other watershed conditions will not be irreversibly damaged. The Act directs the Secretary to develop regulations to set out the process for the development and revision of land management plans.

Organic Administration Act of 1897 – Provides authority for the administration, protection, and management of the National Forests, for the purposes of improving and protecting the forest, securing favorable conditions of water flows, and to furnish a continuous supply of timber for the use and necessities of citizens of the United States. The Act also directs the Secretary of Agriculture to protect National Forests against destruction by fire and depredations.

Secure Rural Schools and Community Self-Determination Act of 2000 – The SRS Act provides for payments to States that are distributed to counties in which National Forests are situated. Under the Act, a county elects to receive a share of the State’s 25-percent payment (a receipts-based payment) or a share of the State payment (a formula-based payment). Funding for the payments is from receipts from National Forests and, to the extent of any shortfall, amounts in the Treasury not otherwise appropriated. The SRS Act was originally enacted in 2000, substantially amended and reauthorized in 2008, and since then has been reauthorized year-to-year, except for the most recent reauthorization which authorized payments for fiscal years 2014 and 2015. No further SRS payments may be made unless the SRS Act is reauthorized. If it is not, payments to States will revert to the substantially less 25-percent payments.

Weeks Act of 1911 – Sections 1 and 2 authorize land acquisition for watershed protection and timber production. One of the primary authorities for land acquisition with Land and Water Conservation Fund moneys.
**Important Policies and Regulations**

**Significant Policies/Regulations Finalized Within the Last Year**

No significant policies/regulations were finalized within the last year. The three policy/regulatory actions that were finalized within the last year were non-significant policy/regulatory actions.

**Significant Policies/Regulations Open for Comment**

There are currently no policies/regulations (significant or non-significant) that are open for comment.

**Significant Policies/Regulations Pending OMB clearance**

- Colorado Roadless-North Fork Coal Mining Exception (36 CFR part 294)--Final Rule; Target publication date November 2016 (currently at OMB for review)
- Administrative Issuances; Involving the Public in the Formulation of Forest Service Directives (36 CFR part 216)--Final Rule; Target publication date November 2016 (currently in FS clearance)
- Mitigation for Adverse Impacts (36 CFR part 224)--Proposed Rule; Target publication date December 2016 (currently in Department clearance)
- Commercial Filming Wilderness (FSH 2709.11)--Final Directive and Interim Final Rule; Target publication date November 2016 (currently pending OMB designation; expected to be significant)
- Small Business Timber Sale Set-Aside Program (FSH 2409.18)--Proposed Directive; Target publication date January 30, 2017 (currently pending SBA rule publication)

On average, two new Forest Service policies/regulations are released (notification of pending action added to the regulatory agenda) per year. The remainder are pending actions carried over from year to year. Of these new regulations, 50% (at least one per year, on average) is deemed significant by the Office of Information and Regulatory Affairs (OIRA). In 2015, the Forest Service Regulatory reviewed its pending regulatory actions, and identified its highest priority actions. Twenty-five percent (5 out of 20) have been deemed significant by OIRA. However, over the last 15 years, OIRA has never designated a Forest Service regulation economically significant.

**Overview of the policy/regulation review process**

Federal agencies operate under the U.S. Code and the Code of Federal Regulations. These laws help form our directives and policies on how we manage national forests and grasslands. The agency’s directives consist of the Forest Service Manual and Handbooks, which organizes the agency's policy, practice, and procedure. The system serves as the primary basis for the internal management and control of all programs and the primary source of administrative direction to employees. The Forest Service typically implements program changes through issuance of new policies or revision of policy within this existing agency regulatory framework.
The Forest Service strives to seek public input in its policy and regulation review process. The National Forest Management Act of 1976 (NFMA) requires the Forest Service to offer a public notice and comment period on the formulation of standards, criteria and guidelines applicable to Forest Service programs, i.e., policy manuals and handbooks. Historically, when a determination is made that prior public notice and comment is warranted for a proposed policy action, the Forest Service has followed the requirements of the Administrative Procedures Act and OIRA guidance for regulatory review. The Forest Service has recently been revising its process in 36 CFR part 216 - Administrative Issuances; Involving the Public in the Formulation of Forest Service Directives. The agency also regularly consults with Indian tribes per Executive Order 13175.

Periodically, new regulatory actions are needed to implement new statutory provisions, such as the Farm Bill enacted every 5 years. Pursuant to the National Forest Management Act of 1976, the agency is required to update its forest plans every 15 years, which it did most recently in the 2012 Planning Rule and accompanying directives.

**GAO and OIG Audits**

<table>
<thead>
<tr>
<th>Audit Number</th>
<th>Report Issue Date</th>
<th>Audit Title</th>
<th>Audit Status/ link</th>
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</thead>
</table>
## United States Department of Agriculture
2016 Presidential Transition
Forest Service (FS)

<table>
<thead>
<tr>
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<th>Report Issue Date</th>
<th>Audit Title</th>
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<tr>
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<tr>
<td>OIG</td>
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<tr>
<td>--------------</td>
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<td>-----------------------------------------------------------------------------</td>
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</tbody>
</table>
III. Congressional Relations and Issues

Overview

The Forest Service works with a number of congressional authorizing committees and subcommittees because of the mission areas represented. These include the Senate Committee on Energy and Natural Resources, the Senate Committee on Agriculture, Nutrition and Forestry, the House Committee on Natural Resources including the Subcommittee on Federal Lands, and the House Committee on Agriculture including the subcommittee on Conservation and Forestry.

The Forest Service’s discretionary funds are appropriated through the Interior, Environment, and Other Related Agencies Appropriations Subcommittee. This is different from other USDA agencies who work through the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Subcommittee.

Fire Suppression Budget

The Forest Service faces two related but distinct challenges from the rising costs of fire suppression. First, wildland firefighting (suppression) activities are currently funded within the U.S. Department of Agriculture (Forest Service) and Department of Interior budgets, based on a 10-year rolling average. Using this model, the agencies must average firefighting costs from the past 10 years to predict and request costs for the next year. When the average was stable, the agencies were able to use this model to budget consistently for the annual costs associated with wildland fire suppression. Over the last few decades, however, wildland fire suppression costs have increased as fire seasons have grown longer and the frequency, size, and severity of wildland fires have increased. The growth in fire suppression costs has steadily consumed an ever-increasing portion of the agencies' appropriated budgets, including at a rate of roughly $100 million a year over the last few years for the Forest Service. Today the agency spends over 50 percent of its budget on fire suppression. The second challenge is that when appropriated resources fall short, as they did in 2015 by $700 million, the Forest Service is forced to transfer funds from non-fire programs to cover the cost of suppression beyond appropriations in any given fiscal year. These mid to late season transfers stop projects, cause uncertainty and instability in planning, and impact the agency's ability to implement projects.

Since the FY 2015 President’s Budget, the Administration has proposed a new way of funding wildland fire suppression using a disaster cap adjustment. That proposal would require the FS to budget for 70% of the 10-year average. It would also allow the agency to draw on funding appropriated government-wide for disasters for certain kinds of large fires and when suppression funding is exhausted.

The proposal, which is consistent with the Wildfire Disaster Funding Act (WDFA) introduced in the 113th and 114th Congresses, also ensures accountability for accessing the disaster funds and provides the opportunity for greater or sustained investment in
restoration, fire risk reduction, and public safety programs by not necessitating fire transfers from non-fire programs.

A number of alternative proposals have been put forward during the 114th Congress including (among others) the Resilient Federal Forests Act (HR 2647) introduced by Rep. Bruce Westerman, the Wildfire Budgeting, Response and Forest Management Act (offered by Sens. Murkowski, Crapo, Wyden, Risch), and Emergency Wildfire and Forest Management Act of 2016 (S. 3085) from Sen. Pat Roberts. The Administration has not endorsed any of these proposals, however we continue to work with all parties toward a comprehensive solution.

Farm Bill Implementation

The 2014 Farm Bill significantly expanded the tools that will support the ability of the agency to accomplish restoration work on the ground. The tools included permanent authorization for stewardship contracting and the Good Neighbor Authority. In addition, the 2014 Farm Bill provided the Forest Service with an increased ability to identify and treat priority insect and disease infestation areas.

The Good Neighbor Authority (GNA) provided permanent authority to the Forest Service and the Bureau of land Management (BLM) to enter into cooperative agreements or contracts with States and Puerto Rico to allow the States to perform watershed restoration and forest and rangeland management services on National Forest System lands when similar and complementary restoration services are being performed on adjacent State or private lands. As of August, the Forest Service has executed 48 GNA agreements with 20 states to implement a wide variety of projects including fuels reduction treatments, insect and disease projects, treating noxious weeds, executing timber related activities and wildlife habitat projects.

Section 8204 of the Farm Bill amends the Healthy Forest Restoration Act of 2003 (HFRA) to address qualifying insect and disease infestations on National Forest System lands. To date, the Chief has designated approximately 55 million acres of National Forest System lands. Within the designated areas, the Farm Bill provides the authority to use the expedited National Environmental Policy Act (NEPA) procedures for an Environmental Assessment or Environmental Impact Statement or the use of the newly legislated Categorical Exclusion (CE). This provides the Forest Service with an increased ability to address insect and disease infestations. Projects carried out using the new legislated CE are developed and implemented through a collaborative process and must comply with other relevant laws (ESA, Clean Water Act, etc.). Fifty eight projects have been proposed under the Farm Bill Insect and Disease provisions.

Section 8205 of the Farm Bill amends the Health Forest Restoration Act of 2003, granting permanent authority to the Forest Service (and BLM) to enter into stewardship contracts or agreements with private persons or public and private entities to perform services to achieve land management goals that meet local and rural community needs. The Forest
United States Department of Agriculture
2016 Presidential Transition
Forest Service (FS)

Service accomplished approximately 38,000 acres of hazardous fuels treatments and improved over 40,000 acres of terrestrial habitat in Fiscal Year 2015 using the authority.

Secure Rural Schools and Community Self-Determination Act of 2000 (SRS Act)

The SRS Act provides for payments to States that are distributed to counties in which National Forests are situated. Under the Act, a county elects to receive a share of the State’s 25-percent payment (a receipts-based payment) or a share of the State payment (a formula-based payment). Funding for the payments is from receipts from National Forests and, to the extent of any shortfall, amounts in the Treasury not otherwise appropriated. The SRS Act was originally enacted in 2000, substantially amended and reauthorized in 2008, and since then has been reauthorized year-to-year, except for the most recent reauthorization which authorized payments for fiscal years 2014 and 2015. No further SRS payments may be made unless the SRS Act is reauthorized. If it is not, payments to States will revert to the substantially less 25-percent payments, impacting many local government services.

The Forest Service SRS payments for FY 2015 made in FY 2016 totaled over $272 million and benefitted 41 states and the Commonwealth of Puerto Rico in support of local schools and roads and for other purposes. The $272 million is comprised of $245 million in payments under Titles I and III as well as over $26 million in Title II funding to complete projects proposed by approximately 120 collaborative Resource Advisory Committees (RAC) for the benefit of Federal lands. Achieving RAC quorums has been a challenge due largely to small population size limits in many rural areas, internal requirements to have two applicants for each member opening, statutory requirements of the SRS for required skills and interest representation, and the complexities of navigating Federal Advisory Committee compliance. This issue has been raised by several members of Congress.

Minimum Wage Clause for Special Uses Permits

The Forest Service authorizes a number of recreational activities on National Forest System (NFS) lands through a recreational special use permit system. On February 12, 2014, President Obama signed Executive Order (EO) 13658, “Establishing a Minimum Wage for Contractors,” to raise the minimum wage to $10.10 for workers on federal construction and service contracts, concession contracts, and contracts involving federal property or lands and related to offering services for the general public. The Department of Labor (DOL) issued regulations to implement the EO effective December 8, 2014. The regulations require covered contracts to include the $10.10 minimum wage starting January 1, 2015. To comply, the Forest Service began adding the minimum wage clause to new permits as of January 1, 2015.

Recreation special use permit holders and their associated trade organizations lobbied federal agencies and congress that the minimum wage clause was detrimental to their businesses.
Subsequently, section 110 of DOL’s 2016 Appropriations Act stated that “None of the funds made available by this Act may be used to implement, administer, or enforce the Establishing a Minimum Wage for Contractors regulation” for federal permits specifically relating to offering seasonal recreational services or seasonal recreation equipment rental, other than lodging and food services associated with these activities. The Forest Service interpreted this language to mean that the agency was unable to implement the DOL regulations on minimum wage. However, OGC advised the Forest Service that section 110 applies only to DOL, not the Forest Service.

In June 2016, the agency received DOL guidance that raises an additional concern of potential financial liability for the agency and its special use permit holders. Specifically the DOL Frequently Asked Questions address the effect of section 110 regarding their minimum wage rule and support OGC’s interpretation that the Forest Service is unaffected by the appropriations rider and is required to comply with the DOL minimum wage rule. In addition, the Frequently Asked Questions iterate that DOL can still enforce the rule for federal permits other than for seasonal recreational services or seasonal recreation equipment rental, as well as for lodging and food services associated with these activities.

Land and Water Conservation Fund

In 1965, Congress created the Land and Water Conservation Fund (LWCF) to embody its bipartisan commitment to safeguard natural areas, water resources and our cultural heritage, and to provide recreation opportunities to all Americans. It is currently authorized through 2018. The LWCF provides a vital opportunity for the National Forest System to acquire and protect important lands in order to support healthier forests, safer communities and more vibrant local economies. Land acquisition is part of the larger agency strategy to create a resilient and productive system of forests and grasslands that provide economic and environmental stability to communities across America. Land acquisition and the LWCF is a key strategic tool for furthering agency and Administration initiatives, particularly for recreation and public access, as well as restoration and watershed protection to mitigate the effects of climate change.

Federal Lands Recreation Enhancement Act

The Federal Lands Recreation Enhancement Act (FLREA) authorizes 5 agencies; National Park Service, Fish and Wildlife Service, Bureau of Land Management, Bureau of Reclamation and Forest Service to collect and spend recreation fees to improve recreation services and experiences for visitors to federal recreational lands and waters.

Originally passed in 2004, the Act has been extended several times and is currently set to expire September 30, 2018.

The five agencies collect over $260 million in recreation fees annually – of which, the Forest Service collects approximately $65 million, or about 20 percent of the agency’s total recreation budget.
Recreational Shooting

The demand for dispersed and developed recreational shooting areas has greatly increased in areas where the wildland-urban interface — the area where forests and communities meet — has rapidly expanded, such as Colorado’s Front Range and around urban areas in California, New Mexico, and Arizona. Many local Forest Service units struggle with trash, dumping, resource damage, lead management, and safety related issues, including numerous complaints from homeowners and other recreationists. These issues often affect state, county, and municipal agencies as well.

Though approximately less than 2 percent of NFS lands are affected by closure orders restricting discharge of firearms there has been Congressional interest in restricting the ability of the Forest Service and Interior agencies to close areas to shooting. The Forest Service continues to lead an educational effort with our partner Tread Lightly! to actively address inappropriate behaviors that affect access through our Respected Access is Open Access campaign. In addition we are working with interest groups including members of the Federal Lands Hunting, Fishing and Shooting Sports Roundtable, the Wildlife Hunting Heritage Conservation Council (FACA group), state, county, and local governments, and members of Congress to address constituent concerns.

Water Rights and Groundwater

Several members of Congress, primarily from western states, have demonstrated interest in restricting the ability of federal land management agencies to exercise existing authorities to manage diversion and use of water on federal lands to ensure continued sufficiency of water for authorized uses. There is also concern that field direction providing guidance for the evaluation of management activities on groundwater resources represents an attempt to assert federal management over groundwater. Several bills have been introduced in both Houses over the last few Congresses that would have far-reaching consequences for multiple-use management, including a scenario where water rights for water originating on NFS lands and used for multiple-use purposes could be separated from the land, potentially affecting existing land uses and precluding future uses. Another potential consequence could be unfettered diversion and use of water on federal lands. These bills could also limit the ability of responsible officials to fully consider and base decisions on the effects of surface or subsurface activities on groundwater resources. Terms and conditions for land use authorizations intended to protect existing land uses and potential future multiple uses would also be affected.

The initial drivers for the proposed legislation appeared to come from ski industry concerns about a Forest Service directive governing diversion and use of water on NFS lands under
ski area permits, and from a Forest Service directive addressing groundwater resources and the links between surface and groundwater resources on NFS lands. In 2015, the Forest Service issued a final directive for new water clauses for ski areas on NFS lands after providing notice and an opportunity for public comment on the proposed clauses. The new ski area water clauses ensure water originating, diverted, and used on NFS lands for ski area purposes will be available for those purposes in the future. The final directive does not require ski area permit holders to acquire ski area water rights in the name of the United States or to transfer ski area water rights to the United States. The final directive accomplishes the Forest Service’s objective of long-term availability of water to sustain ski area uses by focusing on sufficiency of water for operation of ski areas prior to permit issuance, during the permit term, and upon permit termination or revocation, when ski area assets are sold. By focusing on the long-term availability of water for ski areas on national forests, the final directive supports the public’s desire for long-term recreational opportunities ski areas provide and the economies of the local communities that depend on their revenue. The Forest Service has sought to address remaining constituent and Congressional concerns in these areas, and has suspended issuance of groundwater-related directives while actively working with state water agencies to formulate mutual understanding and agreement on this subject. However strong interest remains in legislation to curtail the land management agencies’ authority to protect federal lands in connection with diversion and use of water on federal lands and effects on groundwater from management activities on federal lands.

Small Business Timber Sale Set-Side Program

The Forest Service provides saw logs in accordance with the Small Business Act (Pub. L. 85-536 as amended) and the National Forest Management Act (Pub. L. 94-588 as amended). Timber is regularly sold from the federal forests managed by the Forest Service and the Bureau of Land Management. On occasion, timber is sold from federal forests which are under the supervision of the U.S. Fish and Wildlife Service, the U.S. Department of Defense, the U.S. Department of Energy, and the Tennessee Valley Authority. Collectively, these agencies are considered the “sales agencies.”

The Small Business Administration’s (SBA) Natural Resources Sales Assistance Program is intended to ensure small businesses obtain a fair share of government property sales and leases through small business set-asides. SBA and the sales agencies jointly set aside timber sales for bidding by small concerns when market data demonstrates that small businesses would not obtain their fair share under open sales. In 1971, USDA and SBA signed a Memorandum of Understanding (MOU) intended to accomplish the declared policy of Congress that a fair proportion of the total sales of Government property be made to small business enterprises defined by SBA (Small Business Act. 15 U.S.C. 631, et seq.).

In the 1980s and 1990s, efforts to protect species habitat and watersheds in compliance with federal law and regulation resulted in dramatic changes to the United States timber industry. These changes included reduced timber harvests on federal and private lands which in turn caused market failures for timber mills that could not adapt and retool. As a result, many small timber mills (western mills in particular) have been forced to close. As
such, the Small Business Timber Set-Aside Program has become increasingly important to ensure that a “fair proportion” of federal timber is available for purchase by qualified small business concerns.

The SBA proposes to include saw timber volume from Stewardship Integrated Resource Timber Contracts (IRTCs) and Integrated Resource Service Contracts (IRSCs) in the small business market share calculations, pursuant to the set-aside program (13 CFR 121.507d). Currently, sawtimber volume from IRTC and IRSCs is not considered in calculating the small business market share for a market area. In addition, SBA proposes appraising set-aside sales to the nearest small business mill to reflect the estimated cost to an eligible bidder (13 CFR 121.507e). The Forest Service is concerned that SBA’s proposal does not show a clear rationale for change of the current regulation; both for inclusion of stewardship sales and changing the appraisal point for set-aside sales to the nearest small mill. The Forest Service conducted an econometric analysis and provided it to SBA to inform SBA’s rule proposal; no further econometric analysis work by the FS is planned. SBA’s Proposed Rule was published on September 27, 2016.

**Job Corps Civilian Conservation Centers (JCCCC)**

Job Corps is the nation’s largest residential, educational, and career technical training program that prepares economically disadvantaged youth, ranging in age from 16 to 24, for productive employment. USDA Forest Service operates 27 Job Corps Civilian Conservation Centers (JCCCCs) that span seven Forest Service regions, 23 national forests and grasslands and 17 states with a capacity to house, educate, and train over 5,200 enrollees. JCCCCs are operated by the Forest Service in partnership with the U.S. Department of Labor. Job Corps, modeled after the Depression-era Civilian Conservation Corps, was created in 1964 by the Economic Opportunity Act.

Besides conservation training, Job Corps students at Civilian Conservation Centers offer hands-on training in over 30 vocational trades including: urban forestry, food service and culinary arts, cement masonry, welding, business technology, painting, heavy equipment operations, carpentry, bricklaying, wildland firefighting and forestry.

In 2011, the Department of Labor implemented a reform initiative to improve the performance of Job Corps Centers, in particular, chronic low performing centers. During this time, Congress also requested reform of chronic low performing centers. In 2013, the Department of Labor established criteria to identify a chronic low performing center. Based on this criteria, in 2014 the Treasure Lake Job Corps Civilian Conservation Center in Oklahoma, which is managed by the Forest Service, was identified as the lowest performing center in the nation, and was closed in 2015. In 2016, a second Job Corps Civilian Conservation Center, the Ouachita center located in Arkansas, was identified for closure. The Ouachita JCCC employees have been given Reduction-In-Force (RIF) notices and the RIF effective date is Dec 2, 2016. By this date, all employees must be reassigned or separated, unless a temporary extension has been granted for specific purposes (none known to date). Activities on the JCCCC following December 2, 2016, will be related to disposition of facilities, equipment, etc.
In 2014, Congress passed the Workforce Innovation and Opportunity Act which included a new set of performance measure criteria. Early rankings using the new criteria placed several Forest Service Job Corps Conservation Centers in the lower rankings overall. In 2015 and 2016, the Forest Service worked to improve performance of those low performing centers. In July 2016, all but two centers out of 27 managed by the agency have improved their performance, and these two centers remain in the bottom rankings. The Forest Service has committed to work with the Department of Labor to improve the performance of these two centers to continue success of the Job Corps program.

Over the past three years, the CCC program budget has decreased from $192 million in PY 2011 to $154 million in PY 2015. In PY 2013, the budget was decreased $19 million in one year, which meant the agency had to initiate a major re-organization to reduce the number of federal employees without implementing a reduction in force or a furlough. The Job Corps program was able to manage within its budget while transforming the organization to be more nimble and efficient.

**National Timber Sale Program**

Timber sales remain a viable tool to achieve Forest Plan objectives such as maintaining, enhancing, and restoring watershed conditions, improving forest health and providing forest products. Conventional timber sales, stewardship contracts and agreements, and Good Neighbor agreements are essential tools where timber harvest is used to meet landscape restoration, maintenance, and enhancement goals. Timber sales contribute to local and regional economies, generate revenue, and offset costs. In FY 2015 about 71 percent of the total timber volume sold was generated through traditional timber sale contracts with the remainder through stewardship contracts and agreements. The volume of timber sold and harvested on NFS land is increasing. For example, in 2008, nearly 2.4 billion board feet was sold from NFS lands and, in 2015, nearly 2.9 billion board feet was sold.

Stewardship contracts may be used for treatments to improve, maintain, or restore forest or rangeland health; restore or maintain water quality; improve fish and wildlife habitat; and reduce hazardous fuels that pose risks to communities and ecosystem values.

Stewardship contracting allows the Forest Service to apply the value of timber or other forest products removed as an offset against the cost of services received, apply excess receipts from a project to other authorized stewardship projects, select contracts and agreements on a "best value" basis, and award a contract or agreement up to ten years which may stimulate long term investment in the local community.

Adequate funding is essential to maintaining and increasing the volume of timber available to support the forest products industry. Dedicated timber sale funding, including appropriations, permanent funds, and trust funds, has declined 39 percent from FY 1998 to FY 2015 when adjusted for inflation, and resulted in a corresponding 50 percent reduction in staff. The timber sale program also relies directly or indirectly on additional National
Forest System Budget Line Items (BLIs), Hazardous Fuels, and Capital Improvement and Maintenance funds.

National Environmental Policy Act (NEPA) Efficiencies

The National Environmental Policy Act (NEPA) was the first major environmental law in the United States. The environmental review process under NEPA provides an opportunity for the public to be involved in the Federal agency decision-making process. It requires Federal agencies to consider environmental effects that include, among others, impacts on social, cultural, and economic resources, as well as natural resources.

The NEPA process can be complicated and sometimes lengthy, but the Forest Service has made great strides in the pursuit of efficiencies in recent years. An important way to increase the pace and scale of forest restoration and management is to improve the efficiency of planning timber sales and stewardship contracts. We are working to identify and implement process improvements and efficiencies that help with increasing the pace and scale of restoration, while also engaging the public and developing well-planned projects.

The Forest Service is developing new approaches to NEPA in the wake of catastrophic fires. On the Rim Fire, which burned 257,000 acres in the summer of 2013, the Stanislaus National Forest finalized both an Environmental Assessment for hazard tree removal and an Environmental Impact Statement for restoration and salvage in one year. This lessened the potential for future catastrophic fire by reducing the fuel load and captured some of the perishable economic value of the fire-killed trees through timber salvage. The agency coordinated with the Council on Environmental Quality, which approved Alternative Arrangements to expedite the NEPA process.

The Forest Service is also planning and implementing projects across larger areas, which increases NEPA efficiency and thereby spreads costs across more acres, and provides a longer term and more certain timber supply for local mills. One such example, the Mountain Pine Beetle Response Project on the Black Hills National Forest, implemented a landscape scale approach across 200,000 acres for treating current and future pine beetle outbreaks.

In the Southwest, the Forest Service signed an Environmental Impact Statement for the Four Forest Restoration Initiative, covering about one million acres in the Coconino and Kaibab National Forests. This project was one of the Council on Environmental Quality’s NEPA Pilot Projects, which were projects nominated for employing innovative approaches to completing environmental reviews more efficiently and effectively.

The agency has established additional categorical exclusions for restoration work, has expanded the use of focused environmental assessments, is using adaptive management to allow our decisions to last longer, and is better training employees to take advantage of new efficiencies.
Recent Congressional Hearings

<table>
<thead>
<tr>
<th>Committee</th>
<th>Date</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senate Energy and Natural Resources</td>
<td>July 27, 2016</td>
<td>Field hearing to examine H.R. 5780, the Utah Public Lands Initiative and the potential impacts of large-scale monument designations</td>
</tr>
<tr>
<td>House Natural Resources Committee</td>
<td>August 16, 2016</td>
<td>HR.5780, The Utah Public Lands Initiative</td>
</tr>
<tr>
<td>Senate Energy and Natural Resources</td>
<td>September 22, 2016</td>
<td>Hearing to receive testimony on various bills</td>
</tr>
<tr>
<td>Senate Energy and Natural Resources</td>
<td>October 18, 2016</td>
<td>Examining Opportunities for Federal and Non-federal Partnerships in Integrated Water Management and Efforts to Improve Water Security in Hawaii</td>
</tr>
</tbody>
</table>

IV. **Internal and External Stakeholders**

Important relationships with other Federal Departments or organizations

<table>
<thead>
<tr>
<th>Federal Agency</th>
<th>Relationship</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Agency for International Development (USAID)</td>
<td>USDA Forest Service International Programs promotes sustainable forest management and biodiversity conservation internationally. International Programs has three main staff units: Technical Cooperation, Policy, and Disaster Assistance. Both Technical Cooperation and Disaster Assistance work closely with the United States Agency for International Development (USAID). Technical Cooperation develops and manages natural resource projects overseas on a wide range of topics (i.e. fire management and forest health). There are two main disaster programs: Disaster Assistance Support Program (DASP) and the Disaster Mitigation Program. Funded by USAID's Office of Foreign Disaster Assistance, DASP trains and mobilizes personnel domestically to respond and mitigate foreign disasters, such as the drought in Ethiopia and the locust response in West Africa. The Disaster Mitigation Program, on the other hand, trains and provides technical expertise to partners overseas in emergency preparedness, response and disaster mitigation.</td>
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</tbody>
</table>
The Forest Service plays a key role in formulating policy and coordinating U.S. support for the protection and sound management of the world's forest resources. It works closely with the Environmental Protection Agency to this end.

The Forest Service works closely with the Farm Service Agency (FSA), which administers the Biomass Crop Assistance Program (BCAP) to provide financial assistance to owners and operators of agricultural and non-industrial private forest land who wish to establish, produce, and deliver biomass to processing facilities not in the immediate proximity of the area of treatment.

The Forest Service coordinates closely with DOI’s Office of Wildland Fire to provide strategic leadership and oversight to advance the three goals of the National Cohesive Wildfire Strategy to: 1) restore and maintain fire-resilient landscapes; 2) create fire-adapted communities that will withstand the effects of a wildfire without the loss of life and/or property; and 3) safely and effectively respond to wildfire.

The Forest Service also works extensively with DOI under the Service First authority to improve customer service by providing streamlined, one-stop shopping across agency jurisdictional boundaries for public land users. This allows the agencies to conduct activities jointly or on behalf of one another; collocate in Federal offices; make reciprocal delegations of their respective authorities, duties and responsibilities; and, transfer funds on an annual basis for multi-year projects.

The Forest Service and DOI work together with local stakeholders to identify large natural areas where Land and Water Conservation Fund funds can achieve the most important shared conservation and community goals in the highest priority landscapes using Collaborative Landscape Planning (CLP) initiative. Since the Collaborative Landscape Initiative was launched in 2013, investments of more than $190 million have restored and led to stabilization of critical landscapes in Montana’s Crown of the Continent, the California Desert, and the longleaf pine ecosystem of Florida and Georgia, among others.

The U.S. Forest Service and USDA’s Natural Resources Conservation Service are working together to improve the health of forests where public and private lands meet. Through the Joint Chiefs’ Landscape Restoration Partnership, the two USDA agencies are restoring landscapes, reducing wildfire threats to communities and landowners, protecting water quality and enhancing wildlife habitat. A total of $107 million was jointly invested in 39 projects between FY 2014 and FY 2016.
The U.S. Forest Service contracts with private companies to provide airtankers to drop fire retardant as part of wildfire suppression efforts. But during periods of high wildfire activity, often there aren’t enough contracted airtankers to meet demands. During these periods of need, Modular Airborne Fire Fighting Systems (MAFFS) are used. MAFFS are portable fire retardant delivery systems that can be inserted into military C-130 aircraft without major structural modifications to convert them into airtankers when needed.

The MAFFS program, created by Congress in the early 1970s, is a joint effort between the U.S. Forest Service and Department of Defense (DoD). The U.S. Forest Service owns the MAFFS equipment and supplies the retardant, while the DoD provides the C-130 H and J model aircraft, flight crews, and maintenance and support personnel to fly the missions. There are a total of 8 MAFFS ready for operational use. MAFFS are important because they provide a “surge” capability that can be used to boost wildfire suppression efforts when commercial airtankers are fully committed or not readily available. They can discharge their entire load of up to 3,000 gallons of retardant in less than five seconds, covering an area one-quarter of a mile long by 100 feet wide, or make variable drops. Once the load is discharged, it can be refilled in less than 12 minutes.

### Shared service provider or customer information

<table>
<thead>
<tr>
<th>Activity</th>
<th>Shared Service Provider or Customer?</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Recreation.gov Contract: Led efforts on behalf of 12 federal agencies to select the new Recreation.gov contractor to provide both reservation services and trip-planning information for federal lands in the United States through a contractor-supported Recreation.gov website, customer support centers and recreation database service, connecting millions with federal recreation opportunities, reservations, and activities. The contract is unique as the fees collected from the customers pay for the services provided under the contract, resulting in only minimal administrative costs for the federal agencies.</td>
<td>Shared Service Provider</td>
</tr>
<tr>
<td>Procurement Strategic Sourcing: Awarded multi-million dollar contracts on behalf of USDA, DoD and DoI saving over $9M in personnel and contract costs, including the Global Navigation Satellite Systems (USDA-wide), Recreation.gov system (FS, Army Corps, NPS, etc.), and all-risk incident support (FS &amp; DOI).</td>
<td>Shared Service Provider</td>
</tr>
</tbody>
</table>
Customer Help Desk: Forest Service serves as the USDA lead for the customer help desk (CHD) strategic sourcing vehicle, with a contract ceiling of $98 million that promotes the USDA Blueprint for Shared Services. In its first year, the contract achieved $1 million in savings through efficiencies of a single Departmental contract. Forest Service successfully transitioned its CHD to the new strategic sourcing vehicle in Q1 FY 2016.

Property Programs: Through the Department of Defense (DoD) Firefighter Property Program (FFP), we help our state cooperators acquire more than $169 million worth of firefighting and emergency services equipment in 2016. Through the Federal Excess Personal Property Program (FEPP), we help State Foresters acquire more than 23,000 pieces of equipment for their wildland fire programs in 2016.

USDA Regional Hubs: Provide leadership to deliver science-based knowledge and practical information to farmers, ranchers and forest landowners to support decision-making related to climate change. FS leads three hubs (PNW, NE, and SE) and two sub-hubs (Midwest and Caribbean).

Stakeholder group overview

The key issues and areas of engagement are listed in the table under “Objective”.

Recent engagements with stakeholder group

The following tables list formally established Federal Advisory Act Committee Act Committees that are used by the Forest Service to seek the advice and assistance of citizens (not employed by the federal government) on issues associated with agency programs and policies.
Secure Rural Schools FACA Committees, Objective of Committees;
Meeting Dates in FY 2016

<table>
<thead>
<tr>
<th>Secure Rural Schools Resource Advisory Committee (RAC)</th>
<th>RAC Name</th>
<th>MEETING DATE(S)</th>
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</thead>
<tbody>
<tr>
<td>Region 1 - Northern Region</td>
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<tr>
<td></td>
<td>Flathead</td>
<td>9/20/2016</td>
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<td></td>
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<td>9/29/2016</td>
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<tr>
<td></td>
<td>Gallatin</td>
<td>10/2/2015</td>
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<td></td>
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<td>3/10/2016</td>
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<td></td>
<td>Idaho Panhandle</td>
<td>2/19/2016</td>
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<td></td>
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<td>3/11/2016</td>
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<tr>
<td></td>
<td>Lincoln</td>
<td>4/26/2016</td>
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<td></td>
<td></td>
<td>6/28/2016</td>
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<tr>
<td></td>
<td>Mineral County</td>
<td>8/25/2016</td>
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<td></td>
<td>Missoula</td>
<td>6/15/2016</td>
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<td>8/3/2016</td>
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<td></td>
<td></td>
<td>9/6/2016</td>
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<tr>
<td></td>
<td>Missouri River</td>
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<tr>
<td></td>
<td>North Central Idaho</td>
<td>3/30-31/16</td>
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<tr>
<td></td>
<td>Ravalli</td>
<td>2/23/2016</td>
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<td></td>
<td></td>
<td>5/24/2016</td>
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<td></td>
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<td>6/14/2016</td>
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<td></td>
<td>Sanders</td>
<td>10/8/2015</td>
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<td>6/30/2016</td>
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<td>7/14/2016</td>
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<td></td>
<td>Southern Montana</td>
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<tr>
<td></td>
<td>Southwest Montana</td>
<td>6/24/2016</td>
</tr>
<tr>
<td></td>
<td>Tri-County</td>
<td>6/28/2016</td>
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<tr>
<td>Region 2 - Rocky Mountain</td>
<td></td>
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<tr>
<td></td>
<td>Big Horn</td>
<td>5/12/2016</td>
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<td></td>
<td>Black Hills</td>
<td>6/30/2016</td>
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<td></td>
<td>GMUG</td>
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<td></td>
<td>Medicine Bow-Routt</td>
<td>11/20/2015</td>
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<td>5/27/2016</td>
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</tbody>
</table>
**Secure Rural Schools Resource Advisory Committee (RAC)**

Objective: The purpose of each committee is to improve collaborative relationships among the people that use and care for the national forests, and to provide advice and recommendations to the Forest Service concerning projects and funding consistent with Title II of the Act. Each committee shall be solely advisory in nature. Advice or recommendations of the committee shall be given only with respect to the purposes of the committee as defined in the Act.

<table>
<thead>
<tr>
<th>Region 3 - Southwestern</th>
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<tbody>
<tr>
<td>Pike-San Isabel</td>
<td>11/12/2015</td>
<td>5/12/2016</td>
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<tr>
<td>Saguache-Rio Grande</td>
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<tr>
<td>San Juan</td>
<td>5/24/2016</td>
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<tr>
<td>Shoshone</td>
<td>1/6/2016</td>
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<tr>
<td>Coconino County</td>
<td></td>
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<tr>
<td>Eastern Arizona</td>
<td>7/12-13/16</td>
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<tr>
<td>Northern New Mexico</td>
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<tr>
<td>Southern Arizona</td>
<td>8/26/2016</td>
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<tr>
<td>Southern New Mexico</td>
<td>6/8/2016</td>
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<tr>
<td>Yavapai</td>
<td>12/1/2015</td>
<td>9/27/2016</td>
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<tr>
<td>Ashley</td>
<td>3/16/2016</td>
<td>4/20/2016</td>
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<tr>
<td>Bridger-Teton</td>
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<tr>
<td>Central Idaho</td>
<td>5/10/2016</td>
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<tr>
<td>Dixie</td>
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<td>Eastern Idaho</td>
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<tr>
<td>Elko</td>
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<td>8/3/2016</td>
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<tr>
<td>Humboldt (NV)</td>
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<td>Manti-La Sal</td>
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<tr>
<td>South Central Idaho</td>
<td>5/11/2016</td>
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<tr>
<td>Uinta-Wasatch Cache</td>
<td>6/28/2016</td>
<td></td>
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</tbody>
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<table>
<thead>
<tr>
<th>Region 5 - Pacific Southwest</th>
<th>Alpine County</th>
<th>Amador County</th>
<th>Butte County</th>
<th>Del Norte County</th>
<th>El Dorado County</th>
<th>Glenn and Colusa Counties</th>
<th>Humboldt County</th>
<th>Kern and Tulare Counties</th>
<th>Lake County</th>
<th>Lassen County</th>
<th>Mendocino County</th>
<th>Modoc County</th>
<th>Nevada and Placer Counties</th>
<th>Plumas County</th>
<th>Shasta County</th>
<th>Sierra County</th>
<th>Siskiyou County</th>
</tr>
</thead>
</table>
Secure Rural Schools Resource Advisory Committee (RAC)

Objective: The purpose of each committee is to improve collaborative relationships among the people that use and care for the national forests, and to provide advice and recommendations to the Forest Service concerning projects and funding consistent with Title II of the Act. Each committee shall be solely advisory in nature. Advice or recommendations of the committee shall be given only with respect to the purposes of the committee as defined in the Act.

<table>
<thead>
<tr>
<th>Region 6 - Pacific Northwest</th>
<th>9/6/2016</th>
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</thead>
<tbody>
<tr>
<td>Tehama County</td>
<td>3/17/2016</td>
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<tr>
<td></td>
<td>4/14/2016</td>
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<tr>
<td></td>
<td>8/25/2016</td>
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<tr>
<td>Trinity County</td>
<td>4/4/2016</td>
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<tr>
<td>Tuolumne and Mariposa Counties</td>
<td>7/11/2016</td>
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<td></td>
<td>8/15/2016</td>
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<td></td>
<td>8/22/2016</td>
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<thead>
<tr>
<th>Columbia County</th>
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<tbody>
<tr>
<td>Colville</td>
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<tr>
<td>Deschutes and Ochoco</td>
<td>4/1/2016</td>
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<td></td>
<td>6/23/2016</td>
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<tr>
<td>Fremont and Winema</td>
<td></td>
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<tr>
<td>Hood and Willamette</td>
<td>10/13/2015</td>
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<td></td>
<td>5/4/2016</td>
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<tr>
<td></td>
<td>7/6/2016</td>
</tr>
<tr>
<td>North Gifford Pinchot</td>
<td>8/16/2016</td>
</tr>
<tr>
<td>Northeast Oregon Forests</td>
<td>7/14-15/16</td>
</tr>
<tr>
<td>Olympic Peninsula</td>
<td>4/6/2016</td>
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<tr>
<td>Rogue and Umpqua</td>
<td>10/14-15/15</td>
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<td></td>
<td>9/7-8/16</td>
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<tr>
<td>Siskiyou (OR)</td>
<td>12/14/2015</td>
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<tr>
<td>Siuslaw</td>
<td>6/3/2016</td>
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<tr>
<td>Snohomish-South Mt. Baker-Snoqualmie</td>
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<tr>
<td>South Gifford Pinchot</td>
<td>4/11/2016</td>
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<tr>
<td>Southeast Washington Forests</td>
<td></td>
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</tbody>
</table>
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| Region 8 - Southern | Wenatchee-Okanogan | 4/21/2016 |
|                    |                  | 5/3/2016 |
|                    |                  | 5/10/2016 |
|                    | Alabama          | 8/24/2016 |
|                    | Cherokee         | 10/27/2015 |
|                    | Daniel Boone     | 3/3/2016 |
|                    | Davy Crockett    | 7/11/2016 |
|                    | Delta Bienville  | 8/15/2016 |
|                    | DeSoto           |            |
|                    | Florida NFs      |            |
|                    | Francis Marion-Sumter | 12/10/2015 |
|                    | Holly Springs-Tombigbee | - |
|                    | Kisatchie        | 9/8/2016 |
|                    | Ozark-Ouachita   |            |
|                    | Sabine-Angelina  | 7/14/2016 |
|                    | Southwest        | 8/18/2016 |
|                    | Mississippi      | 9/15/2016 |
|                    | Virginia         |            |
| Region 9 - Eastern | Allegheny        |            |
|                    | Chequamegon      | 7/14/2016 |
|                    | Chippewa NF      | 9/21/2016 |
|                    | Eleven Point     | 2/23/2016 |
|                    | Gogebic          | 8/24/2016 |
|                    | Hiawatha         |            |
|                    | Hiawatha East    | 4/14/2016 |
|                    | Huron-Manistee   |            |
|                    | Nicolet          | 8/30/2016 |
|                    | Ontonagon        | 8/30/2016 |
|                    | Superior         | 3/1/2016 |
Secure Rural Schools Resource Advisory Committee (RAC)

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<table>
<thead>
<tr>
<th>Region 10 - Alaska</th>
<th>West Virginia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Juneau</td>
<td></td>
</tr>
<tr>
<td>Kenai Peninsula-Anchorage Borough</td>
<td>8/6/2016</td>
</tr>
<tr>
<td>Ketchikan</td>
<td>10/14/2015</td>
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<td></td>
<td>3/16/2016</td>
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<td></td>
<td>6/22/2016</td>
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<td></td>
<td>8/17/2016</td>
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<tr>
<td>Lynn Canal-Icy Strait</td>
<td></td>
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<tr>
<td>Prince of Wales Island</td>
<td>6/6/2016</td>
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<tr>
<td></td>
<td>6/16/2016</td>
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<td></td>
<td>6/20/2016</td>
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<td></td>
<td>6/27/2016</td>
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<tr>
<td>Prince William Sound</td>
<td></td>
</tr>
<tr>
<td>Sitka</td>
<td></td>
</tr>
<tr>
<td>Wrangell-Petersburg</td>
<td>7/30/2016</td>
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<tr>
<td></td>
<td>8/20/2016</td>
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<tr>
<td></td>
<td>9/10/2016</td>
</tr>
<tr>
<td>Yakutat</td>
<td>12/10-11/15</td>
</tr>
<tr>
<td>All Other FACA Committees, Objective of Committees; Meeting Dates in FY 2016</td>
<td></td>
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<tr>
<td>---------------------------------------------------------------</td>
<td></td>
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<tr>
<td><strong>Black Hills NF Advisory Board</strong></td>
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<tr>
<td>Objective: The purpose of the Board is to provide advice and</td>
<td></td>
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<tr>
<td>recommendations on a broad range of forest issues such as</td>
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<td>forest plan revisions or amendments, forest health including</td>
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<tr>
<td>fire and mountain pine beetle epidemics, travel management,</td>
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<tr>
<td>forest monitoring and evaluation, recreation fees, and site-</td>
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<td>specific projects having forest-wide implications.</td>
<td></td>
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<tr>
<td><strong>Meetings</strong></td>
<td></td>
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<tr>
<td>3/16/2016</td>
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<tr>
<td>4/20/2016</td>
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<tr>
<td>5/18/2016</td>
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<tr>
<td>9/21/2016</td>
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<tr>
<td><strong>Collaborative Forest Restoration Program Technical Advisory</strong></td>
<td></td>
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<tr>
<td>Objective: The purpose of the Panel is to evaluate proposals</td>
<td></td>
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<tr>
<td>for forest restoration grants and provide recommendations to</td>
<td></td>
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<tr>
<td>the Secretary about the proposals that best meet the objectives</td>
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<tr>
<td>of the Collaborative Forest Restoration Program.</td>
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<tr>
<td><strong>Meetings</strong></td>
<td></td>
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<tr>
<td>8/10/2016</td>
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<tr>
<td><strong>Forest Resource Coordinating Committee (FRCC)</strong></td>
<td></td>
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<tr>
<td>Objective: The purpose of the committee is to provide direction</td>
<td></td>
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<tr>
<td>and coordination of actions within the Department of Agriculture, and coordination with State agencies and the private sector, to effectively address the national priorities for private forest conservation listed below, with specific focus on owners of non-industrial private forest land.</td>
<td></td>
</tr>
<tr>
<td><strong>Meetings</strong></td>
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<tr>
<td>10/14/2015</td>
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<tr>
<td>2/17/2016</td>
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<tr>
<td>3/9/2016</td>
<td></td>
</tr>
<tr>
<td>4/20/2016</td>
<td></td>
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<tr>
<td>5/25-26/16</td>
<td></td>
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<tr>
<td>6/15/2016</td>
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<tr>
<td>7/20/2016</td>
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<tr>
<td>9/28/2016</td>
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</tr>
<tr>
<td><strong>Forestry Research Advisory Council (FRAC)</strong></td>
<td></td>
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</tbody>
</table>


<table>
<thead>
<tr>
<th>All Other FACA Committees, Objective of Committees:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Meeting Dates in FY 2016</strong></td>
</tr>
<tr>
<td>Objective: The Council shall provide reports to the Secretary of Agriculture, on regional and national planning and coordination of forestry research within the Federal and State agencies, forestry schools, and the forest industries. The Council shall advise the Secretary on the apportionment of funds. Actions of the Council will be reported to the Secretary in the form of resolutions, to be accompanied by minutes of the annual meeting to provide background information on the resolutions. The Council shall adopt such by-laws as are necessary to conduct its business and accomplish its legislative purpose. The Council may make special reports to the Secretary through the Under Secretary for Natural Resources and Environment, in consultation with the Under Secretary for Research, Education, and Economics.</td>
</tr>
<tr>
<td><strong>Meetings</strong></td>
</tr>
<tr>
<td>10/20-21/15</td>
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<tr>
<td>2/23-24/16</td>
</tr>
<tr>
<td><strong>Lake Tahoe Basin Federal Advisory Committee</strong></td>
</tr>
<tr>
<td>Objective: The purpose of the Committee is to provide advice to the Secretary of Agriculture and to the Federal Interagency Partnership. The advice of the Committee shall consist of the consensus of its members, representing the broad array of local, regional, state, tribal and national interests concerned with the environmental, economic, and cultural health of the Lake Tahoe Basin.</td>
</tr>
<tr>
<td><strong>Meetings</strong></td>
</tr>
<tr>
<td>3/10/2016</td>
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<tr>
<td>4/14/2016</td>
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<tr>
<td>6/9/2016</td>
</tr>
<tr>
<td>8/26/2016</td>
</tr>
<tr>
<td><strong>Land Between The Lakes Advisory Board</strong></td>
</tr>
<tr>
<td>Objective: The Board will advise the Secretary of Agriculture (Secretary) on: (1) Means of promoting public participation for the land and resource management plan for the Recreation Area; and (2) Environmental education.</td>
</tr>
<tr>
<td><strong>Meetings</strong></td>
</tr>
<tr>
<td>11/12/2015</td>
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<tr>
<td>3/17/2016</td>
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<tr>
<td>7/19/2016</td>
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<tr>
<td><strong>NFS Land Management Planning Rule Committee</strong></td>
</tr>
<tr>
<td>Objective: The Committee will advise the Secretary of Agriculture, through the Chief of the Forest Service, by providing advice and recommendations on the implementation of the National Forest System Land Management Planning Rule (Planning Rule). The committee will be solely advisory in nature. Advice or recommendations of the Committee will be given only with respect to the implementation of the planning rule. All activities of the Committee will be conducted in an open, transparent, and accessible manner.</td>
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<tr>
<td><strong>Meetings</strong></td>
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<tr>
<td>10/5-8/15</td>
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<td>1/14-15/16</td>
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<td>3/8-9/16</td>
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<td>5/10-11/16</td>
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<td>7/12-14/16</td>
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</tbody>
</table>
**All Other FACA Committees, Objective of Committees:**

<table>
<thead>
<tr>
<th>Meetings</th>
<th>8/30-9/1/16</th>
</tr>
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</table>

### National Urban and Community Forestry Advisory Council

Objective: The purpose of the Council is specifically to:
1. Develop a national urban and community forestry action plan in accordance with Section 9 (g)(3)(A-F) of the Act;
2. Evaluate the implementation of that plan; and
3. Develop criteria for, and submit recommendations with respect to the urban and community forestry challenge cost-share program as required by Section 9 (f)(1-2) of the Act.

### PNW National Scenic Trail Advisory Council

Objective: The Council will advise and make recommendations to the Secretary of Agriculture, through the Chief of the Forest Service, on matters relating to the Pacific Northwest National Scenic Trail (Pacific Northwest Trail), as described in the Act. The Council will be solely advisory in nature. Advice or recommendations of the Council will be given only with respect to the matters relating to the Pacific Northwest Trail. The Council will be asked to provide advice on the selection of rights-of-way, standards for the erection and maintenance of markers along the Trail, and the administration of the Trail.

### PROVINCIAL ADVISORY COMMITTEES (PACs)

Objective: Each PAC provides advice regarding implementation of a comprehensive ecosystem management strategy for Federal land within three ecological provinces and the entirety of the Okanogan-Wenatchee and Deschutes National Forests. They seek to promote public understanding and, where possible, consensus on approaches to managing forest ecosystems, wildlife and fish, and human uses of the forest.

- **Deschutes PAC**
  - Meetings: 12/15/2015
  - Meetings: 3/9/2016
  - Meetings: 7/29/2016

- **Eastern Washington Cascades PAC**
  - Meetings: 3/22/2016

### Forest Service Employee Unions

**National Federation of Federal Employees (NFFE)—national level with many subordinate Locals**

**American Federation of Government Employees (AFGE)**

- AFGE Local 446 Schenck & Lyndon B Johnson Job Corps CCC
United States Department of Agriculture
2016 Presidential Transition
Forest Service (FS)

Forest Service Employee Unions

- AFGE Local 2466 National Forests & Grasslands in Texas
- AFGE Local 2528 Kisatchie National Forest
- AFGE Local 2543 National Forests in Mississippi
- AFGE Local 3137 Santa Fe National Forest
- AFGE Local 3253 Ouachita National Forest
- AFGE Local 3284 Weber Basin Job Corps CCC
- AFGE Local 3363 Nebraska National Forest & Pine Ridge Job Corps CCC
- AFGE Local 3365 Box Elder Job Corps CCC

National Association of Government Employees (NAGE)

- NAGE Local R4-88 – Monongahela NF

Objective: The purpose of the Unions is to represent bargaining unit employees over matters pertaining to grievances and conditions of employment.

V. **Top Issues**

**Hot Topics**

*Key Policy Issues (Listed in order of importance)*

<table>
<thead>
<tr>
<th>Issue</th>
<th>Brief Description</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wildfire Suppression Budget Fix</td>
<td>More than 150 bipartisan Congressional members have voiced strong support to remedy the Forest Service’s growing budget dilemma resulting from the skyrocketing costs for fire suppression, which now consume more than 56 percent of the agency’s budget. This trend, resulting from hotter, more severe wildfires and longer fire seasons erodes the agency’s ability to meet its mission in other critical programs like forest restoration, recreation and services to the public. If this trend continues, it is projected that fire suppression will consume more than 70 percent of the agency’s budget by 2020. The agency has already experienced a 40 percent drop in workforce while needs for increased restoration to foster forest ecological resilience are rising rapidly. Several pieces of draft legislation have been introduced. Pending the outcome of this Congress, work will be needed to implement reform or seek additional congressional action.</td>
<td>January-June 2017</td>
</tr>
</tbody>
</table>
| **Tongass Plan Amendment-Delayed Reaction** | The Forest Service anticipates plans to issue the Tongass National Forest Plan Amendment on December 22, 2016. The purpose of the Tongass Plan Amendment is to expedite the transition from old-growth timber harvesting toward a forest products industry that uses predominantly second-growth or young-growth forests on the Tongass National Forest in Alaska. The amendment would allow young growth timber harvest in riparian, beach and estuary fringe, and old growth reserve areas because there is inadequate young-growth timber available to meet demand outside these areas. By allowing timber harvest in these areas, the transition to a largely second growth program would happen in 16 years.

The Tongass Plan Amendment also sustains and recognizes the aquatic resources, fishing and recreation tourism economy benefits that come from the Tongass. Although this amendment is based on the recommendations from the Tongass Advisory Committee, the plan amendment is very controversial. We anticipate strong opposition and critique from Members of Congress, the timber industry, and environmental groups. Senator Lisa Murkowski and Congressman Don Young are opposed to the plan amendment and are working on bills to block it because they believe more time is necessary for the timber industry to make the transition from old to young growth timber. The timber industry believes the amendment will cause many of the major timber operators that depend on Tongass timber to file bankruptcy and close their mills. Litigation is likely from some environmental organizations that want to eliminate old-growth harvesting. Other organizations’ positions vary from wanting a transition to a young-growth timber program starting within 5 years to a delay of at least 30 years. | January–June 2017 |
| **California Tree Mortality** | The west slope of the southern Sierra Nevada of California is facing one of the largest tree mortality events in recorded history. Since 2010, an estimated 66 million trees have died in California due to increasing temperatures, an unprecedented and ongoing drought, bark beetle and other insect infestation, and high tree densities— with an estimated 29 million trees dying in 2015 alone. Trees will continue to succumb as California enters its fifth consecutive year of drought. Three forests are at the epicenter of this event, with approximately one | Ongoing |
millions of acres of dead and dying trees on the Stanislaus, Sierra, and Sequoia National Forests. Tree mortality is being addressed in phases: The first phase uses a triage approach in which National Forests are removing dead and dying trees to help protect public and employee safety from falling trees and reduce wildfire risk in high hazard areas near communities, in recreation sites, along roads, trails, and utility corridors. To date, the Forest Service has treated 30,000 acres out of one million acres of dead and dying trees on the three national forests. The second and third phases further address hazardous fuels conditions and incorporate restoration activities in the tree mortality areas. The agency collaborates with the CA Governor’s Tree Mortality Task Force to coordinate and prioritize response. Senator Feinstein has also raised the visibility of the issue—she asked the Department of Agriculture for $38 million for 19 related projects.

<table>
<thead>
<tr>
<th>Office of Inspector General’s 2017 Audit of Forest Service Efforts to Improve Quality of Work Environment</th>
<th>Spring 2017</th>
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</thead>
<tbody>
<tr>
<td>In spring 2017, the Forest Service expects the Office of Inspector General to conduct an audit of the agency’s efforts to improve the work environment. Since 2012, the Forest Service has progressed significantly to improve the quality of its work environment for all employees. Agency leaders have placed specific focus on the Pacific Southwest Region, the largest unit in the Forest Service which employs a workforce of 6000, including the largest firefighting workforce. The agency paid serious attention to complaints from women firefighters who alleged discrimination and harassment in the agency. Six women filed a putative class complaint in September, 2014; it hasn’t been certified, however. Since 2012, the agency has undertaken a number of actions to address allegations, including investigating every allegation and taking appropriate disciplinary actions. The agency has also made significant investments to improve the workplace. Specifically, the agency revamped the Employees Relations organization and increased the number of Employee Relations professionals who assist agency leaders in investigating, assessing and addressing employee misconduct.; The Forest Service also contracted a third party to conduct an assessment of the work environment in the Pacific Southwest Region to address employee concerns about harassment and discrimination which resulted in a comprehensive action strategy. The agency also instituted civil rights, harassment and antidiscrimination training for</td>
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</table>
agency leaders, supervisors and employee relations professionals, and invested in a telephone hotline for employees to report allegations of harassment and discrimination. The Forest Service redesigned the Civil Rights Organization for more effective and consistent program delivery. In addition, the agency invested in new data systems to monitor and address workplace trends in the agency’s field units. In August 2016, The Forest Service finalized and began implementing a new Anti-harassment Policy, which raises the standard of conduct to zero tolerance for harassment, including bullying. The new Policy also imposes a standard for all employees to immediately report any form of harassment, and institutes protocols to protect victims and hold accountable those responsible for harassment. It is one of the strictest policies at USDA.

| Temporary Relief from Log Exports | The “Forest Resources Conservation and Shortage Relief Act of 1990, as amended”, (P.L. 101-382) prohibits the export of unprocessed timber from the contiguous states, outside of Alaska, west of the 100th meridian. It was enacted to protect the domestic timber market. The Secretary of Agriculture can make an exception for species that have been declared surplus to domestic needs after a public notice and review process. It can take up to 2 years to go through the process to declare a species surplus to domestic needs. Presently, only Port Orford Cedar and Alaskan Yellow Cedar are on this exception list. The combination of fire and insect killed timber in California has created more volume than the local mills can handle, thus slowing down the efforts to restore access, protect citizens, and move wood to market. There is interest from Senator Feinstein and other stakeholders to allow export of this dead timber in a timely fashion. It would require Congressional relief from the present processes in place to declare timber surplus to domestic needs. | January-June 2017 |

| Climate Hubs | The USDA Climate Change Hubs were established in summer 2013 to support farmers, ranchers, and land managers in adapting to and mitigating the impacts of climate change. FY 2016 advances included helping the Department implement the Building Blocks, adding three more agencies to the fund (FSA, RMA and APHIS), and coordinating USDA climate change activities across many more agencies. In FY 2016, Climate Hubs transitioned to a new structure that includes permanent staff, detailers, and | Fiscal Year 2017 |
Fellows. Significant programmatic accomplishments include:

- **Regional vulnerability assessments** are available for each region. This information is providing key information to land manager stakeholders and their advisors. These are available at the hubs website, which came online this year. These assessments have been useful in communicating climate risks, especially through social media. A cross-regional team continues to make improvements. The “Tool Shed” has come online. This is a one-stop-shop of tools to help farmers, ranchers and forest land managers make climate-informed management decisions. This effort is also being used to do a gap analysis to see where the Hubs need to invest in the development of new “tools,” or if they need to modify existing tools. The Hubs website’s “Tool Shed” is connected to the **White House’s Climate Resilient Toolkit**.

New tools, or modifications of existing tools, are being developed in many regions. The Northern Research Station’s adaptation toolkit is now being modified for the agriculture sector. We have also provided information synthesis, adaptation options, and updates through a series of databases and newsletters.

In 2017, the Hubs will continue to coordinate with the Cooperative Extension climate change efforts. Most 1862 Land Grant Universities are working closely with the Hubs, and they are continuing to reach out to the 1890 and 1994 Land Grant Universities.

In FY 2017, there is a need to transition the Hubs from Forest Service leadership to USDA’s Office of the Chief Economist’s Climate Change Program Office.

| Trail of Tears tribal consultations | In 2012, Secretary Vilsack released a report calling for USDA and the Forest Service to work more closely with tribal governments in the protection, respectful interpretation and appropriate access to Indian sacred sites. At the same time, a Sacred Sites Memorandum of Understanding was signed by DOD, USDA, DOI, DOE, and ACHP to improve the protection of and tribal access to Indian sacred sites | Fiscal Year 2017, ongoing |
on federally managed land. After erosion controlling features were mistakenly constructed in the Trail of Tears National Historic Trail in 2014, the Forest Service has been working to rebuild trust and strengthen our relationship with the Cherokee and Creek Tribes by consulting with and listening to their guidance as we restore this sacred place. The Trail of Tears and Unicoi Turnpike have been designated as sacred sites, and consultation is underway with the Tribes to determine and incorporate protection in land management plans. This consultation will be ongoing during FY 2017 and affects six National Forest units in the Southern Region and two in the Eastern Region. A letter of apology will be presented to tribes from the Forest Service at the annual “To Bridge a Gap” conference in Tulsa, OK in February 2017.

Major Upcoming Programmatic Decisions
(Listed in order of importance)

<table>
<thead>
<tr>
<th>Upcoming Decision</th>
<th>Brief Description</th>
<th>Timeline</th>
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<tbody>
<tr>
<td>Next Generation Airtanker</td>
<td>The 2015 Omnibus provided $65 million to acquire aircraft for the next-generation airtanker fleet to support the agency’s strategy to modernize and enhance firefighting mobility, effectiveness, efficiency and safety.</td>
<td>A contract award is anticipated by the summer of 2017.</td>
</tr>
<tr>
<td>Atlantic Coast Pipeline Permitting (Virginia and West Virginia)</td>
<td>The Atlantic Coast Project, a proposed 600 mile long interstate natural gas pipeline regulated by the Federal Energy Regulatory Commission (FERC), would cross about 19.7 miles of National Forest System (NFS) lands in West Virginia (5.4 miles on the Monongahela National Forest [MNF]) and Virginia (14.3 miles on the George Washington National Forest [GWNF]). The proponent is Atlantic Coast Pipeline, LLC (ACP), a joint venture of companies that includes Dominion Resources, Duke Energy, Piedmont Natural Gas, and AGL Resources. The proposed purpose of the pipeline is to provide a dependable supply of natural gas for electric utilities and households in east coast states. Through its special uses permit program, the Forest Service will make decisions on the use and occupancy of NFS lands for the proposed pipeline. The project scope and its potential resource impacts have generated a high level of public interest. On May 3, 2016, FERC published its Notice of Intent to prepare an environmental impact statement (EIS) to address</td>
<td>Fiscal Year 2017</td>
</tr>
<tr>
<td>Resolution Copper Minerals Development/Land Exchange (Arizona)</td>
<td>Within the Southeast Arizona Land Exchange and Conservation Act of 2013, there is a proposed copper mine. The National Forest and private lands identified for exchange will be appraised. After the lands are exchanged, 4,430 acres will still be NFS lands. Significant issues include a proposed bill for the designation of Oak Flat (on the National Forest land that is to exchanged) as a Traditional Cultural Property, and potential impacts to Native American Sacred Sites, Threatened and Endangered species, air quality, surface water quality, and groundwater. If requested by Resolution, special use permits for drilling and mine development will keep moving forward for issuance per the Act. Public scoping is in progress for the Resolution Mine Plan/Land Exchange EIS. In addition, a Final EA for baseline data collection for a tailings facility was released Jan. 15, 2016. The objection process was completed on May 16, 2016, and the forest is addressing the Southwest Regional Forester direction.</td>
<td>Fiscal Year 2017</td>
</tr>
<tr>
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</tr>
<tr>
<td>Rosemont Copper Mine Permitting (Arizona)</td>
<td>Rosemont Copper Mine is a proposed open pit copper mine with mixed ownership, including 3,670 acres of NFS lands on the Coronado National Forest. The proposed mine is currently undergoing a permitting review process under the direction of the Forest Service and the US Army Corps of Engineers. T&amp;E species, air quality, surface water quality, and groundwater impacts are all issues. Supplemental Information Reports were completed in response to official objections. The Coronado National Forest reviewed the US Fish and Wildlife Service’s final Biological Opinion based on the Forest's submittal of a Supplemental Biological Assessment. The FS Record of Decision for the project is awaiting signature but is on hold until the Army Corps of Engineers signs the ROD for issuance of the 404 Clean Water Act permit. FS cannot authorize a locatable operation until it is compliant with Clean Water Act requirements. The FS ROD should be signed after compliance with CWA.</td>
<td>To Be Determined pending Corps of Engineers permit.</td>
</tr>
<tr>
<td>Mineral Withdrawals</td>
<td>The Forest Service continues to advance mineral withdrawal applications and processes in several locations throughout the National Forest System. A mineral withdrawal refers to prohibited actions for a specified parcel of land for a defined period of time, usually 3, 5, or 20 years. Withdrawal action prohibits all mining activities under the 1872 Law, except actions that have been authorized under an approved Plan of Operations on mining claims with prior valid existing rights. The Forest Service works in conjunction with the Department of the Interior and Bureau of Land Management to process withdrawals as the authority for mineral withdrawals rest with the Secretary of Interior. There have been several pieces of legislation in the 114th Congress relating to mineral withdrawal on National Forest System lands.</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>

| Northwest Forest Plan Amendment | The Northwest Forest Plan (NWFP) was an amendment to multiple forest plans on Forest Service and BLM managed public lands in western Washington, Oregon and northern California. The NWFP is widely perceived to be a regional plan requiring change with a high level of consistency. These forest plans are over 20 years old, and per the National Forest Management Act, are in need of plan revision. The issue is how to revise individual National Forest plans in this broader landscape context, especially since the BLM is currently revising its plans for its O&C lands in the region. The NWFP has a substantial record of broad scale monitoring and science. The latest monitoring results (20 year NWFP monitoring report) have revealed issues related to managing wildfire, reduced populations of the endangered northern spotted owls, and timber harvest levels below projections of the NWFP. A science synthesis intended to provide a scientific framework for making changes to plans in the Northwest is in its final stages, and is expected to be released in November 2016. This work will be formally peer reviewed by the Ecological Society of America and is considered to be a highly influential science assessment by the White House Office of Management and Budget. There is active consideration to develop a bioregional assessment to determine what actions to take in the future. | 11/2016 – 3/2017 |
United States Department of Agriculture
2016 Presidential Transition
Forest Service (FS)

**Release of Land Management Plans for National Forests and Grasslands**

No Records of Decisions for forest plan revisions are expected during the January – June 2017 time period. The Francis Marion National Forest in South Carolina projects its Record Of Decision to be released in December 2016.

A revision process is already underway for the land management plan for the Nantahala and Pisgah National Forests in North Carolina. A robust public involvement and collaborative process is being used to develop a draft plan and draft environmental impact statement, scheduled for release to the public in the spring, 2017.

**Ongoing Regulatory Actions & Court Actions**

*(Listed in order of importance)*

<table>
<thead>
<tr>
<th>Regulatory Action</th>
<th>Brief Description</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado Roadless Rule</td>
<td>The Forest Service and USDA are preparing a final rule to reinstate a narrow provision of the 2012 Colorado Roadless Rule (CRR)—the North Fork Coal Mining Exception. The Exception applies to 19,500 acres of the 4.2 million acres of Colorado Roadless Areas designated by the CRR. The exception allows temporary road construction for coal mining-related surface activities. This rulemaking effort responds to a Colorado District Court decision that vacated the Exception because of a failure to comply with the National Environmental Policy Act.</td>
<td>December 2016/January 2017</td>
</tr>
<tr>
<td>Mitigation Policy</td>
<td>The Presidential Memo entitled “Mitigating Impacts on Natural Resources from Development and Encouraging Related Private Investment” (Nov. 2015) requires agencies to establish policy for implementation. OMB found the agency’s proposed mitigation rule to be a significant regulatory action, which affected the approach and trajectory of the agency’s efforts to move forward on a national mitigation framework. A cost-benefit analysis and a small business impact analysis were completed, along with a reformulated timeline for the completion of internal and external outreach. The clearance process was initiated in August 2016. Tribal consultation was initiated with a draft of the proposed rule on June 1, 2016, and will run through the end of the public comment period following publication. Tribal, public, and staff webinars will be conducted.</td>
<td>Dec.16/Jan.17 (proposed rule in FR, draft technical guidance &amp; training modules) Fall 17 (draft directives &amp; information clearinghouse)</td>
</tr>
</tbody>
</table>
following initiation of the public comment period to clarify the content and objectives of the proposed rule. The Agency plans to begin development of detailed directives after the proposed rule is published, with publication of draft directives targeted for fall 2017. In order to meet the intent of the Presidential Memo and EO 13604, the Agency is working on a suite of mitigation tools, including technical and mitigation banking guidance, case studies, training modules, and an information clearinghouse. Draft training and guidance materials will be available for use in early 2017.

<table>
<thead>
<tr>
<th>Small Business Administration, SBA, Set Aside Policy</th>
<th>The Small Business Administration published a Proposed Rule – Small Business Timber Sale Program, in the Federal Register on September 27, 2016. The Federal Register notice provides for a 60-day public comment period. Subsequent steps would be for the SBA to respond to all comments received, and develop a final rule for Federal Register publication. The schedule is yet to be determined, but a summer 2017 publication date is anticipated, with implementation occurring 30-days after publication. After SBA’s rule has been implemented, the Forest Service would then develop a Proposed (Policy) Directive for public notice and comment. The agency anticipates this to occur late fall/winter 2017-18.</th>
<th>SBA’s Proposed Rule published 9/27/16. SBA’s final rule anticipated for publication summer 2017. Forest Service Proposed Policy Directive anticipated late fall/winter 2017-18.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest Service Land Management Planning Rule Amendment</td>
<td>The 2012 Planning Rule (36 CFR Part 219, Planning Subpart A—National Forest System Land Management Planning) does not clearly explain how to amend plans developed under the 1982 rule without revising the entire plan to meet 2012 Planning Rule resource requirements. The field and our public are confused by this lack of clarity. The Agency published a proposed amendment to the 2012 Planning Rule in October 2016 to clarify that plan amendments do not need to meet all of the substantive requirements for sustainability, plant and animal diversity, multiple uses, and timber requirements. OMB has designated this action as non-significant but does request review of comments following the 30-day comment period. Final Rule publishing is anticipated in January 2017.</td>
<td>12/16 – 01/17</td>
</tr>
</tbody>
</table>
### Farm Bill Revision

The 2014 Farm Bill significantly expanded the tools that support the agency’s ability to accomplish restoration work on the ground. Among the tools include permanent authorization for stewardship contracting and the Good Neighbor Authority. In addition, the 2014 Farm Bill provided the Forest Service with an increased ability to address insect and disease infestations.

The 2014 Farm Bill expires in September 2018, but Congress will hold hearings and begin the work of rewriting the next Farm Bill early in 2017. Significant attention will be paid to implementation of the 2014 Farm Bill authorities and whether to amend, expand existing, or create new authorities to assist the Forest Service in accomplishing its mission.

<table>
<thead>
<tr>
<th>Litigation</th>
<th>Brief Description</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sage Grouse Litigation</td>
<td>The Forest Service and Bureau of Land Management are named in eight lawsuits challenging the Government’s sage-grouse management decisions amending land use plans for federally-managed lands in six western states. Region 4 is responsible for completing the Forest Service Administrative Record (17,000 documents, 171,300 pages). These eight lawsuits are filed in six different federal courts. Although claims are similar, differences exist in key allegations. The case filed on September 25, 2015, in the Court for the District of Columbia by Governor Butch Otter and the Idaho State Legislature, along with the case filed in Nevada on September 23, 2015 by Western Exploration are fully briefed. Although the Government may succeed on defending the initial lawsuits, projects and plan amendments will likely be challenged in the foreseeable future.</td>
<td>10/20/2016 – Oral Arguments begin. Decision could occur any time after 11/01/2016</td>
</tr>
<tr>
<td>Salix Court Case</td>
<td>In Salix v. USFS (also known as Cottonwood Environmental Law Center v. USFS), plaintiffs claimed a failure to re-initiate consultation on lynx critical habitat under the Endangered Species Act. On May 16, 2013, the US District Court for the District of Montana found the Forest Service violated the Endangered Species Act. The Government subsequently appealed to the 9th Circuit which affirmed a Montana District Court’s ruling on June 17, 2015. The 9th Circuit decision is in conflict with a 10th Circuit decision. The Government filed a Petition for Certiorari to Supreme Court on May 16.</td>
<td>October 2016</td>
</tr>
</tbody>
</table>
2016. The Supreme Court is expected to rule on the case by October 3, 2016.

**Idaho Elk Collaring**

On January 6, 2016, the Forest Supervisor on the Salmon-Challis National Forest signed a Decision and issued a Special Use Permit to the Idaho Department of Fish & Game authorizing helicopter landings within the Frank Church – River of No Return Wilderness Area to collar elk. On January 7, 2016, plaintiffs filed suit in the Court for the District of (Idaho Wilderness Watch v. Vilsack). Plaintiffs claim violations of the Wilderness Act (actions not necessary to meet minimum requirements) and NEPA (not doing an EIS; too narrow “purpose and need”; failure to take a “hard look” at the impacts). Oral argument occurred on August 23, 2016. We expect a court ruling shortly.

### Timeline

**Fall 2016 (October-December)**

<table>
<thead>
<tr>
<th>Issue</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salix Court Case</td>
<td>October 2016</td>
</tr>
<tr>
<td>Idaho Elk Collaring</td>
<td>Fall 2016</td>
</tr>
<tr>
<td>Sage Grouse Litigation</td>
<td>10/20/16: Oral Arguments begin</td>
</tr>
<tr>
<td></td>
<td>Decision could occur any time after 11/1/16</td>
</tr>
<tr>
<td>Northwest Forest Plan</td>
<td>November 2016 – March 2017</td>
</tr>
<tr>
<td>Colorado Roadless Rule</td>
<td>December 2016/January 2017</td>
</tr>
<tr>
<td>Forest Service Land Management Planning Rule Amendment</td>
<td>December 2016-January 2017</td>
</tr>
</tbody>
</table>

**Winter 2017 (January-March) and Spring 2017 (April-June)**

<table>
<thead>
<tr>
<th>Issue</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wildfire Suppression Budget Fix</td>
<td>January-June 2017</td>
</tr>
<tr>
<td>Tongass Plan Amendment Decision Reaction</td>
<td>January-June 2017</td>
</tr>
<tr>
<td>California Tree Mortality</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Temporary Relief from Log Exports</td>
<td>January-June 2017</td>
</tr>
<tr>
<td>Farm Bill Revision</td>
<td>January-June 2017</td>
</tr>
<tr>
<td>Trail of Tears reparations</td>
<td>February 2017, ongoing</td>
</tr>
<tr>
<td>Resolution Copper Minerals Development (Arizona)</td>
<td>FY 2017</td>
</tr>
<tr>
<td>Issue</td>
<td>Timeline</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Atlantic Coast Pipeline (Virginia and West Virginia)</td>
<td>FY 2017</td>
</tr>
<tr>
<td>Office of Inspector General’s 2017 Audit of Forest Service Efforts to</td>
<td>Spring 2017</td>
</tr>
<tr>
<td>Improve Quality of Work Environment</td>
<td></td>
</tr>
<tr>
<td>Release of Land Management Plans for National Forests and Grasslands</td>
<td>Ongoing, with spring 2017 release of draft Land Management plan for</td>
</tr>
<tr>
<td></td>
<td>National Forests in North Carolina</td>
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</tbody>
</table>

**FY2017 and ongoing**

<table>
<thead>
<tr>
<th>Issue</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rosemont Mine (Arizona)</td>
<td>To be determined pending Corps of Engineers permit.</td>
</tr>
<tr>
<td>Climate Hubs</td>
<td>FY 2017</td>
</tr>
<tr>
<td></td>
<td>Summer 2017: anticipated publication of final rule by Small Business</td>
</tr>
<tr>
<td></td>
<td>Administration</td>
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<td></td>
<td><strong>Late fall/winter 2017-18:</strong> Forest Service Proposed Policy Directive</td>
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<tr>
<td></td>
<td>anticipated</td>
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<tr>
<td>Mineral Withdrawals</td>
<td>Ongoing</td>
</tr>
</tbody>
</table>
# Appendix A: Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>AF&amp;PA</td>
<td>American Forest &amp; Paper Association</td>
</tr>
<tr>
<td>AQM</td>
<td>Acquisition Management (Bus Ops)</td>
</tr>
<tr>
<td>ARPA</td>
<td>Archaeological Resources Protection Act</td>
</tr>
<tr>
<td>ASC</td>
<td>Albuquerque Service Center; centralized location for FS HR, budget staffs</td>
</tr>
<tr>
<td>ASQ</td>
<td>Allowable Sale Quantity</td>
</tr>
<tr>
<td>ATV</td>
<td>All-Terrain Vehicle</td>
</tr>
<tr>
<td>AUM</td>
<td>Animal Unit Month</td>
</tr>
<tr>
<td>B&amp;F</td>
<td>Budget &amp; Finance (Bus Ops)</td>
</tr>
<tr>
<td>BA</td>
<td>Biological Assessment; also, basal area</td>
</tr>
<tr>
<td>BLI</td>
<td>Budget Line Item</td>
</tr>
<tr>
<td>BMP</td>
<td>Best Management Practices</td>
</tr>
<tr>
<td>BO</td>
<td>Biological Opinion</td>
</tr>
<tr>
<td>BPA</td>
<td>Blanket Purchase Agreement</td>
</tr>
<tr>
<td>BUS OPS</td>
<td>Business Operations, one of five FS deputy areas; also, OPS</td>
</tr>
<tr>
<td>BWCAW</td>
<td>Boundary Waters Canoe Area Wilderness (Region 9)</td>
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<tr>
<td>CATX</td>
<td>Categorical Exclusion (NEPA)</td>
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<tr>
<td>CE</td>
<td>Categorical Exclusion (see also CAT); also, Conservation Education (S&amp;PF)</td>
</tr>
<tr>
<td>CFLRP</td>
<td>Collaborative Forest Landscape Restoration Program</td>
</tr>
<tr>
<td>CIO</td>
<td>Chief Information Officer</td>
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<tr>
<td>CIP</td>
<td>Continuous Improvement Program; also, Capital Investment Program</td>
</tr>
<tr>
<td>COR</td>
<td>Contracting Officer’s Representative</td>
</tr>
<tr>
<td>CR</td>
<td>Civil Rights</td>
</tr>
<tr>
<td>CRI A</td>
<td>Civil Rights Impact Analysis</td>
</tr>
<tr>
<td>DEIS</td>
<td>Draft Environmental Impact Statement</td>
</tr>
<tr>
<td>DRF</td>
<td>Deputy Regional Forester</td>
</tr>
<tr>
<td>EA</td>
<td>Environmental Assessment; also, Experimental Area, Environmental Audit</td>
</tr>
<tr>
<td>EIS</td>
<td>Environmental Impact Statement</td>
</tr>
<tr>
<td>ELT</td>
<td>Executive Leadership Team, composed of the Chief, Associate Chief, Chief of Staff, &amp; Deputy Chiefs</td>
</tr>
<tr>
<td>EMC</td>
<td>Ecosystem Management Coordination (NFS)</td>
</tr>
<tr>
<td>EKI P</td>
<td>Every Kid in a Park</td>
</tr>
<tr>
<td>ERFO</td>
<td>Emergency Relief Federally-owned Roads</td>
</tr>
<tr>
<td>ESA</td>
<td>Endangered Species Act of 1973</td>
</tr>
<tr>
<td>EWPP</td>
<td>Emergency Watershed Protection Plan</td>
</tr>
<tr>
<td>FAM</td>
<td>Fire &amp; Aviation Management</td>
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<tr>
<td>FACA</td>
<td>Federal Advisory Committee Act</td>
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<tr>
<td>FAR</td>
<td>Federal Acquisition Regulation</td>
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<tr>
<td>FEIS</td>
<td>Final Environmental Impact Statement; also, Fire Effects Information System</td>
</tr>
<tr>
<td>FHP</td>
<td>Forest Health Protection (S&amp;PF)</td>
</tr>
<tr>
<td>FIA</td>
<td>Forest Inventory Analysis (R&amp;D)</td>
</tr>
<tr>
<td>FLPMA</td>
<td>Federal Policy &amp; Management Act (NFS, Rec)</td>
</tr>
<tr>
<td>FLT</td>
<td>Forest Leadership Team</td>
</tr>
<tr>
<td>FOIA</td>
<td>Freedom of Information Act of 1966; provides that any person has the right to request access to federal agency records of information (HRM)</td>
</tr>
<tr>
<td>FONSI</td>
<td>Finding of No Significant Impact</td>
</tr>
<tr>
<td>FPL</td>
<td>Forest Products Laboratory, located in Madison, WI (R&amp;D)</td>
</tr>
<tr>
<td>FS</td>
<td>Forest Service; also, Forest Supervisor</td>
</tr>
<tr>
<td>FSEEE</td>
<td>Forest Service Employees for Environmental Ethics</td>
</tr>
</tbody>
</table>
United States Department of Agriculture
2016 Presidential Transition
Forest Service (FS)

FSH Forest Service Handbook
FSM Forest Service Manual
HFRA Healthy Forests Restoration Act
ID Interim Directive
IDT Interdisciplinary Teams
IITF International Institute of Tropical Forestry; head office in Puerto Rico (R&D)
IP International Programs (Chief’s Office)
JC Job Corps
JHA Job Hazard Analysis
KV Knutson-Vandenber Act (Budget); passed in 1930, amended by National Forest Management Act in 1976, allows funds from sale of National Forest timber to be used for renewable resource projects, reforestation, non-commercial thinning, and other improvements within sale area
LA Legislative Affairs
LE&I Law Enforcement & Investigations
LEO Law Enforcement Officer (LEI)
LRMP Land & Resources Management Plan (in brief: Forest Plan)
LWCF Land & Water Conservation Fund
MBF Thousand Board Feet
MCF Thousand Cubic Feet
MMBF Million Board Feet
MMCF Million Cubic Feet
MTDC Missoula Technology & Development Center (NFS)
NA Northeastern Area, State & Private Forestry; head office located in Newtown Square, PA
NASF National Association of State Foresters
NEPA National Environmental Policy Act of 1970; instructs agencies to assess environmental effects of their proposed actions before making decisions
NFMA National Forest Management Act of 1976; produces Land & Resources Management Plans, or Forest Plans
NFS National Forest System
NIFC National Interagency Fire Center, located in Boise, ID
NLC National Leadership Council; composed of the Chief, Associate Chief, Deputy Chiefs, Associate Deputy Chiefs, Chief of Staff, Regional Foresters, Station Directors & Directors of NA, IITF, CR, IP, LEI, LA, OC & Chief’s support staff
NOI Notice of Intent
NRA National Recreation Area; also, Natural Resource Area (NFS)
NRS Northern Research Station, one of six research stations
NSO No Surface Occupancy
NWPS National Wilderness Preservation System
NWSR National Wild & Scenic Rivers
OC Office of Communication (Chief’s Office)
OGC Office of the General Counsel
OHV Off-highway Vehicle
OIG Office of the Inspector General
ORMS Office of Regulatory & Management Services (BUS OPS)
OTR Office of Tribal Relations (S&PF)
PNW Pacific Northwest Research Station; one of six research stations; head office in Portland, OR (R&D)
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>PSW</td>
<td>Pacific Southwest Research Station; one of six research stations; head office in Albany, CA (R&amp;D)</td>
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<tr>
<td>R&amp;D</td>
<td>Research &amp; Development, one of five FS deputy areas</td>
</tr>
<tr>
<td>R/S/A</td>
<td>Region/Station/Area</td>
</tr>
<tr>
<td>RAC</td>
<td>Resource Advisory Council</td>
</tr>
<tr>
<td>RACR</td>
<td>Roadless Area Conservation Rule</td>
</tr>
<tr>
<td>RF</td>
<td>Regional Forester</td>
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<tr>
<td>RFP</td>
<td>Request for Proposal</td>
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<tr>
<td>RNA</td>
<td>Research Natural Area</td>
</tr>
<tr>
<td>RO</td>
<td>Regional Office (there are nine FS Regions)</td>
</tr>
<tr>
<td>ROD</td>
<td>Record of Decision</td>
</tr>
<tr>
<td>ROW</td>
<td>Right of Way</td>
</tr>
<tr>
<td>RPA</td>
<td>Forest &amp; Rangeland Renewable Resources Planning Act</td>
</tr>
<tr>
<td>Rx</td>
<td>Prescription</td>
</tr>
<tr>
<td>S&amp;G</td>
<td>Standard &amp; Guideline</td>
</tr>
<tr>
<td>S&amp;PF</td>
<td>State &amp; Private Forestry, one of five FS deputy areas</td>
</tr>
<tr>
<td>SAC</td>
<td>Special Agent in Charge (LEI)</td>
</tr>
<tr>
<td>SDTDC</td>
<td>San Dimas Technology &amp; Development Center (R&amp;D)</td>
</tr>
<tr>
<td>SEIS</td>
<td>Supplemental Environmental Impact Statement</td>
</tr>
<tr>
<td>SHPO</td>
<td>State Historical Preservation Office</td>
</tr>
<tr>
<td>SOPA</td>
<td>Schedule of Proposed Action</td>
</tr>
<tr>
<td>SRS</td>
<td>Secure Rural Schools</td>
</tr>
<tr>
<td>T&amp;E</td>
<td>Threatened &amp; Endangered</td>
</tr>
<tr>
<td>TES</td>
<td>Threatened, Endangered &amp; Sensitive</td>
</tr>
<tr>
<td>TMDL</td>
<td>Total Maximum Daily Load</td>
</tr>
<tr>
<td>TSI</td>
<td>Timber Stand Improvement</td>
</tr>
<tr>
<td>WFLC</td>
<td>Western Forestry Leadership Coalition (pronounced “wiflik”)</td>
</tr>
<tr>
<td>WO</td>
<td>Washington Office (FS headquarters)</td>
</tr>
<tr>
<td>WUI</td>
<td>Wildland-Urban Interface</td>
</tr>
<tr>
<td>4FRI</td>
<td>Four Forests Restoration Initiative</td>
</tr>
</tbody>
</table>
WHAT WE DO: OUR MISSION

NRCS is the nation’s premier private lands conservation agency. For more than 80 years, NRCS’ voluntary, incentive-based approach to conservation has helped farmers, ranchers, and private forest managers make conservation investments that support their communities, protect natural resources, and sustain thriving agricultural operations. With technical and financial assistance based on sound science and innovation, we help those who grow our food and fiber improve water quality, promote wildlife habitat, increase resilience to climate change and drought, build healthy soil, and feed the world.

WHO WE ARE: OUR WORKFORCE

More than 10,000 NRCS employees are in every state and the Caribbean and Pacific Island Areas, with 85 percent of our staff in the field. Staff are in 2,476 locations, often collocated with partners in service centers across the country.

WHO WE SERVE: OUR CONSTITUENTS

We work with farmers, ranchers, and private forest land owners to plan and implement voluntary conservation on private agricultural lands. We also engage a wide array of partners to leverage expertise and investment to deliver innovation and landscape-level conservation.

KEY UPCOMING DECISIONS

Conservation Stewardship Program: In late 2016, NRCS will implement significant revisions to CSP. Decisions on impacts and modifications will be needed in mid-2017 to position the next sign-up.

Conservation Compliance: Following audit reports, additional policy direction and guidance will be needed, with potential for legislative language decisions.

Regional Conservation Partnership Program: Early 2017 decisions on program focus for the fourth funding round for this partner-driven stewardship program, which will invest over $200 million in 2018.

BUDGET HIGHLIGHTS FY 2016

NRCS 2016 budget authority was nearly $4.5 billion, of which roughly 77 percent was mandatory and 23 percent discretionary. NRCS has seen relative consistency in budget authority over the past several years. The two largest conservation programs, the Environmental Quality Incentives Program and the Conservation Stewardship Program, constitute roughly 62 percent of the budget.

FY 2016 Budget Authority

- Conservation Operations: 34.3%
- Emergency Watershed Protection Program: 19.1%
- Environmental Quality Incentives Program: 27.5%
- Conservation Stewardship Program: 9.4%
- Agricultural Conservation Easement Program: 2.1%
- Regional Conservation Partnership Program: 4.1%
- Other Programs: 3.5%
I. Organizational Overview

Agency’s Mission/Strategic Plan

NRCS Mission Statement - “Helping People Help the Land”
NRCS improves the health of our Nation’s natural resources while sustaining and enhancing the productivity of American agriculture. We achieve this through strong partnerships with private landowners, managers, and communities to conserve, restore, and enhance the lands and water upon which people and environment depend.

- **Strategic Goal 1** – Deliver High-Quality Science and Technology for Voluntary Private Lands Conservation
  - Objective 1.1 – Enhance conservation planning with science based tools and information
- **Strategic Goal 2** - Promote Productive Working Lands and Healthy Waters
  - Objective 2.1- Improve soil health, productivity, diversity, and resilience
  - Objective 2.2- Enhance and improve water quality and water quantity
  - Objective 2.3- Provide habitat for diverse and important fish and wildlife species
  - Objective 2.4- Improve local air quality and increase carbon sequestration
- **Strategic Goal 3**- Protect and Enhance Productive Agricultural Landscapes
  - Objective 3.1- Keep productive agricultural lands in farming, ranching, and forest landscapes
  - Objective 3.2 - Protect and manage wetland resources to create landscape scale benefits
- **Strategic Goal 4**- Support Healthy Watersheds and Diverse Land Use and Communities
  - Objective 4.1- Protect communities and people through rehabilitated watershed structures
  - Objective 4.2 - Manage landscape-scale natural resource concerns to create enduring solutions
- **Management Initiative 1**- Increase Organizational Effectiveness and Efficiency
  - Objective 1.1- Strengthen and modernize the delivery of products and services
  - Objective 1.2 – Advance financial management capabilities
- **Management Initiative 2**- Create a Climate of Inclusion and Foster Diversity
  - Objective 2.1- Expand opportunities to deliver conservation products and services to new and underserved customers
  - Objective 2.2- Employ, develop, and retain a highly skilled and diverse workforce

Strategic Plan Webpage Link: Draft FY 2016-2018 Strategic Plan is currently undergoing agency review. No active link is available at this time.
Key mission delivery performance measures

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<td>Total acres of land protected from conversion through</td>
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<td>space and rural amenities (acres)</td>
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Organization’s History

The mission of the Natural Resources Conservation Service is “Helping People Help the Land.” The agency accomplishes its mission by providing products and services that enable people to be good stewards of the Nation’s soil, water, and related natural resources on non-Federal lands. The formation of the Soil Conservation Service (SCS) marked the beginning of the Federal government’s enduring commitment to conserving natural resources on private lands. Originally established by Congress in 1935, the agency was later renamed NRCS pursuant to Public Law 103-354, the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962). From the beginning, the agency brought a national focus to the emerging resource issues of the Dust Bowl era: prevention of wind and water erosion. Desperate to retain its productive Midwest soils, the Nation turned to SCS for technical guidance and advice on minimizing the impacts of erosion. Although the Dust Bowl has passed, the relationship between landowners and the agency remains.

Over the last 80 years, the agency expanded its services to become a conservation leader for all natural resources: soil, water, air, plants, and animals. Now, as NRCS, its primary focus is to ensure that private lands are conserved, restored, and made more resilient to environmental challenges, like climate change. NRCS is a primary contributor to achieving the USDA Strategic Goal that ensures our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing water resources. This is accomplished through a variety of programs aimed at preserving and restoring our private lands, mitigating the effects of climate change, and making the landscape more resilient. NRCS partners with private landowners to provide technical and financial assistance to help protect farm and ranch lands and private forestland.

Seventy percent of the land in the United States is privately owned, making stewardship by private landowners and land managers absolutely critical to the health of our Nation’s environment. These are the people who make day-to-day decisions about natural resource use and management on non-Federal lands, and NRCS offers them the technology, technical and financial assistance needed to benefit the resources, sustain productive lands, and maintain healthy ecosystems.

Science and technology are the critical foundation to effective conservation. NRCS experts from many disciplines come together to help landowners conserve natural resources in efficient, smart, and sustainable ways. Whether developed in a laboratory or on the land, NRCS science and technology helps landowners make the right decisions for every natural resource concern.

NRCS’s Conservation Delivery System provides services directly to the landowner or land manager in cooperation with conservation districts. Conservation districts are units of local government created by State law and exist in every county and territory of the United States. Conservation districts are responsible for providing guidance to the agency on local resource concerns and serving as the voice of the local community on resource issues.
NRCS also works in partnership with State and local agencies, locally elected or appointed farmer committees, Federal agencies, tribal governments, and private sector organizations to encourage cooperation and facilitate leveraging of the financial and technical resources these groups can offer. By bringing together groups that have a common and vested interest in the local landscape, community, or watershed, NRCS facilitates collaboration among groups that collectively support sustainable agriculture and maintain natural resource quality.

Under this umbrella of agency mission and local cooperation, NRCS employees help landowners and land managers understand the natural processes that shape their environment, how conservation measures can improve the quality of that environment, and what conservation measures will work best on their land. NRCS employees provide these services directly to the customer. Field offices at USDA Service Centers are in nearly every county and territory of the United States. NRCS employees’ technical expertise and understanding of local resource concerns and challenges result in conservation solutions that last. In the words of the first NRCS Chief, Hugh Hammond Bennett – “If we take care of the land, it will take care of us.”
United States Department of Agriculture
2016 Presidential Transition
Natural Resources Conservation Service (NRCS)

Organizational Chart
Biographies of career staff in key leadership positions

Leonard Jordan
Associate Chief, Conservation
202-720-4531, Leonard.Jordan@wdc.usda.gov

Leonard Jordan has served as the Associate Chief of Conservation since 2012. In this role, Leonard leads the agency’s conservation mission area, including all of NRCS’ conservation programs, science and technology, resource assessment, and activities related to strategic natural resource planning.

From January 2009 to 2012, Leonard served as the Regional Conservationist for the East and Southeast. Before assuming this role, he served in a variety of positions across the agency’s disciplines, including Deputy Chief for Strategic Planning and Accountability, Division Director of Conservation Planning and Technical Assistance, Director of the Conservation Easement Programs Division, State Conservationist for both Georgia and Washington and worked in five states as Assistant State Conservationist, Area Conservationist, Area Resource Conservationist, Area Agronomist, District Conservationist, Soil Conservationist, and Conservation Technician. Leonard is a native of Tennessee and graduated from Tennessee State University with a degree in agronomy.

Tom Christensen
Associate Chief, Operations
202-720-5811, Thomas.Christensen@wdc.usda.gov

Tom Christensen has served as the Associate Chief for Operations since 2014. In this role, Tom is the Chief Operating Officer for NRCS and leads the agency’s business operations, including budget and financial management, human resources management, information technology, procurement and property, strategic planning and accountability, enterprise business initiatives, and continuity of operations and emergency preparedness.

From 2009 to 2014, Tom served as the Regional Conservationist for NRCS’s Central Region. Before assuming this role, he served in a variety of positions across the agency’s disciplines, including Deputy Chief for Programs, Director of Financial Assistance Programs, Director of Conservation Operations, Director of Animal Husbandry and Clean Water Programs, Agency Chief Information Officer, State Conservationist in Illinois, Assistant State Conservationist in Idaho, Area and District Conservationist in New York and Soil Conservationist in multiple North Carolina locations.

Tom graduated from Rutgers University with a Bachelor of Science degree in Forest Management. He received a Master of Science degree in Renewable Natural Resources Conservation from the University of Connecticut.
Kevin Wickey  
Regional Conservationist, Central  
202-720-2193, Kevin.Wickey@wdc.usda.gov

Kevin Wickey has served as the Regional Conservationist for the Central Region since 2015. In this role, Kevin oversees the conservation programs and activities of the 12 Central states (Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota, Texas, and Wisconsin).

From 2007 to 2015, Kevin served as the State Conservationist for West Virginia. Before assuming this role, he served in a variety of positions across the agency’s disciplines, including Soil and District Conservationist, GIS and State Resource Inventory Specialist, IT Project Manager, and Assistant State Conservationist—Technology, and Student Trainee Soil Conservationist.

Kevin is a native of southern Michigan, and he earned a Bachelor of Science degree in Forestry at Michigan Technological University in 1985.

Gayle Barry  
Regional Conservationist, Northeast  
202-720-2197, gayle.barry@wdc.usda.gov

Gayle Barry has served as the Regional Conservationist for the Northeast Region since 2016. In this role, Gayle oversees the conservation programs and activities of the 14 Northeast states (Connecticut, Delaware, Maine, Massachusetts, Maryland, Michigan, New Hampshire, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Vermont, and West Virginia).

Prior to this position, Gayle served as the Deputy Chief for Management. Before assuming this role, she served in a variety of positions across the agency’s disciplines, including Deputy State Conservationist, Director of Public Affairs, and Branch Chief for Legislative Affairs.

Her career with the agency began in 1986 as a Student Intern in Montana, where her experiences on her family’s 2000 acre cattle, alfalfa and wheat operation began her passion for conservation. Her family was named the Conservation Farmers of the Year by the Gallatin Soil and Water Conservation District.
James Tillman  
**Regional Conservationist, South**  
202-720-2197, James.Tillman@wdc.usda.gov

James E. Tillman Sr. serves as the Regional Conservationist for the Southeast. In this role he oversees NRCS conservation programs and activities for the 11 Southeast states (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia) and the Caribbean Area.

James served as State Conservationist in Georgia for nine years. Prior to that, he was the Deputy State Conservationist in California and served as Assistant State Conservationist for Programs and Acting State Administrative Officer in Texas. In Illinois, James served as the Assistant State Conservationist for Resource Assessment and Technology.

In his 32-year career with NRCS, James has also held positions as Soil Conservationist, District Conservationist, Resource Conservationist, and USDA/1890 Liaison Officer. He has worked in seven states (Kansas, Missouri, Oklahoma, Illinois, Texas, California and Georgia) and Washington, DC.

James obtained a Bachelor of Science degree in Agricultural Economics from the University of Arkansas at Pine Bluff.

Astor Boozer  
**Regional Conservationist, West**  
202-690-2194, Astor.Boozer@wdc.usda.gov

Astor Boozer has served as the Regional Conservationist for the West since 2012. In this role, Astor oversees the conservation programs and activities of the 13 West region states (Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Pacific Islands Area, Utah, Washington, and Wyoming).

From 2009 to 2012, Astor served as the State Conservationist of New York. Before assuming this role, he served in a variety of positions in 8 states and across the agency’s disciplines, including Technician, Soil Conservationist, District Conservationist, Area Conservationist, Water Quality Specialist, and National Program Manager for Conservation Reserve and Healthy Forest Reserve Programs, and many others.

A native Texan, the West is close to his roots, he grew up on a farm and ranch cow calf operation where he learned about crop and beef production, conservation, wildlife habitat and caring for the land.

Astor has a Bachelor of Science degree in Agriculture from Prairie View A&M University.
Biographies of political staff in key leadership positions

**Jason Weller**
Chief
202-720-7246, Jason.Weller@wdc.usda.gov

Jason Weller has served as Chief of NRCS since July 2013. As Chief, he oversees programs that help protect the environment, preserve our natural resources and improve agricultural sustainability through voluntary, private-lands conservation. He leads a staff of more than 10,000 employees across the country and manages a budget of about $4 billion.

From December 2012 to July 2013, Jason served as Acting Chief of NRCS. Before assuming this role, he served as Acting Associate Chief for Conservation and as Chief of Staff where he worked alongside Chief Dave White and the agency’s national and state leaders to plan and implement strategic conservation initiatives and conduct the annual business operations of the agency.

Prior to joining NRCS, Jason served as a staff member for the U.S. House Appropriations Subcommittee on Agriculture where he provided oversight and crafted bills to fund USDA programs and activities. He also served on the U.S. House Budget Committee where he helped construct the annual congressional budget for agriculture, environment and energy programs. Before that, Jason worked with the White House Office of Management and Budget where he assisted with the development and implementation of the budget for USDA conservation programs.

Before coming to Washington, DC, Jason worked for several years with the California State Legislature where he provided fiscal and policy recommendations on a variety of natural resource conservation and environmental protection issues. Jason is a native of northern California. He earned his undergraduate degree from Carleton College in Northfield, Minnesota, and a graduate degree in public policy from the University of Michigan.

Jason and his wife have two young daughters and live in Maryland.

**Kirk Hanlin**
Assistant Chief
202-720-7246, Kirk.Hanlin@wdc.usda.gov

USDA Secretary Tom Vilsack appointed Kirk Hanlin as Assistant Chief of NRCS in July 2013. As Assistant Chief, he is central to the agency’s leadership team, providing oversight and guidance for implementation of NRCS programs which help protect the environment, preserve the nation’s natural resources and improve agricultural sustainability through voluntary conservation on private lands.

Before joining NRCS, Kirk served in the Clinton White House for eight years and was appointed...
by President Bill Clinton in 1997 as Special Assistant to the President. In this role he worked directly with the President and was responsible for briefing him daily on issues related to events both domestically and internationally. Kirk was also responsible for coordination and ongoing communication with all levels of individuals and groups related to the President’s daily activities.

He also has extensive experience in the private sector, including serving as Vice President and adviser to the CEO of UAI, Inc. and Executive Vice President and Senior Adviser to the CEO of EnerGenetics Energy LLC. Kirk has more than 30 years of executive level experience in the government and private sector.

Kirk is a native of Hancock County, Illinois growing up on the banks of the Mississippi River in a family with generations of both farmers and towboat captains. His roots have given him a deep appreciation for protecting the land and rivers for future generations.

Kirk earned an associate degree from Southeastern Iowa Community College and a bachelor’s degree in political science from Western Illinois University. Kirk maintains two homes – one in Arlington, Virginia and one overlooking the Mississippi River in Nauvoo, Illinois.
### Organizational Budget and Financial Management

**United States Department of Agriculture**

**2016 Presidential Transition**

**Natural Resources Conservation Service (NRCS)**

### Natural Resources Conservation Service

**Budget Authority FYs 2009-2016**

(Dollars in Thousands)

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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Recovery Act Funds (Watershed Rehabilitation Program)</td>
<td>$50,000</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<td><strong>Reimbursements</strong></td>
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<td>$96,873</td>
<td>$61,243</td>
<td>$62,014</td>
<td>$72,066</td>
<td>$50,667</td>
<td>$91,041</td>
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<td><strong>Total</strong></td>
<td>$3,695,977</td>
<td>$4,216,821</td>
<td>$4,255,637</td>
<td>$4,694,107</td>
<td>$4,584,950</td>
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<td>$4,356,838</td>
<td>$4,455,735</td>
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* Amounts reflect direct authorization only. Annual contributions from other programs reflected with their respective displays.
United States Department of Agriculture  
2016 Presidential Transition  
Natural Resources Conservation Service (NRCS)

Budget Authority FYs 2009-2016

Discretionary

All amounts represent the budget authority (BA) available after sequestration. The Conservation Operations appropriation includes the Conservation Technical Assistance (CTA), Soil Survey, Plant Materials Centers (PMC), and the Snow Survey and Water Supply Forecasting (SSWSF) Programs. Grazing Lands was previously separated in the budget, but in 2012 was shifted back into CTA. Watershed Projects and Watershed Protection are no-year appropriations within the Conservation Operations appropriation. Watershed Operations (P.L. 78-534) and Small Watersheds (P.L. 83-566) were appropriated as the Watershed and Flood Prevention Operations, and had $20M of unobligated balances rescinded in FY 2015. The Emergency Watershed Protection Program (EWPP) received emergency supplemental appropriations in FY 2012 and FY 2013, and regular appropriations in FY 2015 and FY 2016. The Water Bank Program received no funding in FY 2013. Resource Conservation and Development received funding in FY 2011 to finalize the program.

The CTA Program provides agricultural producers and others with the knowledge and conservation tools they need to conserve, maintain, and improve the natural resources on the lands they manage. The CTA Program is the backbone of the agency’s conservation delivery system. Many customers begin their relationship with NRCS through requests for assistance that later evolve into a conservation plan that may include cost-share assistance through Farm Bill programs.

Soil survey is an essential tool for regional and local conservation planning that allows people to manage natural resources. Scientists and policy makers use soil survey information in studying climate change and evaluating the sustainability and environmental impacts of land use and management practices. Soil surveys are used by planners, engineers, farmers, ranchers, developers, and home owners to evaluate soil suitability and make management decisions for farms, home sites, subdivisions, commercial and industrial sites, and wildlife and recreational areas.

The SSWSF Program collects high elevation snow data in the Western United States and provides managers and users with snowpack information, other climatic data, and water supply forecasts. The water supply forecasts are used by individual farmers and ranchers; water resource managers; Federal, State, and local government agencies; municipal and industrial water providers; hydroelectric power generation utilities; irrigation districts; fish and wildlife management agencies; reservoir project managers; recreationists; Tribal Nations; and the countries of Canada and Mexico.
NRCS’s PMC develop vegetative solutions to “core” natural resource concerns such as soil stabilization, soil health and productivity, and water quality. PMCs also focus on emerging national priorities such as enhancement of pollinator habitat to support agricultural production, habitat for at-risk species such as sage grouse, and development of information and alternate procedures to assist organic producers.

The Water Bank program focuses technical and financial assistance on flooded cropland, flooded hay and pasture land, and flooded forestland. The purposes of the Water Bank Program include: 1) preserving and improving major wetlands as habitat for migratory waterfowl and other wildlife; 2) conserving surface waters; 3) reducing soil and wind erosion; 4) contributing to flood control; 5) improving water quality; 6) improving subsurface moisture; and 7) enhancing the natural beauty of the landscape. The intent of the program is to keep water for the benefit of migratory wildlife.

Through the Watershed and Flood Prevention Operations program, NRCS cooperates with State and local agencies, tribal governments, and other Federal agencies to prevent damage caused by erosion, floodwater, and sediment, to further the conservation, development, utilization, and disposal of water, and advance the conservation and utilization of the land.

The Emergency Watershed Protection Program reduces hazards to life and property in watersheds damaged by severe natural events. An emergency exists when a watershed is suddenly impaired by flood, fire, drought, wind, or other natural causes that result in threats to life and property. The emergency area need not be declared a national disaster area to be eligible for assistance; however, a Presidential disaster declaration is one method for establishing eligibility.

The Watershed Rehabilitation program provides dam rehabilitation financial and technical assistance to communities for addressing public health, safety concerns, and environmental impacts of aging dams.

**Mandatory**

All amounts represent the budget authority (BA) available after applicable sequestration, changes in mandatory programs (CHIMPs), re-appropriations and rescissions are applied. The Agricultural Act of 2014 repealed three easement programs – the Wetlands Reserve, Grassland Reserve, and Farm and Ranch Lands Protection Programs; three financial assistance programs – the Agricultural Water Enhancement, Wildlife Habitat Incentive, and Chesapeake Bay Watershed Programs; and the Cooperative Conservation Partnership Initiative, which continue to be serviced through unobligated balances from BA available or recovered from prior year authorization. These repealed programs’ purposes are now included in the Agricultural Conservation Easement Program (ACEP), the Environmental Quality Incentives Program (EQIP),
and the Regional Conservation Partnership Program (RCPP) through new authorizations. The RCPP receives direct funding, but also has authority to use up to seven percent of ACEP, EQIP, and HFRP budget authority, and up to seven percent of the new authorized acres of the Conservation Stewardship Program (CSP), to complete RCPP projects. The Voluntary Public Access and Habitat Incentives Program and Wetlands Mitigation Banking Program received one-time funding in FY 2014. The Small Watershed Rehabilitation Program received one-time funding in FY 2014, but has re-appropriated funding from prior CHIMPs that was restricted to $73M in new obligations in FY 2015 and $0 in FY 2016.
## FARM SECURITY AND RURAL INVESTMENT PROGRAMS
(On basis of appropriations)
(Dollars in thousands)

<table>
<thead>
<tr>
<th>Program</th>
<th>2016 Enacted Amount</th>
<th>SYs</th>
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<tbody>
<tr>
<td>Mandatory Appropriations:</td>
<td></td>
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<tr>
<td>Agricultural Conservation Easement Program:</td>
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<tr>
<td>Technical Assistance............................................</td>
<td>$124,981</td>
<td>308</td>
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<td>Financial Assistance............................................</td>
<td>294,419</td>
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<td>Agricultural Management Assistance:</td>
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<td>Technical Assistance............................................</td>
<td>937</td>
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<tr>
<td>Financial Assistance............................................</td>
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<td>Conservation Reserve Program:</td>
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<td>Technical Assistance............................................</td>
<td>86,382</td>
<td>666</td>
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<tr>
<td>Financial Assistance............................................</td>
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<td>Conservation Security Program:</td>
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<tr>
<td>Technical Assistance............................................</td>
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<td>Financial Assistance............................................</td>
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<td>Conservation Stewardship Program:</td>
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<td>Environmental Quality Incentives Program:</td>
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<td>Regional Conservation Partnership Program:</td>
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<td>Financial Assistance............................................</td>
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<td>Total Adjusted Appropriations....................................</td>
<td>3,361,879</td>
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Enterprise Workforce Data
United States Department of Agriculture
2016 Presidential Transition
Natural Resources Conservation Service (NRCS)

Current Workforce by Location

- Headquarters*, 15%
- Field Offices, 85%

* NRCS Headquarters includes National Headquarters staff, NEDC and NITC staff, as well as personnel located the States who are assigned to an NHQ organizational unit.

<table>
<thead>
<tr>
<th>Location</th>
<th>Number of Staff</th>
<th>Percentage of Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headquarters*</td>
<td>1,615</td>
<td>15%</td>
</tr>
<tr>
<td>Regional Conservationist Central</td>
<td>3,648</td>
<td>35%</td>
</tr>
<tr>
<td>Regional Conservationist West</td>
<td>1,889</td>
<td>18%</td>
</tr>
<tr>
<td>Regional Conservationist South East</td>
<td>2,032</td>
<td>19%</td>
</tr>
<tr>
<td>Regional Conservationist North East</td>
<td>1,301</td>
<td>12%</td>
</tr>
<tr>
<td>Total Field Offices</td>
<td>8,870</td>
<td>85%</td>
</tr>
<tr>
<td>Total Staff</td>
<td>10,485</td>
<td>100%</td>
</tr>
</tbody>
</table>

Workforce by Program Area

- Conservation Planning: 37%
- Financial Assistance Programs: 49%
- Easement Programs: 7%
- Science and Technology: 6%
- Watershed Rehabilitation: 1%
This provides the historical trend of the organization’s total workforce for the period FY 2009 through FY 2016. The historical trend uses Staff Years and is broken down by Headquarters and Field.

The following are important statistics of the current workforce, which represent a snapshot as of August 6, 2016:

- NRCS currently employs a workforce of 10,485 permanent employees:
  - Full-time: 10,391 employees
  - Part-time: 94 employees
- NRCS employs additional intermittent or seasonal employees to provide support during busier months. Currently, NRCS employs 109 employees in this category.
- Of our total workforce, 18 percent are eligible to retire within the next year and about 32 percent in five years.
- Our headquarters is officially located in the Washington, DC National Capital Region. The total headquarters staff represents 15 percent of the workforce. The Washington DC National Capital Region houses 24 percent of the total headquarters staff with the balance distributed across the country. The agency headquarters is comprised of staff located at the National Employee Development Center in Fort Worth, Texas, the National Information Technology Center in Fort Collins, Colorado, East National Technology Support Center (NTSC) in Greensboro, North Carolina, Central NTSC in Fort Worth, Texas, West NTSC in Portland, Oregon, National Design, Construction, and Soil Mechanics Center in Fort Worth, Texas and Lincoln, Nebraska, National Water Management Center in Little Rock, Arkansas, National Water and Climate Center in Portland, Oregon, National Soil Survey Center in Lincoln, Nebraska, National Geospatial Center of Excellence in Fort Worth, Texas, and staff assigned to headquarters organizational units located in Washington, D.C. National Capital Region as well as staff assigned to those organizational units who are located throughout the country.
- NRCS has presence in every state, the District of Columbia, and the Caribbean and Pacific Islands Areas, with staff distributed in 2,476 locations to work directly with our constituents.
- NRCS defined 19 Mission Critical Occupations (MCO), which include about 80 percent of the current workforce (8,357 employees). The agency is in the process of reviewing the current MCO list. Among the top number of key occupations, NRCS has:
  - 4,120 Soil Conservationists, representing 39 percent of the workforce;
  - 1,143 Soil Conservation Technicians, representing 11 percent of the workforce;
  - 591 Soil Scientists, representing 6 percent of the workforce;
  - 534 Biologists, representing 5 percent of the workforce;
  - 447 Civil Engineers, representing 4 percent of the workforce, and
  - 389 Agricultural Engineers, representing 4 percent of the workforce.
- NRCS has a highly educated workforce. 6,968 employees have a bachelor’s, equivalent or higher education, representing 66 percent of the workforce;
- A total of 276 employees are in bargaining units, representing almost 3 percent of the workforce.
II. Policies and Regulations

Statutory Authorities

Agricultural Conservation Easement Program (ACEP)

**Authority:** Section 2301 of the Agricultural Act of 2014, Pub. L. 113-79 added Subtitle H to Title XII of the Food Security Act of 1985.

**Summary:** The Agricultural Conservation Easement Program (ACEP) has two enrollment components. Under the first component, the Agricultural Land Easement component, NRCS helps Indian tribes, state and local governments or non-governmental organizations protect working agricultural lands by providing financial assistance toward the purchase of conservation easements. The purpose of the Agricultural Land Easement component is to limit non-agricultural uses of the protected land. Under ACEP’s second component, the Wetland Reserve Easement component, NRCS provides financial and technical assistance directly to private landowners to restore, protect, and enhance wetlands through the purchase of Wetland Reserve Easements. The Agricultural Act of 2014 authorized funding for ACEP through FY 2018.

**Regulations:** 7 CFR part 1468 – Interim final rule to implement changes mandated by Agricultural Act of 2014 published February 2015 – The final rule was published on October 18, 2016.


**Delegations of Authority:** 7 CFR 2.20 (as amended by Final Rule published on July 30, 2014), Under Secretary for Natural Resources and Environment, and 2.61 (as amended), Chief of the Natural Resources Conservation Service.

Agricultural Management Assistance Program (AMA)

**Authority:** 7 U.S.C. 1524(b) (section 524(b) of Federal Crop Insurance Act, as added by section 133(b) of the Agriculture Risk Protection Act of 2000, Pub. L. 106-224, 114 Stat. 387 and amended by section 2501 of the Farm Security and Rural Investment Act of 2002, Pub. L. 107-171 and by section 2801 of the Food, Conservation, and Energy Act of 2008, Pub. L. 110-246). The Agricultural Act of FY 2014 did not make any changes to the Agricultural Management Assistance Program and the funding for the program is $10 million each fiscal year, of which NRCS receives 50 percent. This program has permanent funding authority, and is currently funded.

**Summary:** Technical and financial assistance to producers in certain designated states (where participation in federal crop insurance has been low) to construct or improve watershed management structures or irrigation structures; plant trees for windbreaks or for water quality improvement; or to mitigate financial risk through production diversification or resource conservation, including soil erosion control, integrated pest management, or transition to organic certification.

**Regulations:** 7 CFR Part 1465.
United States Department of Agriculture
2016 Presidential Transition
Natural Resources Conservation Service (NRCS)

Policy Manual: 440 CPM Part 521; 440 CPM Part 512 Conservation Program Contracting
Delegations of Authority: 7 CFR 2.20(a)(3)(xviii), Under Secretary for Natural Resources and
Environment, and 2.61(a)(18), Chief of the Natural Resources Conservation Service.

Agricultural Water Enhancement Program (AWEP) (Consolidated into RCPP)
Authority: Repealed by Section 2706 of the Agricultural Act of 2014, Pub.L. 113-79, AWEP’s functions were consolidated into the Regional Conservation Partnership Program (RCPP), authorized by Section 2401 of the Agricultural Act of 2014. Section 2706 provides for the continued validity of agreements and contracts entered into under AWEP prior to February 7, 2014, the date of enactment of the Agricultural Act of 2014. Once prior year AWEP funds are exhausted, Section 2706 authorizes the use of RCPP funds to continue to carry out AWEP agreements and contracts entered into prior to February 7, 2014. AWEP was originally authorized by section 2510 of the Food, Conservation, and Energy Act of 2008, Pub. L. 110-246 and AWEP was a component of the Environmental Quality Incentives Program under Chapter 4 of Subtitle D of Title XII of the Food Security Act of 1985.

Summary: AWEP provides technical and financial assistance to EQIP-eligible producers who implement water enhancement activities on their farm or ranch. AWEP was a component of EQIP, but since it had funding authority, it is separately identified.

Regulations: N/A
Delegation of Authority: See EQIP.

Chesapeake Bay Watershed Initiative (CBWI) (Consolidated into RCPP)
Authority: Repealed by Section 2709 of the Agricultural Act of 2014, Pub. L. 113-79 CBWI’s functions were consolidated into the Regional Conservation Partnership Program (RCPP), authorized by Section 2401 of the Agricultural Act of 2014. Section 2709 provides for the continued validity of agreements, contracts, and easements entered into under CBWI prior to February 7, 2014, the date of enactment of the Agricultural Act of 2014. Once prior year CBWI funds are exhausted, Section 2709 authorizes the use of RCPP funds to continue to carry out CBWI agreements, contracts, and easements entered into prior to February 7, 2014. CBWI was originally authorized by Section 2605 of the Food, Conservation, and Energy Act of 2008, Pub. L. 110-246. CBWI operated through applicable Subtitle D programs, though it had separate mandatory funding, authorized at $50 million for FY 2013.

Summary: CBWI provides assistance to producers in the Chesapeake Bay Watershed to implement practices to improve water quality and water quantity in the Chesapeake Bay. Though CBWI is implemented through other programs, it also had funding authority, and is therefore included here for completeness.

Regulations: Funds are implemented through applicable Subtitle D programs.
Delegations of Authority: Delegations are through applicable Subtitle D programs.
Colorado River Basin Salinity Control Program (Consolidated into EQIP)


**Summary:** Technical and financial assistance to private landowners for on-farm measures to control agriculture-related salinity loading of Colorado River. NRCS funds these activities through the Environmental Quality Incentives Program (EQIP).

**Regulations:** N/A. See EQIP.

**Delegations of Authority:** 7 CFR 2.20(a)(3)(xii), Under Secretary for Natural Resources and Environment, and 2.61(a)(12), Chief of the Natural Resources Conservation Service.

Conservation Innovation Grants (CIG)

**Authority:** Section 1240H of chapter 4, subtitle D, Title XII of the Food Security Act of 1985, 16 U.S.C. 3839aa-8. CIG is authorized as a part of EQIP.

**Summary:** Grants to governmental and nongovernmental organizations and persons for projects that involve producers who are eligible for EQIP and stimulate innovative approaches for environmental enhancement in conjunction with agricultural production, such as credit/market systems for pollution reduction and carbon sequestration practices, and that leverage EQIP funds with funds from State and local government and private organizations. The Agricultural Act of 2014 authorized funding for CIG through FY 2018.

**Regulations:** 7 CFR §1466.27

**Delegations of Authority:** See EQIP.

Conservation of Private Grazing Land Program (CPGL)


**Summary:** Provides voluntary technical assistance to owners of grazing lands for resource planning, and the evaluation and application of conservation practices.

**Regulations:** 7 CFR Part 610, subpart D, sections 610.31- 610.32

**Delegations of Authority:** 7 CFR 2.20(a)(3)(xiii)(l), Under Secretary for Natural Resources and Environment, and 2.61(a)(13)(xii), Chief of the Natural Resources Conservation Service.

Conservation Security Program (Security)

authority for NRCS to continue to make payments on existing Security contracts entered into prior to FY 2009, and NRCS receives an apportionment each year to make payments on these prior contracts.

**Summary:** Provides technical and financial assistance to producers who advance the conservation of soil, water, air, energy, water, plant and animal life, and other conservation purposes on tribal and private agricultural lands.

**Regulations:** 7 CFR Part 1469.

**Policy Manual:** 440 CPM Part 518; 440 CPM Part 512 Conservation Program Contracting.

**Delegations of Authority:** 7 CFR 2.20(a)(3)(xiii)(D), Under Secretary for Natural Resources and Environment, and 2.61(a)(13)(iv), Chief of the Natural Resources Conservation Service.

**Conservation Stewardship Program (CSP, Stewardship)**

**Authority:** Title XII, subtitle D, chapter 2, subchapter B of the Food Security Act of 1985, 16 USC 3838d-3838g, as added by Section 2301 of the Food, Conservation, and Energy Act of 2008, Pub. L. 110-246. Section 2101 of the Agricultural Act of 2014, Pub. L. 113-79 re-authorized the Stewardship Program and made minor adjustments to its administration.

**Summary:** Provides financial and technical assistance to participants for the conservation, protection, and improvement of soil, water, and other related natural resources, and for any similar conservation purposes. The Agricultural Act of 2014 authorized funding for CSP contracts enrolled through FY 2018.


**Policy Manual:** 440 CPM Parts 507 and 508 (Conservation Stewardship Program; 440 CPM Part 512 Conservation Program Contracting

**Delegations of Authority:** 7 CFR 2.20(a)(3)(xiii)(D), Under Secretary for Natural Resources and Environment, and 2.61(a)(13)(iv), Chief of the Natural Resources Conservation Service.

**Conservation Technical Assistance (CTA) Program**

**Authority:** Pub.L. 74-46, 49 Stat. 163, 16 U.S.C. 590a-590f, 590q

**Summary:** Technical assistance for protection of public and private land resources against soil erosion and related resource damage. The CTA Program is funded under annual appropriations.

**Regulations:** 7 CFR Part 610.

**Policy Handbook:** National Planning Procedures Handbook (NPPH) Title 180 Part 600

**Delegations of Authority:** 7 CFR 2.20(a)(3)(iii), Under Secretary for Natural Resources and Environment, and 2.61(a)(3), Chief of the Natural Resources Conservation Service.

**Emergency Watershed Protection Program (EWPP)**

**Authority:** Section 216 of Pub.L. 81-516, 33 U.S.C. 701b 1; and section 403.of the Agricultural Credit Act of 1978, Pub.L. 95-334, 16 U.S.C. 2203, as amended by section 382 of

Summary: Technical and financial assistance, including purchase of floodplain easements, for emergency flood control measures to protect watersheds affected by natural disasters;


Delegations of Authority: 7 CFR 2.20(a)(3)(iv)(B) and (G), Under Secretary for Natural Resources and Environment, and 2.61(a)(4)(ii) and (vii), Chief of the Natural Resources Conservation Service

Environmental Quality Incentives Program (EQIP)


Summary: Technical and financial assistance to farmers/ranchers to protect/improve soil, water, and related natural resources, including grazing lands, wetlands, and wildlife habitat; replaced the Agricultural Conservation Program, Colorado River Basin Salinity Control Program, Great Plains Conservation Program, and the Water Quality Incentives Program. The Agricultural Act of 2014 authorized funding for EQIP through FY 2018.


Policy Manual: 440 CPM Part 515; 440 CPM Part 512 Conservation Program Contracting

Delegations of Authority: 7 CFR 2.20(a)(3)(xiii)(H), Under Secretary for Natural Resources and Environment, and 2.61(a)(13)(viii), Chief of the Natural Resources Conservation Service.

Farm and Ranch Land Protection Program (FRPP) (Consolidated into ACEP)

Authority: Repealed by Section 2704 of the Agricultural Act of 2014, Pub. L. 113-79. FRPP functions were consolidated into the Agricultural Conservation Easement Program (ACEP), authorized by Section 2301 of the Agricultural Act of 2014, Pub. L. 113-79. Section 2704 of the Agricultural Act of 2014 provides for the continued validity of agreements and easements entered into under FRPP prior to February 7, 2014, the date of enactment of the Agricultural Act of 2014. Once prior year FRPP
funds are exhausted, Section 2704 authorizes the use of ACEP funds to continue to carry out FRPP agreements and easements entered into prior to February 7, 2014. FRPP was originally authorized by section 2503 of the Food Security and Rural Investment Act of 2002, Pub.L. 107-171, and was reauthorized by section 2401 of the Food, Conservation, and Energy Act of 2008, Pub. L. 110-246, 16 U.S.C. 3838h-3838i. (A predecessor program was authorized by section 388 of the Federal Agriculture Improvement and Reform Act of 1996, Pub.L. 104 127, 110 Stat. 888, 1020-21.)

**Summary:** Provides matching funds to help purchase development rights to keep productive farm and ranchland in agricultural uses. Working through existing programs, USDA partners with State, tribal, or local governments and non-governmental organizations to acquire conservation easements or other interests in land from landowners. USDA provides up to 50 percent of the fair market easement value of the conservation easement.

**Regulations:** 7 CFR Part 1491.

**Policy Manual:** 440 CPM Part 519; Common Easement Provisions 440 CPM Part 527

**Delegations of Authority:** 7 CFR 2.20(a)(3)(xiii)(E), Under Secretary for Natural Resources and Environment, and 2.61(a)(13)(v), Chief of the Natural Resources Conservation Service.

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**Farmland Protection Policy Act**

**Authority:** 7 U.S.C. 4201 et seq.

**Summary:** Provide policy and criteria for the conservation of farmland. Activities are funded through Conservation Operations appropriations.

**Regulations:** 7 CFR Part 658.

**Delegations of Authority:** 7 CFR 2.20(a)(3)(ii), Under Secretary for Natural Resources and Environment, and 2.61(a)(2), Chief of the Natural Resources Conservation Service

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**Grassland Reserve Program (GRP) (Consolidated into ACEP)**

**Authority:** Repealed by Section 2705 of the Agricultural Act of 2014, Pub. L. 113-79. GRP easement functions were consolidated into the Agricultural Conservation Easement Program (ACEP) and GRP rental contract functions were consolidated into the Conservation Reserve Program. Section 2705 of the Agricultural Act of 2014 provides for the continued validity of agreements, contracts, and easements entered into under GRP prior to February 7, 2014, the date of enactment of the Agricultural Act of 2014, and the continued use of funds made available during FY 2009-2013 for such agreements, contracts, and easements. Section 2705 also authorizes the use of ACEP funds to continue to carry out GRP agreements, contracts, and easements entered into prior to February 7, 2014. GRP was originally authorized by section 2401 of the Food Security and Rural Investment Act of 2002, Pub.L. 107-171, 16 U.S.C. 3838n-3838q.

**Summary:** Provides technical assistance and funding to states administering rental or conservation easement programs to private landowners.

**Regulations:** 7 CFR Part 1415.

**Policy Manual:** DM-9500-012; Common Easement Provisions 440 CPM Part 527
Delegations of Authority: 7 CFR 2.20(a)(3)(xiii)(Q), Under Secretary for Natural Resources and Environment, and 2.61(a)(13)(xvii), Chief of the Natural Resources Conservation Service (shared delegation with the Farm Service Agency).

Healthy Forest Reserve Program (HFRP)
Summary: Enrollment of private lands through use of easements (30 year or not more than 99 years) or 10 year cost-share agreements to promote recovery of threatened or endangered species, improve biodiversity, and enhance carbon sequestration. If conservation activities on enrolled land result in net benefit for listed, candidate, or other species, the Secretary shall make available to the landowner safe harbor or similar assurances under sections 7(b)(4) or 10(a)(l) of the ESA. Funding has not been triggered in recent years, though HFRP easements have been funded through the Regional Conservation Partnership Program.
Delegations of Authority: 7 CFR 2.20(a)(3)(xx), Under Secretary for Natural Resources and Environment, and 2.61(a)(19), Chief of the Natural Resources Conservation Service

Highly Erodible Land and Wetland Conservation
Summary: Highly erodible land and wetland conservation requirements as conditions of eligibility for USDA program benefits. Activities are funded through Conservation Operations annual appropriations.
Regulations: 7 CFR Part 12
Delegations of Authority: 7 CFR 2.20(a)(3)(xiii)(A), Under Secretary for Natural Resources and Environment, and 2.61(a)(13)(i), Chief of the Natural Resources Conservation Service

Land Inventory and Monitoring Program
Authority: 7 U.S.C. 1010a
Summary: Conduct inventory of soil, water, and related resource conditions. Activities are funded through Conservation Operations annual appropriations.
Regulations: N/A.
Delegations of Authority: 7 CFR 2.20(a)(3)(iii)(E), Under Secretary for Natural Resources and Environment, and 2.61(a)(3)(v), Chief of the Natural Resources Conservation Service
Plant Materials Center (PMC) Program
Authority: 16 U.S.C. 590a-590f, 590q
Summary: Evaluation of plant materials and plant materials technology for solving natural resource problems and improving the utilization of natural resources. PMC activities are funded through Conservation Operations annual appropriations.
Regulations: 7 CFR Part 613
Delegations of Authority: 7 CFR 2.20(a)(3)(iii)(D), Under Secretary for Natural Resources and Environment, and 2.61(a)(3)(iv), Chief of the Natural Resources Conservation Service

Regional Conservation Partnership Program (RCPP)
Summary: The Regional Conservation Partnership Program (RCPP) consolidates the purposes and functions of four former programs: AWEP, CBWI, CCPI, and Great Lakes Basin. RCPP promotes the implementation of conservation activities through agreements with eligible partners, through conservation program contracts with producers, and easements with private landowners. RCPP helps implements conservation projects that may focus on water quality and quantity, soil erosion, wildlife habitat, drought mitigation and flood control or other regional priorities. RCPP is implemented through four covered programs: ACEP, CSP, EQIP, and HFRP. The Agricultural Act of 2014 authorized funding for RCPP through FY 2018. Funding consists of 7% of each covered program’s annual allocations and an additional $100 million per fiscal year.
Regulations: RCPP is incorporated into covered Program regulations (ACEP, CSP, EQIP, and HFRP).

Resource Conservation and Development (RC&D) Program
Summary: Technical and financial assistance to local governments and organizations for conservation and development of land and related natural resources of rural areas.
Funding has not been triggered in recent years.
Delegations of Authority: 7 CFR 2.20(a)(3)(vi), Under Secretary for Natural Resources and Environment, and 2.61(a)(6), Chief of the Natural Resources Conservation Service
United States Department of Agriculture
2016 Presidential Transition
Natural Resources Conservation Service (NRCS)

**Rural Abandoned Mine Program (RAMP)**

*Authority:* Section 406 of the Surface Mining Control and Reclamation Act of 1977, Pub.L. 95-87, 30 U.S.C. 1236

*Summary:* Technical and financial assistance under contracts with landowners to reclaim abandoned surface coal mine sites in rural areas. Funding has not been triggered in recent years.

*Regulations:* 7 CFR Part 632

*Delegations of Authority:* 7 CPR 2.20(a)(6), Under Secretary for Natural Resources and Environment, and 2.61(a)(22), Chief of the Natural Resources Conservation Service

**Rural Clean Water Program**


*Summary:* Technical and financial assistance to rural landowners to implement Best Management Practices to reduce agriculture-related nonpoint source water pollution.

Funding has not been triggered in recent years.

*Regulations:* 7 CFR Part 634

*Delegations of Authority:* 7 CFR 2.20(a)(ix), Under Secretary for Natural Resources and Environment, and 2.61(a)(9), Chief of the Natural Resources Conservation Service

**Search and Rescue**

*Authority:* 7 U.S.C. 2273.

*Summary:* NRCS personnel, vehicles, communication equipment, and other equipment or materials may be used in local search and rescue operations when requested by responsible local public authorities in response to emergencies caused by tornadoes, fires, floods, snowstorms, earthquakes, and similar disasters. Funded with emergency supplemental funding.

*Regulations:* N/A.

*Delegations of Authority:* 7 CFR 2.20(a)(xi), Under Secretary for Natural Resources and Environment, and 2.61(a)(11), Chief of the Natural Resources Conservation Service

**Snow Survey Program**


*Summary:* Conduct snow surveys and make water supply forecasts. Activities are funded through Conservation Operations annual appropriations.

*Regulations:* 7 CFR Part 612.

*Delegations of Authority:* 7 CFR 2.20(a)(iii)(C), Under Secretary for Natural Resources and Environment, and 2.61(a)(3)(iii), Chief of the Natural Resources Conservation Service

**Soil and Water Resources Conservation Assistance**

United States Department of Agriculture
2016 Presidential Transition
Natural Resources Conservation Service (NRCS)

**Summary:** Provide financial (cost share and incentives) and technical assistance to farmers and ranchers to implement natural resource conservation practices in areas that are not designated as priority areas under section 1230(c) of the Food Security Act of 1985 (16 U.S.C. 3830(c)). Funding has not been triggered in recent years.

**Regulations:** N/A.

**Delegations of Authority:** N/A.

**Soil and Water Resources Conservation Act (RCA)**


**Summary:** Conduct national appraisal of soil, water, and related resources and other measures to promote conservation. This authority sunsets in 2018. Appraisal and report to be prepared on 5-year intervals. Activities are funded through Conservation Operations annual appropriations.

**Regulations:** N/A.

**Delegations of Authority:** 7 CFR 2.20(a)(iii)(C), Under Secretary for Natural Resources and Environment, and 2.61(a)(8), Chief of the Natural Resources Conservation Service.

**EXPIRES:** December 31, 2018.

**Soil Survey Program**

**Authority:** 16 U.S.C. 590a-f, and q; 42 U.S.C. 3271-3274.

**Summary:** Preparation and distribution of soil surveys. Activities are funded through Conservation Operations annual appropriations.

**Regulations:** 7 CFR Part 611

**Delegations of Authority:** 7 CFR 2.20(a)(iii)(B), Under Secretary for Natural Resources and Environment, and 2.61(a)(3)(ii), Chief of the Natural Resources Conservation Service

**Voluntary Public Access and Habitat Incentives Program (VPA-HIP)**


**Summary:** The Voluntary Public Access and Habitat Incentive Program (VPA-HIP) is a competitive grants program that provides public access for wildlife-dependent recreation, including hunting or fishing, under programs implemented by State or Indian tribes. The Agricultural Act of 2014 authorized funding for this program through FY 2018.


**Delegations of Authority:** 7 CFR 2.20(a)(3)(xiii)(U), Under Secretary for Natural Resources and Environment, and 2.61(a)(13)(xxi), Chief of the Natural Resources Conservation Service as amended by Final Rule published on July 30, 2014 (79 Fed. Reg. 44101).
Watershed Protection and Flood Prevention Operations (WFPO)


**Summary:** Planning and installation of structural/nonstructural measures to prevent or mitigate flooding in rural areas, improve water quality, and provide for recreation and water supply facilities; river basin surveys and planning. Section 13 of the Flood Control Act of 1944 authorized 11 specific flood control projects. Funding has not been triggered in recent years. However, the Regional Conservation Partnership Program can provide funding for projects using Watershed Operations authorities, other than Watershed Rehabilitation Program, for projects in Critical Conservation Areas.


**Delegations of Authority:** 7 CFR 2.20(a)(iv), Under Secretary for Natural Resources and Environment, and 2.61(a)(4), Chief of the Natural Resources Conservation Service

Watershed Rehabilitation Program (Rehab)

**Authority:** Watershed Protection and Flood Prevention Act, Public Law 83-566, 16 U.S.C. Section 1012.

**Summary:** Rehabilitation of structural measures near, at, or past their evaluated life expectancy to extend their service life and meet applicable safety and performance standards including decommissioning of the structure. Funding is generally through annual appropriations, while the Agricultural Act of 2014 made $250 million, to remain available until expended, for the Watershed Rehabilitation Program.

**Regulations:** 7 CFR Part 621 (river basin planning), Part 622 (watershed/flood control projects).

**Policy Manual:** M_180_NOM; H_210_NEH

**Delegations of Authority:** 7 CFR 2.20(a)(iv), Under Secretary for Natural Resources and Environment, and 2.61(a)(4), Chief of the Natural Resources Conservation Service

Wetlands Reserve Program (WRP) (Consolidated into ACEP)

**Authority:** Repealed by Section 2703 of the Agricultural Act of 2014, Pub. L. 113-79. WRP easement functions consolidated into the Agricultural Conservation Easement Program (ACEP). Section 2703 provides for the continued validity of agreements, contracts, and easements entered into under WRP prior to February 7, 2014, the date of enactment of the Agricultural Act of 2014, and the continued use of funds made available during FY 2009-2013 for such agreements, contracts, and easements. Section 2703 also authorizes the use of ACEP funds to continue to carry out WRP agreements, contracts, and easements entered into

**Summary:** Technical and financial assistance to landowners to develop and implement wetland restoration plans and to protect the restored wetlands through long term contracts or easements.

**Regulations:** 7 CFR Part 1467.

**Policy Manual:** 440 CPM Part 514; Common Easement Provisions 440 CPM Part 527

**Delegations of Authority:** 7 CFR 2.20(a)(3)(xiii)(C), Under Secretary for Natural Resources and Environment, and 2.61(a)(13)(iii), Chief of the Natural Resources Conservation Service.

### Wildlife Habitat Incentive Program (WHIP) (Consolidated into EQIP)

**Authority:** Repealed by Section 2707 of the Agricultural Act of 2014, Pub. L. 113-79. WHIP functions were consolidated into the Environmental Quality Incentives Program (EQIP). Section 2707 provides for the continued validity of agreements and contracts entered into under WHIP prior to February 7, 2014, the date of enactment of the Agricultural Act of 2014. Once prior year WHIP funds are exhausted, Section 2707 authorizes the use of EQIP funds to continue to carry out WHIP agreements and contracts entered into prior to February 7, 2014. WHIP was originally authorized by Title XII, subtitle D, chapter 5, section 1240N of the Food Security Act of 1985, 16 U.S.C. 3839bb l. (Its predecessor program was authorized by section 387 of the Federal Agriculture Improvement and Reform Act of 1996, Pub.L. 104-127, 110 Stat. 888, 1020).

**Summary:** Technical and financial assistance to landowners to develop wildlife habitat.

**Regulations:** 7 CFR Part 636.

**Policy Manual:** 440 CPM Part 517; 440 CPM Part 512 Conservation Program Contracting.

**Delegations of Authority:** 7 CFR 2.20(a)(3)(xiii)(J), Under Secretary for Natural Resources and Environment, and 2.61(a)(13)(i), Chief of the Natural Resources Conservation Service.

### Important Policies and Regulations

NRCS finalized three significant program regulations and associated policies within the last year, including the Agricultural Conservation Easement Program (ACEP) final rule (published October 18, 2016, 81 Fed. Reg. 71818), the Conservation Stewardship Program (CSP) final rule (published March 10, 2016, 81 Fed. Reg. 12573), and the Environmental Quality Incentives Program (EQIP) final rule (published May 12, 2016, 81 Fed. Reg. 29471). A description of the three program rulemaking efforts is described below.
Agricultural Conservation Easement Program (ACEP) Final Rule

ACEP provides financial and technical assistance to help conserve agricultural lands and wetlands and their related benefits. Under the Agricultural Land Easements component, NRCS helps Indian tribes, state and local governments and non-governmental organizations protect working agricultural lands and limit non-agricultural uses of the land. Under the Wetlands Reserve Easements component, NRCS helps to restore, protect and enhance enrolled wetlands.

On February 27, 2015, NRCS published an interim final rule with request for comments in the Federal Register (80 Fed. Reg. 11032) that promulgated the Agricultural Conservation Easement Program (ACEP) regulations at 7 CFR part 1468 in order to implement the new consolidated easement program authorized by the Agricultural Act of 2014 (the 2014 Act). In particular, the 2014 Act consolidated the Wetlands Reserve Program (WRP), the Farm and Ranch Lands Protection Program (FRPP), and the Grassland Reserve Program (GRP) into a single program, ACEP. The Agricultural Land Easement component is patterned after the former FRPP with the land eligibility aspects of the former GRP included. The Wetland Reserve Easement component is patterned after WRP. Land previously enrolled in the three contributing programs is considered enrolled in the new ACEP.

NRCS originally solicited comments on the interim final rule for 60 days ending April 28, 2015. NRCS extended the comment period an additional 30 days to May 28, 2015, to provide interested parties additional time to review the new regulatory provisions and associated policy (80 Fed. Reg. 24191).

NRCS received 102 timely submitted responses to the rule, constituting 1069 discrete comments. The comments were generally supportive with recommendations for improvement. Most comments related to the ALE component of the program. In particular, most recommendations pertained to program eligibility, minimum easement deed terms and requirements, the criteria for the agricultural land easement plan, and ranking.

The ACEP final rule, published October 18, 2016 (81 Fed. Reg.71818), responds to public input and makes changes warranted based on such comment. These changes include:

- Incorporating more fully that ACEP purposes include protecting grazing uses and related conservation values by restoring and conserving eligible land. Changes have been made where program purposes and ranking criteria are identified.
- Clarifying the requirements for program participation as it relates to certified and not-certified eligible entities.
- Making minor editorial changes to fix incorrect references and typographical errors.
Conservation Stewardship Program (CSP) Final Rule
CSP helps agricultural producers maintain and improve their existing conservation systems and adopt additional conservation activities to address priority resources concerns. Participants earn CSP payments for conservation performance—the higher the performance, the higher the payment.

The Agricultural Act of 2014 (the 2014 Act) made mandatory changes to CSP which NRCS incorporated in an interim rule published on November 5, 2014 (79 Fed. Reg. 65835), with request for public comment. Additionally, NRCS made some minor changes to make the regulation easier to read, and more importantly, the easier to understand.

NRCS extended the CSP interim rule’s comment period through January 20, 2015 (79 Fed. Reg. 76867), and NRCS received 227 timely submitted responses to the rule, constituting 483 comments. Overall, the commenters supported the changes made by the interim rule and the CSP final rule, published March 10, 2016 (81 Fed. Reg. 12573), confirmed those changes, responded to the comments received by the public comment, and made a few minor changes that NRCS determined were warranted based upon such comment, including:

- Replacing the requirements that at least one additional conservation activity must be scheduled, installed, and adopted in the first fiscal year of the contract to requiring the additional conservation activity within twelve months of entering into a CSP contract. NRCS also provides flexibility with respect to the timing associated with completion of enhancements and adoption of resource conserving cropland rotations where such flexibility is needed to meet greater stewardship levels.
- Removing the specific dollar amount ($1000) associated with a minimum contract payment and replacing it with language to indicate that the minimum contract payment would depend on a rate determined equitable by the Chief based upon the effort required by a participant to comply with the terms of the contract. NRCS is also extending its availability to all participants.
- Clarifying the difference between a transfer of land and a resulting transfer of contract rights, the requirement of a participant to notify NRCS about any loss of control of land under contract, when a new producer becomes eligible for payment, and the circumstances when partial or full termination of the contract may be appropriate.

Environmental Quality Incentives Program (EQIP) Final Rule
EQIP provides financial and technical assistance to agricultural producers in order to address natural resource concerns and deliver environmental benefits such as improved water and air quality, conserved ground and surface water, reduced soil erosion and sedimentation or improved or created wildlife habitat.
The Agricultural Act of 2014 (the 2014 Act) made mandatory changes to EQIP which NRCS incorporated in an interim rule published on December 12, 2014 (79 Fed. Reg. 73953), with a 60-day public comment period.

The EQIP interim rule’s comment period closed February 10, 2015. NRCS received 331 comments from 65 respondents to the interim rule, and the topics that generated the greatest response include the irrigation history requirement waiver, wildlife funding, and funding for animal feeding operations.

Overall, the commenters supported the changes made by the interim rule and the EQIP final rule, published May 12, 2016 (81 Fed. Reg. 29471), confirmed those changes, responded to the comments received by the public comment, and made a few minor changes that NRCS determined were warranted based upon such comment. These changes clarify that:

- EQIP is a covered program under RCPP,
- A participant is responsible for implementing practices consistent with a forest management plan on land addressing forest resource concerns, but complete implementation is not required given the long time-frames identified within such plans; and
- The process governing transfer of EQIP contract rights, including the difference between a transfer of land and a resulting transfer of contract rights, the requirement of a participant to notify NRCS about any loss of control of land under contract, when a new producer becomes eligible for payment, and the circumstances when partial or full termination of the contract may be appropriate.

Additionally, NRCS plans to launch a significant policy revision for CSP (“CSP Reinvention) for FY 2017. NRCS Reinvention will be implemented through a change to the CSP policy manual. Policy manuals provide guidance to NRCS employees about how to administer NRCS conservation programs within the structure of NRCS program regulations as described more fully above. CSP Reinvention improves program transparency, simplifies program procedures for customers and NRCS staff alike, explores new technology transfer which will be offered through the program, strengthens cooperation with other agencies and partners to implement robust outreach activities, and incorporates changes to address emerging priorities such as soil health, other agency initiatives, and local sensitive areas issues.

Overview of the policy/regulation review process

**Regulatory Development:** NRCS promulgates regulations to provide the participation framework necessary to implement the voluntary conservation programs authorized by statute. The Farm Bill is the primary source of NRCS program authority, though conservation programs are authorized by a range of statutory authorities as identified above. Upon receipt of the Secretary’s delegation of authority, NRCS develops regulatory work plans for each program or statutory provision that the Agency identifies as requiring additional clarification through
rulemaking. The regulatory work plans provide a summary of the mandatory changes made by the statute as well as the discretionary policy areas that will be addressed in the rule. NRCS sends the regulatory work plans, through USDA, to the Office of Management and Budget (OMB) for approval. OMB designates a rule as “significant” or “not significant.” There is a formal and systematic clearance process for the draft rules both within NRCS and USDA. Within NRCS, the clearance process depends upon the subject matter of the rule. Before sending NRCS rules and their associated impact analyses to OMB, several Departmental clearances are required including: the Under Secretary for Natural Resources and Environment, Office of General Counsel, Office of the Chief Economist, and the Office of Budget and Program Analysis. The Office of the Secretary makes the final decision whether to send a rule to OMB.

**Policy Development:** To ensure consistent administration of conservation programs, NRCS develops internal policy guidance for its programs and activities. The Division Director within the Programs Deputy Area works with the Team Leaders and Specialists to identify when policy is needed to convey guidance to States or within National Headquarters about program implementation. The Team Leader assigns the appropriate Specialist as the Author to begin drafting the national policy. Once the Author has developed a draft, the Subject matter experts (SME) review and provide edits. The Author will incorporate all edits as appropriate. A clean (edited) policy document, along with the routing names on the NRCS-ADS-017 signed by the Editor, are sent into Agency clearance. All program policies require the signatures of the appropriate Team Leader, Division Director, Policy Specialist, and the Deputy Chief for Programs. The Deputy Chief for Programs is the final clearance approval for program policy documents prior to submittal to NRCS e-Directives for posting. Program leads hold net training sessions with applicable State staff about new policy developments and associated performance expectations. Program sign-up is continuous with regular cut-off periods, with the exceptions of CIG and RCPP which are implemented through Notices of Funding Availability or Requests for Applications.

**GAO and OIG Audits**

**Lists of significant reports from 2013 - 2016**

**2013** – OIG has broadened Challenge 6 to incorporate not only the Forest Service’s role in improving the stewardship of natural resources, but the Natural Resources Conservation Service’s efforts as well.  

**2014** - OIG amended challenges to include several additional issues. Last year’s emerging issue regarding the Risk Management Agency’s crop insurance program has been incorporated into Challenge 6, which addresses USDA’s stewardship of natural resources, and Challenge 8, which
addresses improper payments. A new challenge has been added (Challenge 11) for USDA concerning performance measures.

2015 - OIG has undertaken a significant revision of how the management challenges are presented. The intent is to provide the Secretary and other policymakers with a document that responds more fully to their needs and explains more clearly how challenges are identified, addressed, and resolved.

Most notably, OIG has consolidated the 11 challenges from our 2014 management challenges into 7 challenges. While the issues USDA faces are much the same in 2015 as in 2014, instead of discussing those challenges as affecting individual agencies, OIG has expressed them in terms of issues that cut across the entire Department. Thus, while the Natural Resources Conservation Service (NRCS) continues its work to improve natural resources stewardship (last year’s Challenge 6), we discuss this issue as part of this year’s Challenge 3, USDA Needs to Strengthen Program Performance and Performance Measures. (See Appendix B for a description of how 2014’s challenges have been consolidated into 2015’s challenges.

2016 –Annually, OIG assesses the previous year’s challenges to determine if those are still critical challenges. OIG examines recently issued audit reports to identify critical issues that remain topical and where corrective action has not been satisfactorily implemented; identifies repeated inquiries or hotline trends in risk areas; assesses ongoing audit and investigative work to identify new issues; and analyzes new programs and activities that pose significant challenges due to size and complexity. OIG may remove a challenge if USDA has fully implemented our recommendations or if agencies have shown significant improvement. FY 2016 Management Challenges_082616.pdf

Note: Bracketed Month and year is audit initiation timeframe. Example: (November, 2012)

Link to all the above OIG Audit Reports are located at: 
https://www.usda.gov/oig/rptsauditsnrcls.htm

Government Accounting Office (GAO)

Office of Inspector General (OIG)


This audit will be mentioned in the Semi-Annual Report to Congress due to the Agency is still working on reaching a management decision on Recommendation 6 by September 30, 2016.


III. Congressional Relations and Issues

NRCS Legislative Affairs Overview and Responsibilities:

The NRCS Legislative Affairs Division works closely with the Department’s Office of Congressional Relations to coordinate all congressional interactions for the Agency. Primary responsibilities include preparing testimony, materials, and Agency witnesses for hearings and briefings, responding to congressional inquiries, providing congressional notifications, tracking legislation, and providing technical assistance on legislative language. The following provides a brief summary of current key topics or issues for which there is particular interest on the part of Congress:

FARM BILL REAUTHORIZATION
The current Farm Bill is authorized through 2018 and discussions are starting on the key issues to be considered in the reauthorization process. Typically, and at the request of Authorizers, NRCS provides program data and participates in information exchanges while the new bill is being crafted. The agency also responds to requests to review proposed legislation to analyze the impacts it could have on agency operations and customers.

Anticipated topics of interest in the new Farm Bill may include but are not limited to the Regional Conservation Partnership Program (RCPP), Conservation Stewardship Program (CSP) reinvention, Chesapeake Bay restoration efforts, and conservation compliance activities. This is likely to be a difficult reauthorization process, with tight funding levels and multiple priorities across the various Farm Bill titles. In the reauthorization of the farm bill in 2014, the committees were challenged to reduce overall spending by $23 billion while making responsible farm bill investments. The conservation title alone was reduced by $6 billion, resulting in funding cuts for every program.

CHESAPEAKE BAY
In the past several months the role of voluntary conservation programs in helping to restore the health of the Chesapeake Bay has become of significant interest. The Chesapeake Bay Program office along with other interest groups have charged that progress toward the 2017 targets set out in the Total Maximum Daily Load (TMDL) is lagging, which in turn has increased scrutiny on the total investment in the watershed. This is exacerbated by elimination of the Chesapeake Bay Watershed Program (CBWP), which was consolidated into the new Regional Conservation Partnership Program (R CPP) in the 2014 Farm Bill and effectively eliminated an average of about $50 million in annual earmarked funding for the Bay states. Starting in the summer, there have been increasing calls for USDA and NRCS to increase funding for conservation in the watershed.
In September 2016, USDA hosted an event to highlight the positive signs in the Chesapeake Bay, which is in its best health in the past few decades. Many of these positive signs are a result of conservation efforts. For example, the agriculture sector provided over 50 percent of the phosphorus and 75 percent of the sediment runoff reductions from 2009 - 2015. The House Subcommittee on Conservation and Forestry held a hearing on September 22, 2016 to highlight the positive impact of conservation programs. Nevertheless, other congressional offices have pressed the Administration to come up with additional resources despite overall conservation program cuts that affect producers nationwide. Since early summer, NRCS has worked with EPA and Pennsylvania State to target additional funds to accelerate conservation efforts. Collectively, over $28 million was directed to a 3-pronged strategy (build technical resources, fund additional conservation, and target outreach), which was announced at the October 4, 2016 Chesapeake Bay Commission Executive Council meeting. Responses were generally positive, but did not diminish the continued call for additional federal investment. Given the significant congressional interest in this issue, it is likely that increased resources to support Chesapeake Bay conservation will remain a priority issue.

**DUNS/SAM NUMBERS AND CONSERVATION PROGRAMS**

The Federal Funding Accountability and Transparency Act of 2006 (FFATA) and pursuant regulations published by OMB require entities to have an active System for Award Management (SAM) registration and a Dun and Bradstreet Universal Numbering System (DUNS) number in order to do business with the Federal government. NRCS programs are affected because they constitute an award of Federal financial assistance and most farmers or ranchers are organized as business entities so they do not benefit from the individual exemption, despite the modesty of agricultural operations compared with other entities such as large military contractors, which receive government contracts or financial assistance awards.

Lack of awareness of the regulation and annual requirement created a significant payment issue for nearly 15,000 program participants in FY 2015. NRCS quickly implemented a streamlined process to resolve the issue, however, as an annual requirement, it may trigger a problem for program participants in the coming year. As a result of this issue and related annual registration burden for relatively modest conservation program assistance, legislation was introduced in the House and Senate that would eliminate this requirement for agriculture. The bills are expected to move forward in the next congressional session.

**EMERGENCY WATERSHED PROTECTION PROGRAM (EWPP)**

The Emergency Watershed Protection Program (EWPP) helps local communities relieve imminent hazards to life and property caused by floods, fires, windstorms, and other natural occurrences that cause watershed impairments. The EWPP has two distinct options for assisting landowners in affected areas: EWP-Recovery and EWP-Floodplain Easements.
EWPP funding typically comes from emergency supplemental appropriations following disasters, such as the $180 million appropriated in response to Hurricane Sandy. In the past two fiscal years, Congress has appropriated over $235 million for EWPP. These additional appropriations not only flag the growing awareness of the need to support local sponsors in disaster response, but has also allowed NRCS to fund all local projects on the EWPP waitlist. With increasing variability and intensity of weather events, EWPP is likely to receive more attention in Congress as a vehicle to assist communities in disaster recovery.

HIGHLY ERODIBLE LAND AND WETLAND CONSERVATION COMPLIANCE
Eligibility for most USDA financial assistance programs is contingent on a program participant’s compliance with the highly erodible land (HELC) and wetland (WC) conservation compliance provisions, as required under the Food Security Act of 1985. In the 2014 Farm Act, Congress re-linked crop insurance subsidies to conservation compliance, which triggered these requirements for an additional segment of agriculture. The new requirements were implemented smoothly, without much push back. However, some conservation groups are positioning to re-start the discussion for further strengthening compliance requirements. Farm groups already have voiced concerns, which could tee this up for the Farm Bill reauthorization in 2017.

A recent audit report from USDA’s Office of Inspector General (Audit Report 50601-0005-31) has also raised congressional interest in compliance implementation. The report looked at various aspects of compliance implementation including the dataset used to select tracts for review and the guidance for the field activities associated with conducting compliance status reviews. NRCS will have implemented all recommendations by December 31, 2016 and has briefed the House and Senate Agriculture Committees on progress.

Relevant Congressional Committees
NRCS programs and activities are primarily within the jurisdiction of the House and Senate Committees overseeing agricultural issues and agricultural appropriations. Annually, following the release of the President’s budget, NRCS testifies before the House Committee on Appropriations, Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies to highlight key elements and initiatives. The Agency also is routinely called to testify in oversight hearings before House and Senate Agriculture Committees. Agency watershed programs are of interest to the respective House and Senate Committees with water resource responsibilities and Agency representatives meet annually with staff to discuss funding and activities.

The following lists the key Committees and respective Subcommittees with which the agency routinely interacts:

- House Committee on Agriculture
  - Subcommittee on Conservation and Forestry
- House Committee on Appropriations
Recent Hearings:
On September 22, 2016, Chief Weller testified before the House Committee on Agriculture, Subcommittee on Conservation and Forestry to discuss agriculture, conservation, and the shared effort to restore the health of the Chesapeake Bay.

IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

NRCS works closely with a wide number of USDA agencies and other Federal departments where we have shared interests and mission objectives. Through these partnerships, we are able to leverage resources to address targeted priorities.

The following summarizes key federal partnerships and provides examples of shared activities:

**USDA Agencies**

**Farm Service Agency (FSA)**

- Participates on the State Technical Committee, which provides advice to the State Conservationist.
- Participate in the appeals process for NRCS decisions under Title XII of the Food Security Act of 1985
- Establishes farm records for NRCS program applicants
- Completes producer eligibility determinations and certifications for Conservation Compliance and Adjusted Gross Income limitation purposes

**Forest Service (FS)**

- Provides technical input with respect to NRCS conservation practices for private forest lands
- Coordinates with NRCS and program participants who have leases of public land as
part of their agricultural operation to ensure mutual resource concerns are met

- Shares administrative responsibilities for the Emergency Watershed Protection Program for emergencies on Forest system lands
- Participates on the State Technical Committee

**Risk Management Agency (RMA)**

- Shares administrative responsibilities under Conservation Compliance provisions (7 CFR part 12)
- Shares program administration responsibilities for the Agricultural Management Assistance Program

**Agricultural Marketing Service (AMS)**

- Provides technical input related to organic provisions under NRCS conservation programs
- Coordinates technical input related to interface between producer best practices and NRCS conservation practice technical specifications and standards

**Other Federal Agencies**

**Department of the Interior**

- **Fish and Wildlife Service (USFWS)** participates on the State Technical Committee, provides project specific technical input related to wetland and wildlife issues, and assists NRCS in meeting its consultation responsibilities under the Fish and Wildlife Coordination Act and the Endangered Species Act; for example the interagency partnership supporting Working Lands for Wildlife discussed in Section VI (a)
- **Bureau of Indian Affairs (BIA)** must ensure that no Tribal member exceeds payment limitations under applicable NRCS programs. BIA also confirms that the participant has adequate control of land and approves forest management plans on lands administered by the BIA
- **Bureau of Land Management (BLM)** coordinates with NRCS and program participants who have leases of public land as part of their agricultural operation to ensure mutual resource concerns are met
- **Bureau of Reclamation (BuRec)** coordinates with NRCS on certain agricultural conservation related water issues in the western states. For example, NRCS is partnering with the Bureau to leverage Water Smart and Environmental Quality Incentives Program funding to increase water conservation in targeted western areas.
- **United States Geological Service (USGS)** assists with evaluating the effectiveness of NRCS conservation practices in addressing water quality and related concerns
Department of Commerce

- National Oceanic and Atmospheric Administration (NOAA) coordinates with respect to weather and climate issues
- National Marine Fisheries Service (NMFS) coordinates with respect to NRCS and program participant compliance with the Endangered Species Act

U.S. Environmental Protection Agency (EPA) coordinates with respect to environmental compliance responsibilities of NRCS program participants, including wetland technical information, water quality issues, and air quality issues

Department of Defense (DOD) coordinates the Sentinel Landscapes partnership that strengthens the economies of farms, ranches, and forests; conserves habitat and natural resources; and protects vital test and training missions conducted on military installations that anchor the landscapes.

- Army Corps of Engineers (COE) coordinates with respect to emergency responses under Stafford Act, provides input with respect to NRCS and program participant responsibilities under the Clean Water Act, and coordinates with respect to watershed projects.

Other Stakeholders:

In addition to other federal and private stakeholders, the U.S. Department of Agriculture (USDA), Natural Resources Conservation Service (NRCS), established the Labor-Management Forums following Executive Order 13522. NRCS has bi-monthly meetings on various topics concerning maintaining and enhancing the working relationships within the Agency. We have three local unions located in Illinois; Fort Worth, Texas; and San Juan, Puerto Rico. Provided below are the details for each union:

Local #3356-American Federation of Government Employee (AFGE), covering the state of Illinois. All professional and nonprofessional employees, including WAE career, and career-conditional employees of USDA-NRCS are covered under this Collective Bargaining Agreement (CBA). Illinois has approximately 206 bargaining unit employees. Local 3356 President is, Stephanie Bradley, Soil Conservation Technician.

Local #3839-American Federation of Government Employee (AFGE), covering Fort Worth, Texas. All nonprofessional employees employed by USDA-NRCS are included in this CBA. Fort Worth, Texas has approximately 62 bargaining unit employees. Local 3839 President is, Rhonda New, Data Collector.

Local #0055-American Federation of Government Employee (AFGE), covering San Juan, Puerto Rico. All professional and nonprofessional employees are considered a part of this
bargaining unit at USDA-NRCS. San Juan, Puerto Rico has approximately 36 bargaining unit employees. Local 0055 President is, Lydia Bravo, retired USDA-NRCS bargaining unit employee.

Federal Advisory Committees
The Chief of the Natural Resources Conservation Service (NRCS) chairs the Agricultural Air Quality Task Force (AAQTF) established to address agricultural air quality issues. AAQTF promotes USDA research efforts and identifies cost-effective ways the agriculture industry can improve air quality. It also helps better coordinate activities and resources among USDA agencies and other federal partners such as the Environmental Protection Agency. The Task Force is charged with:

- Advising the Secretary of Agriculture on air quality and its relationship to agriculture based on sound scientific findings;
- Reviewing research on agricultural air quality supported by federal agencies;
- Promoting intergovernmental (federal, state, local and tribal) coordination in establishing agricultural air quality policy to avoid duplication of efforts; and
- Ensuring that air quality conservation practices supported by USDA are based on peer reviewed research and are economically feasible for agricultural producers.


Stakeholder group overview

NRCS maintains a core partnership with four organizations: the National Association of Conservation Districts (NACD), the National Association of State Conservation Agencies (NASCA), the National Association of State Departments of Agriculture (NASDA), the National Association of Resource Conservation and Development Councils (NARC&DC), and the National Conservation District Employees Association (NCDEA). NRCS works closely with these partners and their local offices to provide technical assistance, engage in producer outreach, and determine local priorities. NRCS attends the organizations' local, regional, and national conferences, and the NRCS National Leadership Team Meeting takes place during the NACD annual conference. In many field offices, NRCS employees are co-located with conservation district employees. Primarily, the core partners are interested in supporting NRCS's technical and financial assistance programs, engaging in Farm Bill discussions, and providing conservation planning assistance.

At the National level, NRCS hosts briefings on a periodic basis (every 2 months) with agriculture and conservation groups to discuss topics of interest and provide agency updates. These groups
include the core industry and conservation and environmental groups in the national capital region. Examples of these groups include the National Association of Conservation Districts, Land Trust Alliance, The Nature Conservancy, Soil and Water Conservation Society, National Cattlemen’s Beef Association, National Corn Growers Association, National Cotton Council, and the American Farm Bureau Federation.

Recent engagements with stakeholder groups

- June 27, 2016 – National Bi-monthly Briefing Conservation issues and program status briefings held with key agricultural and conservation organizations. The discussions centered on recent program awards, new conservation effects assessment results, the July 6 announcement of the conservation strategy for the Gulf of Mexico, and the status of the Conservation Stewardship Program improvement effort.
- August 31, 2016 – Detailed briefing with key agricultural and conservation partners to preview the changes in the Conservation Stewardship Program. The response was uniformly positive and followed by several positive public notices from the various interest groups as well as a commitment to support program implementation through their respective memberships.
- September 8-9, 2016 – The USDA Agricultural Air Quality Task Force (AAQTF) meeting in Sacramento CA.
- September 29, 2016 – Annual meeting with the National Association of State Conservation Agencies (Branson, MO) where senior Agency leadership briefed partners on core priorities including conservation planning, enterprise initiatives, and programmatic issues.

V. Top Issues

Hot Topics

Key issues for the conservation mission include policy, program, coordination, and innovation, largely of an ongoing or implementation nature. Regulatory actions related to Farm Bill implementation have been completed, while key implementation activities are ongoing as outlined in the timeline.

- **Chesapeake Bay** – Issues center on conservation investments to support continuing progress toward the Chesapeake Bay TMDL and EO 13508 goals as well as coordinating efforts across the federal family. This is a congressional issue as described in Section III (a), but also a continuing dialogue with the Chesapeake Bay Executive Council, congressional offices, and external interest groups. While significant progress is being made, the challenge is to continue support under a declining budget scenario with implications for generating greater state and external partner participation. A significant component of the effort going forward will focus on increasing partner
participation in the Regional Conservation Partnership Program (RCPP). As a result of a September 29, 2016 meeting with Senator Cardin (D-MD), USDA committed to working collaboratively with the Senator’s office and Chesapeake Bay states to improve participation in RCPP. Efforts are underway to host a workshop with key partners in the region in early 2017 to prepare for participation in the next round of RCPP, which are planned for April 2017.

**Conservation Innovation Grants (CIG)** – Through CIG, NRCS has pioneered new approaches to expand conservation tools and partnerships. Specifically in the past few cycles, CIG has encouraged proposals that are building out environmental markets as a vehicle for broadening agricultural participation in addressing community and regional level natural resource issues. Many of the leading water quality trading markets—such as in the Ohio River Basin, Pacific Northwest, and the Chesapeake Bay watershed—have been developed with financial and technical support from CIG. A number of innovative voluntary carbon market transactions—including one in 2014 in which Chevrolet purchased carbon credits generated on ranches in North Dakota—are products of CIG projects. More recently CIG has encouraged partners to tap into emerging conservation finance and “pay for success” ideas that have promise for expanding agricultural conservation. To date, three PFS projects have been funded—two related to endangered/at-risk species mitigation and one on forest restoration—with the practitioners are trying to show proof-of-concept. We are in the very early stages of bringing these innovations to the mainstream of conservation tools. Reviewing and selecting promising CIGs that further these innovations will be important to sustaining the momentum. Technical review will take place in late January 2017 with awards anticipated in March 2017. Perhaps as important as the financial resources available through CIG for the development of market-based approaches, NRCS provides resources to sustain three “networks” that serve to support CIG project awardees. The National Network on Water Quality Trading, the Coalition on Agricultural Greenhouse Gases, and the Conservation Finance Practitioners Roundtable also serve as communities of practice that where participants can voice obstacles and challenges and work together to overcome them.

**Northwest Indian Fisheries Commission (NWIFC)** – Over the past few years, the NWIFC has been engaged in an ongoing effort to require NRCS to increase its standard width for riparian buffers to achieve aquatic system, specifically salmon habitat, recovery and improvement, in the name of supporting treaty rights. Further the Commission has stated its objective to have the agency condition program participation on the achievement of these treaty rights objectives. NRCS went through a technical process to re-evaluate and strengthen the riparian buffer technical requirements, including technical evaluation tools to make sound, site-specific buffer width recommendations that reflect rainfall, soils, topography, landscape structure and complexity, among other factors that affect conservation practice performance and which vary widely across the State. Despite significant collaboration and
implementation of a strengthened technical process, NWIFC position has not shifted. In May 2016, NWIFC issued a written request for the issue be elevated to the White House. Work is ongoing to design a regional meeting to include the tribes, relevant agency representatives, and senior administration officials in January 2017 to reach a resolution to this issue.

- **Landscape Conservation Initiatives (LCI)** – Over the past eight years, NRCS has undertaken a number of high profile conservation initiatives to focus science and programmatic resources to address key natural resource conservation priorities. While initially subject to scrutiny for focusing of farm bill programs, these efforts have generated unprecedented success and forged new federal-state partnerships essential to success. For example, the USFWS decision to not list the Greater Sage Grouse was directly related to the collaboration and conservation work accomplished through the Working Lands for Wildlife (WLFW) Sage Grouse Initiative (SGI); and additional recovery and prevented listing examples include Oregon Chub and Louisiana Black Bear – delisted; Bi-State Sage Grouse, Arctic Fluvial Grayling, New England Cottontail – not listed. The agency has targeted other resource issues through the Mississippi River Healthy Watersheds, Western Lake Erie Basin, and Gulf of Mexico, for example. These LCI efforts are integrated into the Agency business and budget process but are not statutory in nature so require continued commitment and management to ensure continuity. At about 18 percent of the agency budget, this targeting effort has demonstrated exceptional results.

- **Water Resources** – Water quality and quantity concerns are on the rise nation-wide. In addition to the Chesapeake Bay, NRCS is working with a diversity of partners in a significant number of states to reduce nutrient and sediment delivered to streams, lakes and coastal areas across the country, including the Great Lakes, Lake Okeechobee, Mississippi River Basin, and the Gulf of Mexico. Climate change and increasing weather variability, including more frequent and intense events such as flooding and droughts are creating an urgent need to help agricultural producers make their operations more resilient. In October of 2016 NRCS established a Water Advisory Committee to coordinate the agency’s existing and significant investments to address these challenges. NRCS is also supporting the federal National Drought Resilience Partnership, which is charged with coordinating federal resources to support state, tribal and local drought resilience strategies. Agency initiatives, such as the Soil Health Initiative, are core vehicles for targeting and delivering assistance to increase farm and ranch resilience to extreme weather events.

- **Climate Change** – The Building Blocks for Climate Smart Agriculture and Forestry is USDA’s framework for helping farmers, ranchers, and forestland owners respond to climate change. The initiative supports the US commitment reduce emissions by up to 28 percent
United States Department of Agriculture
2016 Presidential Transition
Natural Resources Conservation Service (NRCS)

over 2005 levels by 2025. NRCS plays a leadership role in four of the strategy’s building blocks, including: Soil Health, Nitrogen Stewardship, Livestock Partnerships, and Grazing and Pasture Lands. The effort relies on voluntary, incentive-based conservation to reduce greenhouse gas emissions, increase carbon sequestration, and expand renewable energy production in the agricultural and forestry sectors.

- **Conservation Stewardship Program (CSP) Reinvention** – The 2014 Farm Bill made several important changes to CSP, including raising the bar for conservation and signaling the opportunity to replace the complex and opaque conservation measurement tool (CMT) with a field- and farmer-friendly approach to program participation. NRCS received significant public input on CSP through the Farm Bill process as well as through separate listening sessions held in 2014 and 2015. The CSP revisions build on this input to make the program more understandable (e.g. producers clearly understand payments as outlined in their contracts), connect conservation activities to natural resource issues more clearly (CSP program enhancements linked to conservation practice standards), provide more conservation options for producers (increased flexibility with selecting activities and offering a greater selection of enhancements)), and better connect to results on the ground to support performance based improvements. NRCS field staff will have a more transparent set of tools to enroll participants, and a process that is aligned with other farm bill conservation programs (i.e. application evaluation ranking tool developed similar to that used for EQIP). The CSP remodel also provides flexibility for states to tailor to fit their resource priorities. Fiscal year 2017 will be the first enrollment year under the new, streamlined CSP with November 2016 being the target for beginning the new sign up period. State program and technical staff participated in a weeklong training session which is being followed by hands-on field training throughout October.

- **Commitment to Historically Underserved Producers** – Through directed efforts, NRCS has made significant headway in increasing access and engaging groups who may have not historically participated in conservation programs. NRCS’ partnership with RD’s Community Economic Development (CED) Division has driven investments into persistently poor communities across the country, where 90 percent of counties with the highest poverty rates in the country are rural. NRCS has been a leader in the USDA's StrikeForce initiative, which started in 2010. Altogether, 970 counties, parishes, boroughs, and census areas in 25 states and Puerto Rico are eligible for StrikeForce participation. Since the initiative began, NRCS has increased conservation program participation in these communities by 160 percent. In FY 2015 alone, NRCS obligated over $30 million to assist nearly 15,000 farmers with making conservation improvements that benefit their operations, their resources, and their communities. StrikeForce is making important gains, but will need continued commitment as targeted individuals and communities transition into sustainable and economically viable paths.
• **Blueprint for Stronger Service Initiative** – NRCS transitioned its administrative professionals in Human Resources (HR), Budget and Financial Management (BFM), and Procurement and Property (P&P) under a single national structure in October 2015 and the transition will continue over the next year as the agency builds capacity. Below are highlights of the key areas:

  o Human Resources (HR): Building administrative capacity and improving the hiring process are among the agency’s top priorities. Since implementing the new administrative service model, NRCS established several hiring milestones to help maximize short- and long-term effectiveness and efficiency. The agency’s goal was to hire 750 individuals nationwide between April 1 and September 1, 2016, and reached this milestone by August 16. NRCS has achieved more than 50 percent of its ultimate goal of 1,500 hires by March 31, 2017. As of September 23, the agency has hired nearly 1,000 individuals who are supporting NRCS conservation efforts across the country.

  o Budget and Financial Management (BFM): One of NRCS’s top priorities is to demonstrate effective controls over its business processes and the use of the funding provided to the agency. NRCS can demonstrate its controls are effective by obtaining an opinion on its financial statement audit from the USDA Office of Inspector General and KPMG, the organization that conducts the agency’s financial statement audit on behalf of OIG. The results obtained by NRCS on its FY 2015 financial statement audit confirmed the improvements made in its financial processes are positively affecting the agency’s accountability and credibility. NRCS will complete work on the audit in November 2016. The goal for the FY 2016 financial statement audit is to obtain at least a balance opinion, which would set the stage for obtaining an opinion in FY 2017.

  o Procurement and Property (P&P): The Procurement and Property staff is achieving tangible results and continues to implement internal and external customer-enhancing features, including: 1) updating and automating grants and agreements policies and processes, 2) identifying and processing high priority contracting projects to strengthen NRCS external partnerships, 3) assessing real property agency-wide to adhere to USDA’s space optimization efforts, 4) recognizing the environmental value and cost reduction benefits of leasing newer, safer, and more fuel efficient vehicles – leading USDA’s Vehicle Leasing Conversion Initiative, and 5) exploring hiring flexibilities (e.g., veterans, persons-with-disabilities) to build capacity and further expand customer service.

• **Conservation Delivery Streamlining Initiative (CDSI)**: The objective of the CDSI is to enable NRCS and its partners to spend more time working directly with clients to develop better conservation plans. To achieve this CDSI will provide improved toolsets to further enable the conservation planning process and eliminate, automate and/or re-assign administrative tasks
associated with financial assistance programs. CDSI has three integrated components – the Conservation Desktop, Mobile Planning Tool, and the Conservation Client Gateway, a web-based tool for USDA clients. Conservation Client Gateway (CCG) was deployed to all individual clients in May 2015, allowing them to (1) request technical and financial assistance; (2) access their conservation plans, schedules, applications, and contracts; (3) review and electronically sign plans, applications, and contracts; and (4) document completed practices and request and track their payments. The Conservation Desktop (CD) is the next component to be deployed followed by the Mobile Planning Tool (MPT). CD will provide the full suite of conservation planning and technical tools for our staff on the desktop computer, while MPT will allow planners to take these tools directly to the field to use with clients and then upload data directly to CD on return to the office. Development of CD and MPT is currently underway with phased deployment beginning in 2017 and continuing to 2019. The full implementation of CDSI will allow the Agency to redirect over 1,500 staff years from administrative, duplicative, and inefficient tasks to providing direct technical assistance to clients, returning an annual value of over $131 million.

- **New and Beginning Farmers**– Paving the way for the next generation of America’s Farmers and Ranchers is a strategic investment in the nation’s security and helps support a new generation of conservation-engaged farmers and ranchers. NRCS provides key leadership to the Department-wide new farmer collaborative efforts. Between 2009 and 2015, NRCS more than doubled the financial investment in assisting beginning farmers put conservation systems in place to improve their natural resources and the productivity of their operations.

- **Local and Regional Food Systems** – NRCS contributes to the Know Your Farmer, Know Your Food (KYF2) initiative to serve farmers and ranchers, many of whom get their start or diversify into farmers markets, Community Supported Agriculture (CSAs) networks, and other direct markets or intermediate markets like food hubs, institutions or local retail in their local communities. KYF2 staff also work with NRCS field offices on a targeted outreach strategy to small, organic, and local food farms on EQIP/high tunnels. The NRCS high tunnel program continues to be in high demand nationwide. Since 2010, NRCS has supported 17,580 high tunnels for a total of $119.1 million. This effort has brought new stakeholders to NRCS offices, allowing us to offer additional services and conservation assistance to local and regional food systems producers. NRCS engages with RD’s Community Economic Development (CED) staff in the field to use EQIP funding for high tunnel projects that are of interest to farmers engaged in growing local foods. Access to this program allows farmers to extend their growing seasons, thereby providing a longer supply window for food hub co-ops and natural food retail co-ops. In alignment with this initiative, NRCS is increasingly engaging with urban agriculture, from conservation planning and
technical assistance for urban farmers to work with USDA’s Urban Agriculture Working Group project to develop an Urban Agriculture Toolkit.

- **Organic Production** – Between 2009 and 2015, NRCS has worked with more than 6,800 farms and provided more than $115 million in assistance through the Environmental Quality Incentives Program (EQIP) Organic Initiative. NRCS also works with the Agricultural Marketing Service’s (AMS) National Organic Program to improve services to the organic sector. In FY2016, NRCS began tracking organic producer participation in all programs and estimated that 2 percent of conservation program financial assistance was awarded to self-identified organic producers. Planned priorities for organic agriculture include increased outreach to organic producers regarding opportunities in conservation programs (e.g., CSP, EQIP), increasing the availability of technical assistance for organic farm planning, and identifying conservation practices to support grazing standards for non-ruminant organic livestock.

- **Pollinators** – More than 30 percent of our food relies on insect pollination. USDA estimates that honey bees support $15 billion in crop production, while wild native bees supply an estimated $3 billion in pollination services. In 2014, NRCS initiated a targeted pollinator effort to help farmers and ranchers in the Midwest and Northern Great Plains improve the health of honey bees during summer foraging. The effort to date has enrolled more than 45,500 acres of honey bee habitat under the Environmental Quality Incentives Program (EQIP). In 2016, NRCS introduced a new targeted 10-state effort to help agricultural producers provide food and habitat for monarch butterflies in the Midwest and southern Great Plains to help combat the iconic species’ decline. Producer participation in these conservation efforts are helping to improve essential monarch butterfly reproductive and migrating habitat. During the pilot year, NRCS enrolled 12,844 acres in new monarch butterfly habitat under EQIP. NRCS is continuing both the honey bee and monarch butterfly efforts into 2017. Under the Conservation Stewardship Program, NRCS has enrolled about 10,000 acres of pollinator specific habitat over the past five years. NRCS also supports other pollinator-related efforts, such as a new private-public partnership among NRCS, The Xerces Society, and General Mills, Inc. to increase support for pollinator habitat conservation planning.
## Timeline

<table>
<thead>
<tr>
<th>Month</th>
<th>Activity</th>
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<tbody>
<tr>
<td><strong>January</strong></td>
<td><strong>Northwest Indian Fisheries Commission</strong>&lt;br&gt;  - Regional meeting in the Pacific Northwest with senior Administration officials to address the elevation request</td>
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<td></td>
<td><strong>Agricultural Management Assistance (AMA)</strong>&lt;br&gt;  - Issue guidance for providing financial assistance for high tunnel practices through an agreement between NRCS and RMA</td>
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<td></td>
<td><strong>Conservation Innovation Grants (CIG)</strong>&lt;br&gt;  - Technical review of the 2017 proposals.</td>
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<td><strong>February</strong></td>
<td><strong>Agricultural Conservation Easement Program (ACEP)</strong>&lt;br&gt;  - ACEP/WREP project proposal selection</td>
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<td></td>
<td><strong>RCPP</strong>&lt;br&gt;  - Chesapeake Bay Watershed partners forum</td>
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<td><strong>March</strong></td>
<td><strong>CIG</strong>&lt;br&gt;  - Final proposal selections completed and announcement of awards.</td>
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<tr>
<td><strong>April</strong></td>
<td><strong>RCPP</strong>&lt;br&gt;  - Announcement of program funding for FY 2018.</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>ACEP</td>
<td>Agricultural Conservation Easement Program</td>
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<td>AFGE</td>
<td>American Federation of Government Employee</td>
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<td>BA</td>
<td>Budget authority</td>
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<td>BFM</td>
<td>Budget and Financial Management</td>
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<td>CCAs</td>
<td>Critical Conservation Areas</td>
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<td>CSA</td>
<td>Community Supported Agriculture</td>
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<td>CFR</td>
<td>Code of Federal Regulations</td>
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<td>CHIMPs</td>
<td>Change in mandatory program spending</td>
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<td>CTS</td>
<td>Client Technology Services</td>
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<td>CDSI</td>
<td>Conservation Delivery Streamlining Initiative</td>
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<td>CIG</td>
<td>Conservation Innovation Grants</td>
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<td>CMT</td>
<td>Conservation measurement tool</td>
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<td>CPGL</td>
<td>Conservation of Private Grazing Land Program</td>
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<td>CPM</td>
<td>Conservation Programs Manual</td>
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<td>CSP</td>
<td>Conservation Stewardship Program</td>
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<td>CTA</td>
<td>Conservation Technical Assistance</td>
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<td>EQIP</td>
<td>Environmental Quality Incentives Program</td>
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<td>ECP</td>
<td>Emergency Conservation Program</td>
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<td>EWPP</td>
<td>Emergency Watershed Protection Program</td>
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<tr>
<td>EWP-FPE</td>
<td>Emergency Watershed Protection Program-Floodplain Easements</td>
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<tr>
<td>FSA</td>
<td>Farm Service Agency</td>
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<td>FY</td>
<td>Fiscal Year</td>
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<td>GAO</td>
<td>U.S. Government Accountability Office</td>
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<td>GRP</td>
<td>Grasslands Reserve Program</td>
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<td>GLRI</td>
<td>Great Lakes Restoration Initiative</td>
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<td>HFRP</td>
<td>Healthy Forest Reserve Program</td>
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<td>HEL</td>
<td>Highly Erodible Land</td>
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<td>HR</td>
<td>Human Resources</td>
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<td>MSS</td>
<td>Mission Support Services</td>
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<td>Natural Resources Conservation Service</td>
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<td>OIG</td>
<td>Office of Inspector General</td>
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<td>OMB</td>
<td>Office of Management and Budget</td>
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<td>PMC</td>
<td>Plant Materials Center</td>
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<td>PPR</td>
<td>Prairie Pothole Region</td>
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<td>P&amp;P</td>
<td>Procurement and Property</td>
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<tr>
<td>RCPP</td>
<td>Regional Conservation Partnership Program</td>
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<td>Acronym</td>
<td>Description</td>
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<tr>
<td>SAM</td>
<td>System for Award Management</td>
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<td>SCS</td>
<td>Soil Conservation Service</td>
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<td>SME</td>
<td>Subject matter experts</td>
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<td>USDA</td>
<td>United States Department of Agriculture</td>
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<td>VPA-HIP</td>
<td>Voluntary Public Access and Habitat Incentive Program</td>
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<td>WLEB</td>
<td>Western Lake Erie Basin</td>
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<tr>
<td>WAE</td>
<td>When Actually Employed</td>
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<td>WC</td>
<td>Wetland Conservation</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
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</tr>
</thead>
<tbody>
<tr>
<td>OFFICE OF FOOD SAFETY</td>
<td>1</td>
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<td>FOOD SAFETY AND INSPECTION SERVICE</td>
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AGENCY BRIEFING MATERIAL

The Agency template contains the following sections:

I. **Organizational Overview**

   - Agency Fact Sheet
   - Agency’s Mission/Strategic Plan
   - Overview of Agency Programs and Operations
   - Key Mission Delivery Performance Measures
   - Organization’s History
   - Organizational Chart
   - Biographies for Career and Political Staff in Key Leadership Positions
   - Organizational Budget and Financial Management
   - Enterprise Workforce Data

II. **Policies and Regulations**

   - Statutory Authorities
   - Important Policies and Regulations
   - Overview of the Policy/Regulation Review Process
   - GAO and OIG Audits

III. **Congressional Relations and Issues**

   - Overview

IV. **Internal and External Stakeholders**

   - Important Relationships with Other Federal Departments or Organizations
   - Stakeholder Group Overview
   - Recent Engagements with Stakeholder Groups

V. **Top Issues**

   - Hot Topics
   - Timeline

**Appendix A: Acronyms**
WHAT WE DO: OUR MISSION
The Food Safety and Inspection Service (FSIS) is the public health regulatory Agency within USDA responsible for ensuring that domestic and imported meat, poultry, and processed egg products are safe, secure, wholesome, and accurately labeled. FSIS also enforces the Humane Methods of Slaughter Act (HMSA), which requires that all livestock at federally inspected establishments be handled and slaughtered humanely. In March 2016, FSIS established a new program for federal inspection of certain fish of the order Siluriformes, including catfish, transferring responsibility from the Food and Drug Administration (FDA).

WHO WE ARE: OUR WORKFORCE
- FSIS has nearly 9,300 permanent employees located across the country in nearly 6,400 establishments.
- Ten District Offices
- Three Labs
- 127 Import Establishments at Ports of Entry

WHO WE SERVE: OUR CONSTITUENTS
FSIS holds monthly meetings with consumer and industry stakeholder groups to discuss public health and related policy issues. FSIS partners with Federal agencies to carry out its mission, as well as with 27 state meat and poultry inspection programs that provide inspection to over 1,900 small and very small establishments.

KEY UPCOMING DECISIONS
- Natural Labeling
  - FSIS currently has policy guidance that states criteria for the term “natural”.
  - Over the past ten years, there have been numerous petitions and comments requesting changes and/or clarifications to these guidelines.
  - FSIS is in the process of proposing to amend the Federal meat and poultry products inspection regulations to define the conditions under which the voluntary claim “natural” may be used on the label or in the labeling of meat and poultry products to clarify and resolve these issues.

BUDGET HIGHLIGHTS FY 2016
FSIS overall budget is $1,014,871 and has been relatively consistent with no major changes.
- 80% of budget is for salaries and benefits for nearly 9,300 permanent employees
- FSIS has created efficiencies to cover increased costs and changes in programs.

FY 2016 Budget Authority

- Federal FSIS: 3.41%
- PHDCIS: 0.360%
- International: 1.60%
- State FSIS: 6.06%
- Codex: 88.57%
I. **Organizational Overview**

**Agency’s Mission/Strategic Plan**

FSIS activities contribute to USDA’s FY 2014-2018 Strategic Goal 4, “Ensure that all of America’s children have access to safe, nutritious, and balanced meals.

FSIS recently published the FY 2017-2021 Strategic Plan, which builds on prior successes and reflects emerging issues that FSIS faces in ensuring that the food products we regulate are safe to eat. This plan will guide us going forward and is briefly outlined below. Our Vision and Mission, as well as our Core Values—Accountable, Collaborative, Empowered, and Solutions-Oriented—frame the goals, outcomes, objectives, and measures in this Plan. The FY 2017-2021 Strategic Plan contains 3 goals, 6 outcomes, 15 objectives, and 24 measures.

Following the FY 2017-2021 Strategic Plan are the measures and results FSIS was able to attain under the previous FY 2011-2016 Strategic Plan.

**FY 2017-2021 Strategic Plan**

**Vision:** Everyone’s food is safe.

**Mission:** Protecting the public’s health by ensuring the safety of meat, poultry, and processed egg products.

Goal 1. Our first and primary mission goal, “Prevent Foodborne Illness and Protect Public Health,” directly represents the day-to-day work of a large majority of our employees.

Outcome 1.1 Prevent Contamination
Outcome 1.2 Limit Illness from Regulated Products

Goal 2. Our secondary mission goal, “Modernize Inspection Systems, Policies, and the Use of Scientific Approaches,” represents key methods and approaches we intend to use to enhance how we realize our food safety and public health mission.

Outcome 2.1 Improve Food Safety and Humane Handling Practices through Adoption of Innovative Approaches
Outcome 2.2 Enhance Access to Complete and Accurate Information to Inform Decisions

Goal 3. Our third goal, “Achieve Operational Excellence,” pinpoints key areas where we seek improvement in how we do business to better support achieving our first two goals and our overall mission.

Outcome 3.1 Maintain a Well-Trained and Engaged Workforce
Outcome 3.2 Improve Processes and Services
FSIS FY 2011-2016 Strategic Plan

Vision: A trusted public health regulatory agency committed to preventing foodborne illness.

Mission: Protect consumers by ensuring that meat, poultry, and processed egg products are safe, wholesome, and correctly labeled and packaged.

- Contains three Strategic Themes
  1) Prevent Foodborne Illness
  2) Understand and Influence the Farm-to-Table Continuum
  3) Empower People and Strengthen Infrastructure

- Contains eight Goals
  1) Ensure that Food Safety Inspection Aligns with Existing and Emerging Risks
  2) Maximize Domestic and International Compliance with Food Safety Policies
  3) Enhance Public Education and Outreach to Improve Food-Handling Practices
  4) Strengthen Collaboration Among Internal and External Stakeholders
  5) Effectively Use Science to Understand Foodborne Illness and Emerging Trends
  6) Implement Effective Policies to Respond to Existing and Emerging Risks
  7) Empower Employees with Training, Resources, and Tools
  8) Develop, Maintain, and Use Innovative Methodologies, Processes, and Tools

Overview of Agency Programs and Operations

- Food Safety (FS) activities contribute to USDA’s FY 2014-2018 Strategic Goal 4, “Ensure that all of America’s children have access to safe, nutritious, and balanced meals.

- The Food Safety Mission Area has one primary Agency/Program, the Food Safety and Inspection Service (FSIS). FSIS just published its FY 2017-2021 Strategic Plan which builds on prior successes and reflects emerging issues that FS faces in ensuring that the food products we regulate are safe to eat. This plan will guide us going forward and is briefly outlined below. Our Vision and Mission, as well as our Core Values—Accountable, Collaborative, Empowered, and Solutions-Oriented—frame the goals, outcomes, objectives, and measures in this Plan. The FY 2017-2021 Strategic Plan contains 3 goals, 6 outcomes, 15 objectives, and 24 measures. Following the FY 2017-2021 Strategic Plan are the measures and results FSIS was able to attain under the previous FY 2011-2016 Strategic Plan.
Key Mission Delivery Performance Measures

The following are the FSIS FY2011-2016 Corporate Performance Measures and Results.

**FSIS FY 2011-2016 Corporate Performance Measure 1:**
**Percentage of Broiler Plants Passing the Carcass Salmonella Verification Testing**

In 2011, FSIS established a performance standard for *Salmonella* in broiler carcasses. This standard is designed to encourage industry to control for *Salmonella* and reduce the potential for human exposure. Failure to meet this standard serves as a proxy for heightened exposure potential to the public.

<table>
<thead>
<tr>
<th>Percent of Broiler Plants Passing the Carcass Salmonella Verification Testing Standard /1/</th>
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<tr>
<td>Percent   89%     90%     90%     92%     96%     Met     95%     95%</td>
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</table>

**FSIS FY 2011-2016 Corporate Performance Measure 2:**
**Total Number of Salmonella, Lm, and E. coli O157:H7 Illnesses from Products Regulated by FSIS**

FSIS measures its performance on reducing foodborne illness in terms of total *Salmonella*, *Lm*, and *E. coli O157:H7* illnesses from all FSIS regulated meat, poultry, and processed egg products. Estimates of total illness from all FSIS-regulated products are based on pathogen-specific case rates from CDC FoodNet data and simple food attribution estimates derived from CDC’s Foodborne Disease Outbreak Surveillance System (FDOSS) database, and are anchored to pathogen-specific illness reduction Healthy People 2020 goals. FSIS uses a simple foods attribution methodology with a rolling 3-year window of outbreak data from the publicly available CDC FDOSS database.

<table>
<thead>
<tr>
<th>Total (All) Illness Measure (Salmonella, Lm and E. coli O157:H7) /2/</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Illnesses  491,353</td>
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</table>
FSIS FY 2011-2016 Corporate Performance Measure 3: Percent of Establishments with a Functional Food Defense Plan

FSIS began measuring the status of industry’s voluntary adoption of food defense plans through annual surveys of FSIS Inspection Program Personnel (IPP) in 2006. The survey questions determine whether each FSIS-inspected establishment has a functional food defense plan (i.e., the plan is documented; measures are in place to address outside security, inside security, personnel security, and incident response; the plan was tested in the last year; and the establishment reviewed their plan in the past year).

| Percent of Establishments with a functional Food Defense Plan /3/ |
|---|---|---|---|---|---|---|
| Percent | 75% | 77% | 83% | 84% | 85% | Unmet | 90% | 90% |

Organization’s History

The Secretary of Agriculture established the Food Safety and Inspection Service (FSIS) on June 17, 1981, pursuant to legislative authority contained in 5 U.S.C. 301 that permits the Secretary to issue regulations governing the United States Department of Agriculture (USDA). The mission of FSIS is to ensure that the Nation’s commercial supply of meat, poultry, and processed egg products is safe, wholesome, and correctly labeled and packaged through inspection and regulation of these products. FSIS is composed of two major inspection programs: (1) Meat and Poultry Inspection and (2) Egg Products Inspection.

1. The Meat and Poultry Inspection Program is authorized by the Federal Meat Inspection Act (FMIA) as amended and the Poultry Products Inspection Act (PPIA). The purpose of the program is to ensure that meat and poultry products are safe, wholesome, and correctly labeled through inspection and regulation of these products so that they are suitable for commercial distribution for human consumption. The FY 2008 Farm bill amended the FMIA to make siluriformes an amenable species and upon approval of the Fish inspection rule in FY 2015, FSIS will begin inspection of siluriformes under the FMIA. FSIS also enforces the Humane Methods of Slaughter Act through the program, which requires that all livestock at Federally-inspected establishments be handled and slaughtered in a humane way. FSIS conducts inspection activities at Federally-inspected meat and poultry establishments; and for State programs, the agency ensures that State meat and poultry inspection programs have standards that are at least equivalent to Federal standards. FSIS also ensures that meat and poultry products imported to the United States are produced under standards equivalent to U.S. inspection standards, and facilitates the certification of regulated products. FSIS’ science-based inspection system, known as the Hazard Analysis and Critical Control Point (HACCP) system, places emphasis on the identification, prevention, and control of foodborne hazards. HACCP requirements include meeting sanitation, facility, and operational standards, and other prerequisite programs to control pathogen contamination and produce safe and unadulterated food.
2. The Egg Products Inspection Program is authorized by the Egg Product Inspection Act (EPIA). The program’s purpose is to ensure that liquid, frozen and dried egg products are safe, wholesome, and correctly labeled through continuous mandatory inspection of egg processing plants that manufacture these products. FSIS also ensures processed egg products imported to the United States are produced under standards equivalent to U.S. inspection standards, and facilitates the certification of exported regulated products.

During 2014, the agency maintained headquarters offices in the Washington D.C. metropolitan area; 10 district offices; the Policy Development Division in Omaha, Nebraska; laboratories at Athens, Georgia, St. Louis, Missouri, and Alameda, California; the Financial Processing Center in Des Moines, Iowa; the Human Resources Field Office in Minneapolis, Minnesota; and a nationwide network of inspection personnel in 6,389 Federally regulated establishments in 50 States, Puerto Rico, Guam, and the Virgin Islands. Included are 350 establishments operating under Talmadge-Aiken Cooperative Agreements. A Talmadge-Aiken plant is a Federal plant with State inspection program personnel operating as Federal inspectors under Federal supervisors. Much of the agency’s work is conducted in cooperation with Federal, State, and municipal agencies, as well as private industry.
The Office of Food Safety (OFS) is one of seven mission areas that comprise the Department of Agriculture. OFS includes one agency: the Food Safety and Inspection Service (FSIS). The Office typically consists of one Under Secretary for Food Safety, one or more Deputy Under Secretaries, a Chief of Staff and a Confidential Assistant. Below is the Organizational Chart for the FSIS.
Alfred V. Almanza was appointed Deputy Under Secretary for Food Safety by the U.S. Department of Agriculture’s (USDA) Secretary Thomas J. Vilsack in September 2014, after having served as Administrator of USDA’s Food Safety and Inspection Service (FSIS) since June 2007. Mr. Almanza will simultaneously serve as Acting Administrator, continuing to lead nearly 9,400 employees in the agency’s mission to protect public health.

In 1978, Mr. Almanza began his FSIS career as a food inspector in a small slaughter plant in Dalhart, Texas. During his 36-year career with FSIS, Mr. Almanza moved up quickly from that entry level position – serving as Labor Management specialist, District Manager of the Agency’s Dallas District Office, and ultimately Administrator of FSIS. His experiences in the field and headquarters have made him extraordinarily qualified to lead the agency.

During his tenure as Administrator, Mr. Almanza focused on modernizing inspection and identifying ways to make the Agency more efficient and effective. He spearheaded the development of the New Poultry Inspection System which redirects FSIS inspection to a more balanced and efficient approach while simultaneously reducing pathogen levels in young poultry slaughter establishments. It is anticipated that the new approach will prevent thousands of illnesses from *Salmonella* and *Campylobacter*. In addition, Mr. Almanza’s regulatory strategies against potentially deadly *E. coli* O157:H7 have significantly reduced illnesses from this pathogen. Under his leadership, FSIS implemented a zero-tolerance policy for six additional strains of *E. coli* that are responsible for human illness. He also led the development of new *Campylobacter* and *Salmonella* performance standards, which hold slaughter establishments accountable for reducing these pathogens in young chickens and turkeys. In 2006 the positive *Salmonella* testing rate was 16%; today it is less than 7%. In 2013, FSIS released the *Salmonella* Action Plan, which outlines the agency’s key steps towards reducing the incidence of *Salmonella* contamination.

Under Mr. Almanza’s leadership, FSIS launched the Public Health Information System (PHIS), a modern repository for all data about public health trends and food safety violations at nearly 6,400 FSIS-regulated plants across the country. Since 2011, PHIS has streamlined data collection and access for the agency.

As part of USDA’s Blueprint for Stronger Service, Mr. Almanza determined that FSIS could streamline resources by reducing the number of district offices from 15 to 10. The district consolidation helped to improve efficiency, consistency, and integration by more evenly distributing the circuits, establishments, and FSIS employees that each district office oversees. Furthermore, Mr. Almanza reorganized headquarters offices and staff to improve organizational efficiency and the ability to better target existing resources.
Mr. Almanza led the development of the FSIS FY 2011-2016 Strategic Plan, which includes results-oriented performance measures. The plan includes 30 distinct, quantifiable performance measures that support eight larger goals. In 2012, he led the development of the internal Annual Performance Plan, which included specific outcomes linked to the Strategic Plan. The plan bridges the FSIS Strategic Plan with Senior Executive Service individual performance standards, and presents three ‘key results’ to be achieved by each Program Area. The transparency provided by this integration of plans makes it possible for each employee to clearly see how his or her work relates to the FSIS mission.

Mr. Almanza is mindful of the more than 8,400 FSIS field employees in his day-to-day tasks. Recognizing that FSIS employees are the agency’s greatest asset, Mr. Almanza works diligently to foster productive relationships. In the most recent FSIS employee survey, top ten results indicate employees like their work, understand how it relates to the agency’s goals, have a sense of accomplishment, and believe in being held accountable.

Brian Ronholm
Deputy Under Secretary for Food Safety [Political]
202-720-0350, Brian.Ronholm@osec.usda.gov

Brian Ronholm was named Acting Under Secretary for Food Safety in December 2013. He oversees the policies and programs of the Food Safety and Inspection Service (FSIS), USDA's public health regulatory agency that ensures that the nation's commercial meat, poultry, and egg products are safe, wholesome, and correctly labeled. He also chairs the U.S. Codex Policy Steering Committee, which provides guidance to U.S. delegations to the Codex Alimentarius Commission.

Mr. Ronholm joined USDA in April 2011 as Deputy Under Secretary for Food Safety. In this position, he was part of a leadership team that implemented significant new policies that have enhanced consumer protection, including: zero tolerance for six strains of pathogenic E. coli in raw beef; a common sense 'test and hold' requirement prohibiting food from entering commerce before critical test results are confirmed; tough new performance standards for Salmonella and the first ever performance standard for Campylobacter in poultry; and improved capabilities for tracing contaminated meat.

Prior to joining USDA, Mr. Ronholm served as an Agriculture Appropriations associate on the staff of Congresswoman Rosa L. DeLauro, managing a wide range of issues related to the House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies in support of the former chairwoman. Mr. Ronholm was actively involved in many comprehensive legislative efforts to improve food safety and nutrition, including the 2008 Farm Bill, the Child Nutrition Reauthorization bill, and the FDA Food Safety Modernization Act.

He earned a master's degree in political management at The George Washington University and an undergraduate degree in finance from California State University at Hayward.
Carmen Rottenberg  
FSIS Deputy Administrator  
202-692-4207, Carmen.Rottenberg@fsis.usda.gov

Carmen Rottenberg was appointed Deputy Administrator of the Food Safety and Inspection Service (FSIS) at USDA in April 2016. In this position, she plays an integral role in ensuring that FSIS continues to fulfill its core mission to protect public health by keeping harmful meat, poultry, and processed egg products out of commerce and to keep consumers safe from foodborne pathogens.

Ms. Rottenberg has direct oversight of the Agency’s five year Strategic Plan and she oversees the development of the FSIS Annual Performance Plan each year. Prior to becoming Deputy Administrator, Ms. Rottenberg served as the Chief Operating Officer for FSIS. Since joining FSIS in 2007, she has served in various leadership roles in the Agency, including Deputy Director of the Civil Rights Staff and Chief of Staff to the Administrator.

Ms. Rottenberg holds a B.A. in Political Science and Philosophy from Hope College in Holland, MI and a Juris Doctorate degree from American University’s Washington College of Law. Ms. Rottenberg began her Federal government career in the Federal Trade Commission’s Office of General Counsel, and prior to joining FSIS, Ms. Rottenberg was a law clerk at a small law firm in Fairfax, VA.

Jane Doherty  
International Coordination Executive, Office of the Administrator  
202-708-8769, Jane.Doherty@fsis.usda.gov

Jane Doherty was appointed the International Coordination Executive in the Food Safety and Inspection Service (FSIS) at USDA in May 2014. She supports FSIS Strategic Goal 2, to enhance compliance of domestic and foreign-produced products with safety regulations and guidance. Part of that mission includes ensuring that criteria for measuring equivalence of a foreign food safety system will be more closely aligned with existing and emerging domestic food safety regulations and policies.

Ms. Doherty brings a wealth of expertise to FSIS, with over twenty-four years working in international negotiations and government policy involving trade, food safety and environmental policies and issues. Prior to joining the USDA, she was the Director of Sanitary and Phytosanitary Affairs at the Office of the United States Trade Representative (USTR). She acted as the Chief Negotiator for the United States on trade policy affecting food safety, animal and plant life and health issues. Under her leadership, the USTR achieved groundbreaking trade agreements with Canada, the European Union, and Japan related to USDA organic equivalence arrangements, which eliminated trade barriers for organic producers while maintaining USDA’s quality standards.

Ms. Doherty earned a Bachelor of Sciences in International Affairs and a Juris Doctorate from George Washington University.
Steven A. Fisher  
Chief Financial Officer (CFO)  
202-720-8700, Steven.Fisher@fsis.usda.gov

Steven A. Fisher has served as the Chief Financial Officer (CFO) at USDA’s Food Safety and Inspection Service (FSIS) since June 2014. The Office of the CFO (OCFO) is responsible for supporting food safety, protecting public health, and ensuring food defense requirements through strategic planning, budgeting and ensuring sound financial management practices and strong fiscal stewardship of the resources provided to FSIS by Congress.

As CFO, Mr. Fisher is responsible for providing executive and technical leadership, as well as policy advice, on financial management and accounting operations, systems, and plans; and budget formulation, execution, and budget-performance integration. Mr. Fisher also serves as the agency’s Performance Improvement Officer in support of the Government Performance and Results Act, leading and coordinating the agency’s strategic planning, and performance monitoring and reporting activities.

Mr. Fisher has over 20 years of experience in the financial management and strategic planning arena. Just before joining FSIS, he directed critical support functions as the Acting Deputy Executive Director and CFO of the Federal Trade Commission (FTC). As the CFO for FTC he led that agency in attaining 6 consecutive nationally recognized accountability awards (Certificate of Excellence in Accounting Reporting). Prior to his roles at FTC, Mr. Fisher has held several executive positions within the Department of Defense (DoD), including serving as the Director of the Business Integration Office, Office of the Secretary, where he helped lead the Department’s efforts to modernize its legacy business systems by implementing major Enterprise Resource Planning (ERP) systems.

Mr. Fisher has been an active Certified Public Accountant for 23 years and is also a Certified Government Financial Manager and a Certified Fraud Examiner. He earned his Master’s degree in Information Systems from the University of Maryland, and a Bachelor’s degree in Business Administration from Loyola University in Baltimore, Maryland.

Janet B. Stevens, PMP  
Chief Information Officer (CIO)  
202-205-9950, Janet.Stevens@fsis.usda.gov

Janet B. Stevens, PMP, has served as the Chief Information Officer (CIO) at USDA's Food Safety and Inspection Service (FSIS) since April 2007. The Office of the CIO is responsible for supporting food safety, protecting public health, and ensuring food defense requirements through the development, implementation and protection of secure information systems, data and infrastructure.

Ms. Stevens oversees innovative and award-winning technical work associated with the deployment of cyber security systems for FSIS. She has also led several USDA eGovernment initiatives. She participated in the development of Federal recommendations for public web sites
Ms. Stevens is a proponent of social media and other innovative methods of communication and data as avenues to improve outreach efforts with other departments and stakeholders, both within and outside of FSIS, as well as to improve data streams for the analysis of information available on the internet. She is dedicated to providing the best customer service possible, for internal FSIS employees and external stakeholders. She ensures that all FSIS employees have the IT tools necessary to fulfill the mission of protecting public health.

As CIO, Ms. Stevens leads the FSIS efforts in protecting the integrity of data and information. In 2012, Ms. Stevens received the U.S. Government Information Security Leadership Award for leadership of FSIS accomplishments in cyber security process and policy improvements.

Previously, Ms. Stevens was the Director of the FSIS Web Services Staff from 2004 to 2006 and was the Director of the Management Controls Technology Staff from 2006 until April 2007. She began her career at USDA in 1991 as a writer/editor for the Economic Management Service (now part of the Economic Research Service). In 1998, she became the web manager for the Risk Management Agency (RMA). At RMA, she also served as the acting Public Affairs Director. Ms. Stevens is a graduate of George Mason University, where she earned a Bachelor of Arts in English with a concentration in Communications in 1991.

Terri Nintemann
Assistant Administrator, Office of Data Integration and Food Protection (ODIFP)
202-690-6486, Terri.Nintemann@fsis.usda.gov

Ms. Terri Nintemann was appointed as Assistant Administrator of the Office of Data Integration and Food Protection (ODIFP) in the Food Safety and Inspection Service (FSIS) in June 2011, having served as Acting Assistant Administrator since September 2010. Ms. Nintemann leads the collection, analysis, and integration of Agency data across program areas. She also oversees the development and implementation of procedures to prepare for, respond to, and recover from food emergencies. Additionally, she is responsible for oversight of the agency’s food defense activities.

Under her leadership, FSIS has taken steps to increase data availability and transparency. She led the development of annual sampling plans, started for Fiscal Year 2012, which provide a comprehensive summary of the agency’s sampling activities. Prior to the annual sampling plans, she led an agency wide effort to document the history of FSIS sampling programs, which was released in 2011. Her office has also re-implemented the public health regulations decision criterion, one of the key criteria to use inspection findings to inform agency decision making.

Under Ms. Nintemann’s leadership, ODIFP also led a broad review of the agency’s microbiological sampling programs and initiated efforts to better design those programs to estimate prevalence. Finally, she has led the agency’s reporting through Public Health Information System with reports now available for Federal, state and industry users. She serves as the lead for FSIS Strategic Goal 4: Strengthen Collaboration among Internal and External Stakeholders to Prevent Foodborne Illness.
Ms. Nintemann is the chair of the FSIS Enterprise Steering Board, which leads Agency reviews of or implementation of new initiatives that impact multiple program areas. She is also a tri-lead, along with two other executives, of the FSIS Data Coordination Committee, which coordinates Agency data activities and provides feedback on data analysis within FSIS. Ms. Nintemann is the FSIS representative to the USDA Security Council, charged with improving coordination of security activities—physical and information—within the Department, and she also represents FSIS on the Federal Border Interagency Executive Council, which is focused on interagency collaboration regarding imports. Additionally, she serves on the Secretary’s Executive Resources Board as a FSIS mission area representative.

A lifelong agricultural enthusiast and Minnesota native, Ms. Nintemann joined FSIS in 2003 as the Deputy Assistant Administrator of the Office of Public Affairs, Education, and Outreach. In 2006, she was named Assistant Administrator of the office, now known as the Office of Public Affairs and Consumer Education. Prior to joining USDA, Ms. Nintemann was a professional staff member and legislative director for the Senate Committee on Agriculture, Nutrition, and Forestry from 1992 to 2003. She served as a legislative director for Congressman Dave Camp from 1991 to 1992. From 1986 to 1991 she was a staff member for Senator Rudy Boschwitz. Ms. Nintemann’s passion for public service is rooted in her participation in FFA and 4-H as a young adult. She graduated from the University of Minnesota in 1986 with a Bachelor of Science degree in Animal Science and a minor in Ag Economics.

William “Bill” Smith  
Assistant Administrator (AA), Office of Field Operations (OFO)  
202-720-8803, William.Smith@fsis.usda.gov

Mr. William C. “Bill” Smith was named the Assistant Administrator for the Office of Field Operations (OFO) in the Food Safety and Inspection Service (FSIS) at USDA in July of 2014. He previously served as AA for OFO and is now beginning his second assignment leading this program area. In this role, he is responsible for ensuring that food safety inspection aligns with existing and emerging risks to minimize existing and emerging food safety hazards. He also oversees animal welfare activities conducted every day by nearly 7,800 employees in nearly 6,400 meat, poultry, and processed egg, and import facilities.

The Assistant Administrator for OFO focuses on consistent and standardized application of food safety policies by the field employees in the 10 district offices under his purview and places a particular emphasis on providing field inspectors with adequate training so that they can correctly interpret the laws that they are charged with implementing.

Prior to his current role in OFO, Mr. Smith was the Assistant Administrator for the Office of Investigation, Enforcement and Audit (OIEA) where he managed the Agency’s investigation and enforcement resources, State and foreign audit programs, and litigation functions to protect public health and respond to food safety and food defense issues associated with the handling, sale, and distribution of meat, poultry, and processed egg products in-commerce. His staff of 156 investigators worked to ensure compliance at over 150,000 facilities in commerce.
Mr. Smith has 38 years of experience in inspection and enforcement of food safety and other consumer protections, from working as an in-plant inspector to positions in FSIS headquarters. He managed the launch of the Hazard Analysis and Critical Control Point (HACCP) program in the late 1990s. The rule clarified the respective roles of government and industry in food safety efforts. The HACCP program has been a critical factor in the overall decline of bacterial foodborne illnesses since 1996.

Mr. Smith graduated from Kansas State University in 1974 with a degree in Biological Science.

Michael Watts
Assistant Administrator, Office of Outreach, Employee Education and Training (OOEET)
202-205-0194, Michael.Watts@fsis.usda.gov

Michael Watts joined the U.S. Department of Agriculture in May 2003 and has been a Food Safety and Inspection Service (FSIS) Assistant Administrator for the Office of Outreach, Employee Education and Training (OOEET) since October 2012. His current role complements a career spent cultivating his expertise in civil rights, diversity management and training development and delivery. As Assistant Administrator of OOEET, his mission is to provide executive leadership and oversight for training and developing the FSIS workforce. Mr. Watts is responsible for ensuring that employees have the critical skills and training they need to support the Agency mission and to be successful. In addition, he focuses on identifying and reducing skill gaps in the workforce to ensure that the Agency has a talented cadre of professionals who are prepared to protect the American public from foodborne illnesses.

From May 2007 to October 2012, Mr. Watts led civil rights initiatives in the Department from two roles within the Office of the Assistant Secretary for Civil Rights. He held the positions of Civil Rights Director for the Department and Director of the Office of Compliance, Policy, Training and Cultural Transformation

Before joining USDA, Mr. Watts was the State of Minnesota’s Assistant Commissioner of Diversity and Equal Opportunity, an executive position in the Department of Employee Relations, a cabinet-level office that reported to the Governor. Mr. Watts began his career in the military, where he developed a solid foundation of experience in training management. After leaving the military and completing law school, he worked as Equal Employment Opportunity Manager for the Department of Veterans Affairs – Birmingham VA Medical Center in Birmingham, Alabama.

Mr. Watts has a keen interest in mediation and dispute resolution, which led him to earn his Juris Doctorate at the Cumberland School of Law at Samford University in Birmingham, Alabama. Watts received his Masters’ Degree at Webster University in St. Louis, Missouri in Administration of Justice and Human Relations. He is a graduate of the University of Alabama, where he earned a Bachelor’s degree in Political Science and Criminal Justice. He is also a graduate of the US Army Command and General Staff College, the Marine Corps Command and Staff College, and the Harvard Kennedy School of Government Senior Managers in Government Course.
Carol Blake
Assistant Administrator, Office of Public Affairs and Consumer Education (OPACE)
202-720-3884, Carol.Blake@fsis.usda.gov

Carol Blake was appointed as the Assistant Administrator for the Office of Public Affairs and Consumer Education (OPACE) in the Food Safety and Inspection Service (FSIS) in November of 2011. As the leader for OPACE, Ms. Blake manages efforts to ensure that all segments of the farm-to-table chain receive valuable food safety information. Her extensive communications experience with FSIS and USDA provides a solid foundation to lead OPACE initiatives.

As Assistant Administrator of OPACE, Ms. Blake oversees the communication of public health messages to consumers and develops strategies to gain appropriate attention from news and other media outlets. During her time with USDA, she has seen a wide range of technology advancements that have helped raise the profile of FSIS in the ever-evolving world of 21st century communications. Under her leadership, FSIS has modernized its website into a mobile friendly public health tool for consumers and led innovative outreach using social media. In her current role, she leads efforts that directly link to FSIS’ strategic goal to increase the number of consumers who follow safe food handling practices through education and awareness campaigns. She ensures that the public can receive critical food safety information through a variety of social media, leads the Agency in its development of apps and consumer tools, and pursues partnerships with government and non-government organizations to obtain consumer data that ultimately shape additional consumer education opportunities. Ms. Blake is committed to being fiscally responsible in her quest to advance consumer education and awareness.

In August 2008, Ms. Blake was named the Director of OPACE's Congressional and Public Affairs Office. Since joining FSIS in 1999, she held positions that include press officer, public affairs specialist, and deputy director for correspondence and FOIA. Prior to joining FSIS, Ms. Blake handled media and communication initiatives for the Agricultural Marketing Service and USDA’s Office of Communications.

Though Ms. Blake didn’t set out determined for a career at USDA, she feels a strong connection with the Department, as her grandfather was the head of what is now USDA’s Office of Budget and Program Analysis. Ms. Blake’s earliest formal experience at USDA entailed working as a clerk with the Forest Service during college breaks. She graduated from Randolph-Macon College with a degree in English.

Peter Bridgeman
Acting Assistant Administrator, Office of Management (OM)
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Peter Bridgeman was recently appointed as the Acting Assistant Administrator of the Food Safety and Inspection Service’s (FSIS) Office of Management (OM). In this position, he leads OM in improving the overall management and effectiveness of FSIS programs by providing a full range of administrative and support services, to include: Human Resources Management
United States Department of Agriculture
2016 Presidential Transition
Food Safety and Inspection Service (FSIS)


Mr. Bridgeman has extensive leadership experience with FSIS, having previously served in executive leadership positions within the Office of Investigation, Enforcement and Audits and the Office of the Chief Financial Officer. Additionally, he has held leadership positions with the Office of Public Health Science and the Office of Field Operations during his 31 year career with FSIS.

A native a Pittsburgh, PA, Mr. Bridgeman served for four years in the U.S. Navy, successfully completing the Naval Nuclear Power School program, where he studied Nuclear Physics and Reactor Principles. Pete also studied at Rutgers University and Edison State College in New Jersey, where he majored in Business Administration and minored in Journalism.

Carl A. Mayes
Assistant Administrator, Office of Investigation, Enforcement and Audit (OIEA)
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Mr. Carl A. Mayes was appointed Assistant Administrator (AA) for the Office of Investigation, Enforcement and Audit (OIEA) in the Food Safety and Inspection Service (FSIS) at USDA in February 2015. He leads the Agency’s surveillance and investigation activities for incidents of foodborne illness outbreaks, recalls, natural disasters and intentional contamination. Mr. Mayes also oversees state and foreign audit programs and enforcement and litigation functions.

Mr. Mayes joined FSIS in August 2009 and was named the Deputy, Chief Information Officer for the Office of the Chief Information Officer (OCIO) in 2012. As OCIO’s Deputy Chief Information Officer he was responsible for implementing OCIO’s technology plan for modernizing the Agency’s applications and infrastructure. In October 2014, he was appointed to serve as OIEA’s Acting Assistant Administrator.

Prior to joining FSIS, Mr. Mayes was with the Defense Intelligence Agency (DIA) where he served as the Mission Application Division Chief for Counterintelligence (CI) and Human Intelligence (HUMINT) software applications overseeing the daily operations of over 200 personnel. Mr. Mayes entered Federal service in 2006 with the Counterintelligence Field Activity (CIFA) where he worked closely within the United States Intelligence Community (I.C.) with such agencies as the Air Force Office of Special Investigations (AF OSI), Naval Criminal Investigative Service (NCIS), the U.S. Army Intelligence and Security Command (INSCOM) and other I.C. members to further U.S. national objectives.

Previously, Mr. Mayes spent 21 years in the United States Air Force (USAF) where he served as the Deputy Inspector General for the 480th Intelligence Wing (IW) at Langley Air Force Base (LAFB). While serving as USAF’s Deputy Inspector General he managed Fraud, Waste & Abuse complaints and audits, as well as compliance and quality assurance inspections for units actively involved in wartime and contingency operations worldwide. Before moving into this position, Mr. Mayes was the Squadron Superintendent for the 27th Intelligence Support
Squadron at LAFB, where he ensured personnel were trained and available to meet the organization’s mission of processing near-real-time intelligence, and disseminating Intelligence, Surveillance and Reconnaissance information worldwide. During his time with the USAF, Mr. Mayes also served as the Chief of Database Services, 82nd Computer Support Squadron, LAFB, where he led a team managing and maintaining a multi-million dollar U.S. State Department payroll system. Mr. Mayes was stationed at different bases stateside and overseas during his time with USAF and spent his first 12 years with the Security Forces performing law enforcement and security duties.

Mr. Mayes graduated from Georgia College & State University in Milledgeville, Georgia with a Masters of Business Administration and received a Masters of Management Information Systems from the University of Illinois at Springfield. He holds a dual Bachelor of Science degree in Computer Information Systems/Management and Accounting/Management from Park University, Parkville, MO.

**Dr. David Goldman**  
**Assistant Administrator, Office of Public Health Science (OPHS)**  
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Dr. David Goldman was appointed in November 2004 as Assistant Administrator for the Office of Public Health Science (OPHS) at the Food Safety and Inspection Service (FSIS) and serves as the Acting Chief Medical Officer for the Department. He was formerly Director of the Human Health Sciences Division at FSIS, joining the agency in 2002. He is a family practice and preventive medicine/public health physician, and a member of the Commissioned Corps of the U.S. Public Health Service (USPHS).

Dr. Goldman oversees the OPHS, which provides expert scientific analysis, advice, and recommendations on all matters involving public health and science that are of concern to FSIS. During his time in OPHS, Dr. Goldman has led the creation and implementation of a comprehensive scientific agenda that focuses on the Agency’s most significant needs, including updating the National Residue Program, analyzing environmental contaminants, developing a plan to meet the Healthy People 2020 goals for *Salmonella* illness reduction, and communicating scientific measures to mitigate the risk of *Listeria* contamination at retail. He is the Agency’s point person during foodborne illness outbreaks, collaborating and coordinating with other public health leaders throughout government to support a swift and effective response. The FSIS labs are also under his purview.

Among his other duties, Dr. Goldman is a co-lead for USDA’s participation in the One Health initiative, a worldwide strategy for expanding interdisciplinary collaborations and communications in all aspects of diseases for humans, animals and the environment. One Health seeks to advance health care for the 21st century and beyond by accelerating biomedical research discoveries, enhancing public health efficacy, and expeditiously expanding the scientific knowledge base for zoonoses.
In August of 2013, the USPHS named Dr. Goldman as its new Chief Professional Officer for the medical category. In this capacity, Dr. Goldman serves as the primary point of contact between the Office of the Surgeon General and the 800+ physicians in the PHS. Since 2005, Dr. Goldman has served as the Surgeon General’s Policy Advisory Committee representative for USDA to represent any needs of FSIS to HHS with respect to 22 officers detailed here.

Dr. Goldman spent 10 years in the US Army Medical Corps in both family practice and preventive medicine. He then spent 3 ½ years at the Virginia Department of Health, first as a District Health Director, then briefly as the Deputy State Epidemiologist, before joining the Public Health Service. He is board-certified in both Family Medicine and General Preventive Medicine/Public Health and continues to see patients 1 day per month at a free clinic in Virginia. He received his Bachelor of Arts from the University of Virginia in 1979, a Doctor of Medicine degree from the University of Virginia in 1988, and his Master of Public Health in Epidemiology from the University of Washington in 1996.

Dan Engeljohn, PhD
Assistant Administrator, Office of Policy and Program Development
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Dan Engeljohn, PhD has been with the U.S. Department of Agriculture since 1979 and was named Assistant Administrator for the Office of Policy and Program Development (OPPD) in the Food Safety and Inspection Service (FSIS) at USDA in July of 2014. In this position, he leads the development of Agency policies and the development and publication of numerous FSIS policy documents, including regulations, instructions to the field, and guidance to industry.

Dr. Engeljohn directs staff that conducts economic analyses for regulations and Agency policy; reviews and approves labels for meat, poultry and egg products; and reviews and approves the use of new technologies and ingredients in meat, poultry, and egg products. His responsibilities also include development of Agency policy and instructions to the field concerning import and export of meat, poultry, and egg products.

Prior to his current position, he served as Assistant Administrator for the Office of Field Operations and was responsible for ensuring that the risk management policies for food safety and animal welfare were effectively conducted by nearly 7,800 employees in nearly 6,400 meat, poultry, and processed egg, and import facilities. Dr. Engeljohn also previously served as the Assistant Administrator for the OPPD. In his 26 years with OPPD, he developed food safety policies and procedures to ensure that FSIS fulfills its mission. In his 34 years of experience as a government regulator of the food industry, Dr. Engeljohn has served as a scientific spokesperson on food safety strategies, including food irradiation and pathogen control procedures.

Dr. Engeljohn earned a PhD in Nutrition, at Howard University, Washington, DC, specializing in Human Experimental Nutrition, and has taught an introductory nutrition course at the university for 17 years. He received his Bachelor’s and Masters’ degrees at the University of Illinois, Champaign-Urbana.
# United States Department of Agriculture
## 2016 Presidential Transition
### Food Safety and Inspection Service (FSIS)

## Organizational Budget and Financial Management

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<td>Federal Food Safety &amp; Inspection</td>
<td>$871,319</td>
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<td>$897,902</td>
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<td>$3,752</td>
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<td>$3,722</td>
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**Discretionary Sub-total** ........................................... $971,122 $1,018,015 $1,006,374 $1,004,157 $976,688 $1,010,501 $1,016,686 $1,014,871

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<td>Other Federal Funds</td>
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<td>$4,626</td>
<td>$1,995</td>
<td>$2,003</td>
<td>$-999</td>
<td>$-5,071</td>
<td>$2,655</td>
<td>$16,483</td>
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**Other Sub-total ......................................................** $4,893 $4,626 $1,995 $2,003 $-999 $-5,071 $2,655 $16,483

<table>
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<tr>
<th>Non-Federal Funds:</th>
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<td>$12,303</td>
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<td>$10,798</td>
<td>$10,719</td>
<td>$10,374</td>
<td>$10,500</td>
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</table>

**Total, Non-Federal ..................................................** $134,110 | $153,950 | $178,650 | $164,664 | $186,350 | $164,611 | $191,307 | $185,500

**Total ...............................................................** $1,110,125 | $1,176,591 | $1,187,019 | $1,170,824 | $1,162,039 | $1,170,041 | $1,210,648 | $1,216,854

1. Negative numbers are caused by carryover off no-year funds.
Enterprise Workforce Data

Workforce Data FY 2009 - FY 2016

Staff Years

- Washington DC (HQ)
- Field Offices
- Total Staff

GS Level Distribution:
- ES/SES, 0%
- GS 5 - GS 7, 34%
- GS 8 - GS 12, 55%
- GS 13 - GS 15, 10%
United States Department of Agriculture
2016 Presidential Transition
Food Safety and Inspection Service (FSIS)

Current Workforce by Program Area

- Food Safety and Inspection Service employs a workforce of over 9,700 employees of which the following are full-time and part-time:
  - Full-time: 9,341 employees
  - Part-time/Other: 518 employees
    - Among these people are our Frontline workforce that works in approximately 6,389 federally regulated establishments, 3 FSIS laboratories and 127 import establishments at ports of entry.
- FSIS employs 354 Other than permanent, and 150 Temporary and Indefinite workers to fill in for employees in their absence.
- Of our total workforce, 35% are eligible to retire within the next year.
- 6,620 members of our workforce are Bargaining Unit Employees.
- Our headquarters is located in Washington, D.C. which houses 7% of our workforce.
- FSIS has 10 District offices, 3 Labs and 4 Regional offices.
- Approximately 90% of our Employees are Frontline workers who work directly on the Food Safety Mission by verifying that the processing of meat, poultry, and liquid egg products comply with statutory requirements. The remaining employees provide vital mission critical support service roles in ensuring the safety of America’s food supply and public health.

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Number of Staff Years</th>
<th>Percentage of Staff Years</th>
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</thead>
<tbody>
<tr>
<td>Federal Food Safety &amp; Inspection</td>
<td>8888</td>
<td>98%</td>
</tr>
<tr>
<td>Public Health Data Communication Infrastructure System (PHDCIS)</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>International Food Safety &amp; Inspection</td>
<td>120</td>
<td>1%</td>
</tr>
<tr>
<td>State Food Safety &amp; Inspection</td>
<td>20</td>
<td>0%</td>
</tr>
<tr>
<td>Codex Alimentarius</td>
<td>8</td>
<td>0%</td>
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<tr>
<td>Total</td>
<td>9036</td>
<td>100%</td>
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II. Policies and Regulations

Statutory Authorities

FSIS is responsible for administering the Federal Meat Inspection Act (FMIA) (21 U.S.C. 601-695), the Poultry Production Inspection Act (PPIA) (21 U.S.C. 451-470), the Egg Products Inspection Act (EPIA) (21 U.S.C. 1031-1056), the Humane Methods of Slaughter Act of 1978 (HMSA) (7 U.S.C. 1901 – 1906), and select sections of the Agricultural Marketing Act of 1946 (AMA) (7 U.S.C. 1622 and 1624). The FMIA and the PPIA ensure meat and poultry products distributed in commerce for human consumption are safe, wholesome, and correctly labeled through inspection and regulation of these products. Under the EPIA, FSIS ensures that liquid, frozen, and dried egg products distributed in commerce for human consumption are safe, wholesome, and correctly labeled. The HMSA requires that the handling and slaughtering of livestock be carried out only by humane methods. FSIS also operates a voluntary fee-for-service inspection program for exotic animals, rabbits, and non-amenable poultry, along with several other voluntary services, under the AMA.

Important Policies and Regulations

FSIS publishes on average four final rules per year and three proposed rules per year. Approximately 50% of FSIS regulations are designated significant or economically significant by the Office of Information and Regulatory Affairs.

Policies Finalized within the Last Year

- Descriptive Designation for Needle- or Blade-Tenderized (Mechanically Tenderized) Beef Products (Final Rule Published May 18, 2015; Effective Date: May 17, 2016)

- Eligibility of Lithuania to Export Meat and Meat Products to the United States (Final Rule Published August 31, 2015; Effective Date: October 30, 2015)

- Mandatory Inspection of Fish of the Order Siluriformes and Products Derived from Such Fish (Final Rule Published December 2, 2015)

- Records to be Kept by Official Establishments and Retail Stores that Grind Raw Beef Products (Final Rule Published December 21, 2015; Compliance Date: October 1, 2016)

- New Performance Standards for Salmonella and Campylobacter in Not-Ready-to-Eat Comminuted Chicken and Turkey Products and Raw Chicken Parts and Changes to Related Agency Verification Procedures: Response to Comments and Announcement of Implementation Schedule (Notice Published February 11, 2016)

- Classes of Poultry (Final Rule Published April 13, 2016; Effective Date: January 1, 2018)
• Electronic Export Application and Certification Charge; Flexibility in the Requirements for Export Inspection Marks, Devices, and Certificates; Egg Products Export Certification (Final Rule Published June 29, 2016; Effective Date: August 29, 2016; Applicability Date for certain provisions: June 29, 2017)

• Eligibility of Namibia to Export Meat Products to the United States (Final Rule Published July 13, 2016; Effective Date: September 12, 2016)

• Requirements for the Disposition of Non-Ambulatory Disabled Veal Calves (Final Rule Published July 18, 2016; Effective Date: September 16, 2016)

• Statements That Bioengineered or Genetically Modified (GM) Ingredients or Animal Feed Were Not Used in the Production of Meat, Poultry, or Egg Products (Notice and Guidance Document Published August 24, 2016; Comment Period Ends October 24, 2016)

Proposed Rules Issued within the Last Year

• Elimination of Trichinae Control Regulations and Consolidation of Thermally Processed, Commercially Sterile Regulations (Proposed Rule Published March 28, 2016)

• Eligibility of Honduras to Export Poultry Products to the United States (Proposed Rule Published April 13, 2016)

• Eligibility of the Republic of Poland to Export Poultry Products to the United States (Proposed Rule Published April 20, 2016)

Rules at OMB

• Revision of the Nutrition Facts Panels for Meat and Poultry Products and Updating Certain Reference Amounts Customarily Consumed (Currently in OMB Clearance)
Overview of the Policy/Regulation Review Process

FSIS issues policies and regulations to lower the incidence of pathogens that cause foodborne illness and limit the occurrence of outbreaks in our regulated products. Millions of Americans and consumers around the world depend on the work of FSIS to keep them safe. As a public health agency, FSIS uses science to achieve the statutory mission laid out for us by Congress. Science drives our policy, which drives our inspection that ensures that we are prepared to address existing and new food safety threats.

FSIS prevents foodborne illness by:

- Issuing instructions to its personnel performing food safety inspection activities at more than 6,000 establishments nationwide through FSIS Directives and Notices, and ensuring that inspection aligns with existing and emerging risks;

- Maximizing international compliance with food safety policies by issuing regulations that address foreign countries’ equivalence to the U.S. inspection system;

- Issuing regulations to address the causes of outbreaks and improve traceback procedures when there is an outbreak;

- Issuing regulations and policies to address new and evolving risks by using science to understand foodborne illness and emerging trends; and

- Issuing regulations to modernize inspection systems.

FSIS also issues policies and regulations to advance other important goals, including:

- Ensuring that animals are handled humanely at slaughter; and

- Ensuring that regulated products are properly packaged and labeled so consumers have access to important information about the product.

Finally, FSIS issues policies and regulations when legislation requires it or when FSIS grants a petition for rulemaking (e.g., from a stakeholder, consumer group, or individual).

GAO and OIG Audits

USDA-Office of the Inspector General (OIG) Reports


United States Department of Agriculture  
2016 Presidential Transition  
Food Safety and Inspection Service (FSIS)


**Government Accountability Office (GAO) High Risk List**


**Government Accountability Office (GAO) Audit Reports**


III. Congressional Relations and Issues

Overview
The following issues have been issues of importance to Congress and/or issues that have been the subject of a high volume of congressional correspondence and inquiries.

- Catfish/Equivalency:

  As mandated in the 2008 and 2014 farm bills, the U.S. Department of Agriculture’s (USDA) Food Safety and Inspection Service (FSIS) completed and published the final rule “Mandatory Inspection of Fish of the Order Siluriformes and Products Derived from Such Fish” (80 FR 75590), which applies to all fish in the order of Siluriformes and products derived from such fish, on December 2, 2015. The final rule became effective on March 1, 2016, and includes an 18-month transition period that ends on September 1, 2017. FSIS will fully enforce the regulatory requirements described in the final rule on September 1, 2017.

  The 18-month transition period also applies to imported Siluriformes fish and fish products. Shipments of imported products are being selected for reinspection, and therefore sampling, based on specific targeting criteria including past compliance history provided by FDA. Sample analyses include: speciation, residues (pesticide, drugs, and dyes) and Salmonella. A complete list of contaminants can be found at: http://www.fsis.usda.gov/wps/portal/fsis/topics/science/laboratories-and-procedures/guidebooks-and-methods/chemistry-laboratory-guidebook. When any imported or domestic Siluriformes products fail testing requirements, FSIS has taken action, including rejecting shipments and issuing a recall.

  In May 2016, the Senate passed a resolution of disapproval of the FSIS Siluriformes Inspection rule. The resolution is currently awaiting House action. Should the resolution be enacted, jurisdiction of Siluriformes inspection will revert back to FDA.

- Oversight Issues:

  The Food Safety and Inspection Service, as the Agency responsible for ensuring that the nation's commercial supply of meat, poultry, and egg products is safe, wholesome, and correctly labeled and packaged, frequently interacts with plants and related businesses in the course of taking regulatory actions. For slaughter plants and processing facilities, this can mean taking regulatory control actions, withholding the marks of inspection, and or suspension actions as defined under Rules of Practice. Throughout any course of regulatory action being taken by FSIS, the affected plant or business can work with FSIS frontline supervisors, the District Office, or the Small Plant Help Desk in order to take the steps necessary to regain compliance. In some cases, if an individual or plant does not agree with FSIS procedure or protocol for a specific action, they will contact their federal representatives who are then in contact with FSIS.
United States Department of Agriculture
2016 Presidential Transition
Food Safety and Inspection Service (FSIS)

- Small Plant Access:

The ability of small plants to connect with and form relationships with federal regulating entities has been discussed and/or questioned in recent congressional hearings. FSIS strongly encourages that plant or business management to reach out to the District Office, the local Front Line Supervisor, or the Small Plant Help Desk in order to take the steps necessary to understand and comply with the FSIS regulations. It is a high priority of FSIS to ensure that smaller plants and processing facilities are given every opportunity to qualify for the FSIS Grant of Inspection.

- Labeling:

FSIS is the Agency responsible for ensuring the truthful and accurate labeling of the nation's commercial supply of meat, poultry, and egg products. In the course of managing this task, FSIS develops and provides labeling guidance, policies, and administers programs to protect consumers from misbranded and economically adulterated meat, poultry, and egg products. The FSIS Labeling Staff in the Office of Policy and Program Development (OPPD) works to ensure that all labels are truthful and not misleading. Congress is increasingly paying attention to these issues given the rise in consumer attention to genetically engineered products, organic products, and the use of certain terms and raising claims on labels, such ‘natural’, ‘grass fed,’ free range,’ and ‘humanely raised’. In addition, FSIS reviews and approves all labels for packaging, which can gain congressional attention if the individual or producer applying for the label wants particular attention paid to his/her product.

- Horse Slaughter:

In 2007, the U.S. Court of Appeals, Fifth Circuit ruling effectively closed any U.S. plants slaughtering horses for human food consumption. The FY 2008, FY 2009, and FY 2010 appropriations acts prohibit the use of funds to pay the salaries or expenses of personnel to inspect horses under the Federal Meat Inspection Act (FMIA) and the Humane Methods of Slaughter Act (HMSA). This prohibition was first passed in the 2006 appropriations act and was automatically renewed via the 2007 continuing resolution. Similar to previous funding bills, FSIS is barred under the FY 2016 Consolidated Appropriations Act from spending funds to perform ante-mortem inspection of horses at slaughter intended for human consumption. Under the funding ban contained in the fiscal year 2016 omnibus appropriations legislation, FSIS is also not permitted to operate a fee for service program for the inspection of horses for human consumption. State inspection programs would likewise be barred from using Federal funds to perform ante-mortem inspection, which likely would effectively mean that States also could not institute ante-mortem inspection of equines intended for human consumption. No horse slaughter establishment can operate legally without the presence of FSIS inspection program personnel. The FMIA requires inspection of amenable species intended for human consumption, including horses. Meat from amenable species that have not been inspected cannot be shipped or sold for human consumption. There is no equivalency process for the inspection of horse meat slaughtered for human
consumption, since the inspection is not allowed under current law; therefore imports of horse meat for human consumption is not permissible.

IV. **Internal and External Stakeholders**

**Important relationships with other Federal Departments or organizations:**

- U.S. Department of Agriculture (USDA)
  - Animal and Plant Health Inspection Service (APHIS)
  - Grain Inspection, Packer, and Stockyards Administration (GIPSA)
  - Office of Budget and Program Analysis (OBPA)
  - Agricultural Research Service (ARS)
  - National Agricultural Statistics Service (NASS)
  - Office of the General Counsel (OGC)
  - Agricultural Marketing Service (AMS)
  - Foreign Agricultural Service (FAS)
  - Office of the Chief Economist (OCE)
  - Office of the Chief Information Officer (OCIO)
  - Food and Nutrition Service (FNS)
  - National Institute of Food and Agriculture (NIFA)
- Centers for Disease Control and Prevention (CDC)
- Food and Drug Administration (FDA)
- Customs and Border Protection (CBP)
- U.S. Trade Representative (USTR)
- Foreign Governments
- State Departments of Health
- State Departments of Agriculture
- Government Accountability Office (GAO)
- Office of Management and Budget (OMB)
- Occupational Safety and Health Administration (OSHA)
- Department of Homeland Security (DHS)

**Stakeholder Group Overview**

- Academia and Academic Professional Organizations (AAPOs)
- American Academy of Family Physicians
- American Veterinary Medical Association (AVMA)
- Consumer Interest Groups
- Council to Improve Foodborne Outbreak Response (CIFOR)
- FSIS-inspected establishments/industry representatives
- National Advisory Committee on Meat and Poultry Inspection (NACMPI)
- National Advisory Committee on Microbiological Criteria for Foods (NACMCF)
- National Joint Council (NJC) of Food Inspection Locals, American Federation of Government Employees (AFGE)
- Partnership for Food Safety Education
- State Departments of Health officials
State Meat and Poultry Inspection Directors and Inspection Personnel (for 27 state cooperative MPI programs)

Recent Engagements with Stakeholder Groups

- FSIS holds monthly consumer and stakeholder group meetings.
- Beginning quarterly meetings with humane handling stakeholders.
- FSIS holds meetings with small and very small slaughter processing establishments.
- All recent stakeholder and consumer meetings can be found: http://www.fsis.usda.gov/wps/portal/fsis/newsroom/meetings/officials-calendar-of-meetings/officials-calendar-of-meetings
August 2016 Engagements:

<table>
<thead>
<tr>
<th>OFS/FSIS Official and Title</th>
<th>Date and Site</th>
<th>Other FSIS/OFS Participants</th>
<th>Non-FSIS/OFS Participants</th>
<th>Subject</th>
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<td>Alfred V. Almanza, Deputy Under Secretary, OFS, Acting Administrator, FSIS</td>
<td>August 23, 2016</td>
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<td>Mark Lauritsen and Mia Dell, UFCW International Union</td>
<td>Meat and poultry employee issues</td>
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<td>Brian Ronholm, Deputy Under Secretary, OFS; Carmen Rottenberg, Deputy Administrator, and FSIS Assistant Administrators</td>
<td>Consumer Representatives</td>
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<td>Industry Representatives</td>
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<td>Dr. Darin Detwiler, Formerly of STOP Foodborne Illness</td>
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<td>Alfred V. Almanza, Deputy Under Secretary, OFS, Acting Administrator, FSIS</td>
<td>August 30, 2016</td>
<td>Carmen Rottenberg, Deputy Administrator; Terri Nintemann, Assistant Administrator; Daniel Engeljohn, Assistant Administrator; and Jane Doherty, Office of International Coordination Executive</td>
<td>Donald Smith, Chief, Interagency Liaison Coordination, Veterinary Services Branch, Public Health Division, Defense Health Agency</td>
<td>Food Protection MOU Discussion</td>
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# United States Department of Agriculture
## 2016 Presidential Transition
### Food Safety and Inspection Service (FSIS)

### July 2016 Engagements:

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<th>Date and Site</th>
<th>Other FSIS/OFS Participants</th>
<th>Non-FSIS/OFS Participants</th>
<th>Subject</th>
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<tr>
<td>Alfred V. Almanza, Deputy Under Secretary, OFS, Acting Administrator, FSIS</td>
<td>July 7, 2016 Washington, DC</td>
<td>Aaron Lavalette, Deputy Assistant Administrator, FSIS</td>
<td>Joe DeStio, Newsradio</td>
<td>Grinding Logs</td>
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<tr>
<td>Alfred V. Almanza, Deputy Under Secretary, OFS, Acting Administrator, FSIS</td>
<td>July 7, 2016 Washington, DC</td>
<td>Aaron Lavalette, Deputy Assistant Administrator and Nina Anand, Public Affairs Specialist, FSIS</td>
<td>Jeff Nalley, Agri-Pulse</td>
<td>Food Safety Accomplishments</td>
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<td>Alfred V. Almanza, Deputy Under Secretary, OFS, Acting Administrator, FSIS</td>
<td>July 12, 2016 Washington, DC</td>
<td>Carmen Rottenberg, Deputy Administrator</td>
<td>Lisa Wallenda Picard, Vice President, National Turkey Federation</td>
<td>Turkey Industry Issues</td>
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<td>Alfred V. Almanza, Deputy Under Secretary, OFS, Acting Administrator, FSIS</td>
<td>July 13, 2016 Washington, DC</td>
<td></td>
<td>Dale Jackson, Senior Director of Agriculture Business; Shanon McDaniel, Executive Director of Agriculture, Choctaw Nation of Oklahoma; and Kayla Gebeck, Public Affairs Advisor, Holland &amp; Knight LLP</td>
<td>Beef Slaughter</td>
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<td>Alfred V. Almanza, Deputy Under Secretary, OFS, Acting Administrator, FSIS</td>
<td>July 14, 2016 Washington, DC</td>
<td>Aaron Lavalette, Deputy Assistant Administrator, FSIS</td>
<td>Richard Raymond, Food Safety/Public Health Consulting</td>
<td>Discuss Deputy Under Secretary Government Career</td>
</tr>
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V. Top Issues

Hot Topics

Implementation of Mandatory Inspection of Siluriformes
Provisions of the 2008 and 2014 Farm Bills amended the Federal Meat Inspection Act, mandating FSIS inspection of Siluriformes fish. On December 2, 2015, FSIS published a final rule requiring inspection of fish of the Order Siluriformes and products derived from such fish. The final rule became effective on March 1, 2017, switching oversight of these products from the Food and Drug Administration to FSIS. FSIS will continue to implement the mandatory inspection of fish of the order Siluriformes and products derived from such fish. FSIS is currently in the 18-month transitional period (transition to complete implementation) where it is exercising broad enforcement discretion. On September 1, 2017, FSIS will begin fully enforcing the regulatory requirements. As stated in the final rule, if a foreign country would like to remain eligible to export Siluriformes fish and fish products to the U.S. on and after September 1, 2017, it must make a written request to initiate the equivalence process and provide a complete equivalence packet.

Sampling Programs and Pathogen Reduction Performance Standards
Salmonella bacteria are among the most frequent causes of foodborne illness. These bacteria can reside in the intestinal tract of food animals. Salmonella contamination of raw products occurs during slaughter operations, as well as during the live-animal rearing process (e.g., on-farm contamination can coat the exterior of the animal and remain attached to the skin). Currently, events that cause contamination of raw carcasses cannot be eliminated through the commercial production and slaughter practices employed in the United States. Contamination can be minimized, however, with the use of proper sanitary dressing procedures and by the application of antimicrobial interventions during slaughter and thereafter during fabrication of the carcasses. FSIS uses the pathogen reduction performance standards to ensure that eligible establishments are consistently controlling or reducing harmful bacteria on raw meat and poultry products. In February 2016, FSIS announced new performance standards for Salmonella and Campylobacter in not ready-to-eat comminuted chicken and turkey products and raw chicken parts and changes to FSIS’s verification sampling program. FSIS is considering developing a new Salmonella performance standard for ground beef product.

FSIS also maintains many Shiga toxin-producing Escherichia coli (STEC) sampling projects for domestic establishments, imported products, and raw ground beef in retail. FSIS is considering beginning analyzing raw ground beef, raw ground beef components, and bench (purchased) trimmings for non-O157 STEC

China Equivalency
The People’s Republic of China (PRC) is currently eligible to export processed poultry products to the United States if the products are derived from poultry slaughtered in the United States or in other countries eligible to slaughter and export poultry to the United States. The PRC is seeking an equivalence determination from FSIS to be able to export to the United States poultry
products from birds slaughtered in the PRC. FSIS has reviewed the PRC’s laws, regulations, and poultry slaughter inspection system as implemented. Upon final determination of China’s equivalence with the recently implemented Modernization of Poultry Slaughter Inspection Final Rule, FSIS will move forward with the rulemaking process to propose to list China as eligible to export to the U.S. poultry product derived from poultry slaughtered in China. Should a rule become final, slaughtered poultry, or parts or other products thereof, processed in certified PRC establishments, would be eligible for export to the United States.

Local and Regional Food Systems
FSIS recognizes the growth of local and regional food systems, and aims to support producers engaged in local and regional markets. We value the collaboration with the Know Your Farmer, Know Your Food (KYF2) team to better serve new and beginning farmers and ranchers, many of whom get their start in farmers markets, Community Supported Agriculture, and other direct markets in their local communities. We also know that as local and regional food systems mature, the demand for local food is expanding beyond direct markets and into major grocery stores, restaurants, and schools, often through the work of food hubs and other intermediaries. Most recently, FSIS has partnered with KYF2 partners, including the Food and Nutrition Service (FNS) and Rural Development (RD), to develop clear, simple guidance documents on local meat, poultry, and eggs for school buyers, food hubs, and farmers markets. We look forward to continuing work with Know Your Farmer, Know Your Food (KYF2) to improve programs for these producers, make sure we are reaching the right audiences, and offer a more cohesive, service-oriented “One USDA” to our customers.

FSIS Priorities for Local and Regional Food Systems:

- Host “New Plant 101” webinar geared towards potential new processors with limited regulatory knowledge. The webinar will outline the basics of FSIS regulations to help remove technical barriers to new plant start-up.
- Coordinate with KYF2 on additional outreach opportunities to local food community and continue to engage with other USDA agencies to maintain awareness of other USDA programs that could provide assistance or opportunities to meat/poultry processors.
- Continue current efforts (events, website, etc.) to promote Small Plant Help Desk and assist local meat and poultry stakeholders.

Use of the Voluntary Claim “Natural” on Labeling of Meat and Poultry Products
FSIS currently has policy guidance that states the criteria for when “natural” may be used in the labeling of meat and poultry products. However, there has been much controversy over which products qualify to be labeled as “natural.” FSIS was petitioned by Hormel in 2006 to initiate rulemaking to codify the definition of the voluntary claim “natural” and clarify the circumstances under which the claim may be used in the labeling of meat and poultry products. In 2006, FSIS also received over 12,000 comments in response to a public meeting and a Federal Register Notice on the “natural” claim. In 2009, FSIS received over 7,500 comments in response to an advanced notice of proposed rulemaking asking for comments on the seven major issues raised in the 2006 proceedings. In 2014, Consumer Reports’ Food Safety and Sustainability Center and various other consumer and animal welfare advocacy organizations petitioned FSIS to issue an
interpretive rule to prohibit use of the claim “natural” in the labeling of meat and poultry products. The Agency will seek to clarify and resolve issues surrounding use of the “natural” claim in the labeling of meat and poultry products.

**Declare Antibiotic-Resistant (ABR) Strains of Salmonella Adulterants**

The Center for Science in the Public Interest petitioned FSIS in 2014 requesting that FSIS issue an interpretive rule to declare ABR strains of Salmonella Hadar, Salmonella Heidelberg, Salmonella Newport, and Salmonella Typhimurium to be adulterants in all raw meat and raw poultry products. There is much media and public interest in ABR pathogens. A few members of Congress are also interested.

**Genetically Modified Organism (“GMO”) Labeling**

FSIS will evaluate all labels with GMO or non-GMO claims. Examples of acceptable negative claims related to the nonuse of GMO feed or ingredients for single-ingredient products include, “Pasture raised beef fed a vegetarian diet with no bioengineered ingredients,” “Chicken raised on a diet containing no genetically engineered ingredients,” or “Derived from beef fed no GMO feed.” Examples of acceptable non-GMO claims for multi-ingredient products include, “Contains No GMO ingredients,” “No genetically modified ingredients,” “Ingredients used are not bioengineered,” and “No genetically engineered ingredients through the use of modern biotechnology.” FSIS recently published guidelines for establishments that wish to use these types of claims on the labeling of meat, poultry and egg products. Because FSIS does not have the ability to independently verify negative claims for ingredients or feed, FSIS has required establishments that make these claims to comply with standards established by a third-party certifying organization. FSIS currently requires that the third-party certifying organization’s standards be publicly available on a web site and the label or labeling disclose the web site address of the third-party certifying organization. For products that qualify for an “organic” claim under the NOP, establishments are not required to provide FSIS with additional documentation for approval of negative claims. FSIS is also collaborating with AMS on the use of these claims with respect to the recently enacted Public Law 114-216 instructing AMS to publish regulations that will provide criteria for mandatory labeling of GMO containing ingredients.

**FSIS and AMS Labeling Coordination**

Both FSIS and Agricultural Marketing Service (AMS) have a role in the labeling of meat and poultry products. FSIS is responsible for reviewing all labeling claims made on these products and ensuring that they are truthful and not misleading. Through the Process Verified Program, AMS works with companies on a voluntary basis to verify certain marketing claims. Stakeholder interest in marketing claims, such as grass fed, humanely raised and natural, has increased in recent years and USDA has been criticized when AMS and FSIS have not been perfectly aligned on the meaning of certain claims. In response to stakeholder feedback and in an effort to ensure improved coordination between the agencies, FSIS and AMS are working together on standard operating procedures to ensure coordination and collaboration on labeling issues (for example, AMS consultation on a standard’s validity, and new labeling policies and regulations that would affect both agencies). In addition, FSIS is working with AMS to develop a plan to post the standards for labeling claims in an online “reading room,” in order to increase transparency and
reduce consumer confusion. Finally, the agencies are working together to determine the scope of potential umbrella rulemaking that would include a number of marketing claims, as well as stronger verification requirements.

**Timeline**

January 2017, the Agency is expecting to:
- Participate as a co-sponsor of the Partnership for Food Safety Education conference, which seeks to communicate and share how to change consumer behavior through education.

February 2017, the Agency is expecting to:
- Issue a proposed rule to define the conditions under which the voluntary claim “natural” may be used on the label or in the labeling of meat and poultry products.
- Issue a final rule to amend the Federal meat inspection regulations to eliminate the requirements for both ready-to-eat (RTE) and not-ready-to-eat (NTRE) pork and pork products to be treated to destroy trichina (Trichinella spiralis) because the regulations are inconsistent with the Hazard Analysis and Critical Control Point (HACCP) regulations, and these prescriptive regulations are no longer necessary. This final rule would also consolidate the regulations on thermally processed, commercially sterile meat and poultry products (i.e., canned food products containing meat and poultry).

March 2017, the Agency is expecting to:
- Work with Department of Defense to develop a Memorandum of Understanding (MOU) to formalize and strengthen collaboration on food safety and food defense issues in the U.S. and abroad.

April 2017, the Agency is expecting to:
- Issue a final rule to amend the poultry products inspection regulations to list Honduras as eligible to export poultry products to the United States.
- Issue a final rule to amend the poultry products inspection regulations to list Poland as eligible to export poultry products to the United States.
- Issue notice to the union of intent to bargain the Agency Labor Management Agreement.

May 2017, the Agency is expecting to:
- Issue a proposed rule to amend its labeling regulations to establish criteria for when meat products derived from calves can be called "veal."
• Continue the multi-year multi-agency (CDC, FDA, ARS, FSIS) initiative to enhance the level of detail when characterizing individual pathogen strains by conducting whole genome sequencing (WGS). The result will be improved speed and efficiency in the analysis and reporting of regulatory results which will allow for a higher level of accuracy when identifying and preventing foodborne illnesses and containing outbreaks.

July 2017, the Agency is expecting to:

• Implement an electronic export application and certification system, which will be a component of the Agency’s Public Health Information System (PHIS).
# Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
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<td>Acquisition Approval Request</td>
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<tr>
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<td>Animal Disposition Reporting System</td>
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<td>AES</td>
<td>Applied Epidemiology Staff</td>
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<td>Accredited Laboratory Program</td>
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<td>Advanced Meat Recovery</td>
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<td>Agricultural Marketing Service, USDA</td>
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<td>ANPR</td>
<td>Advance Notice of Proposed Rulemaking</td>
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<td>ARS</td>
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<td>BD</td>
<td>Budget Division</td>
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<td>BSE</td>
<td>Bovine Spongiform Encephalopathy</td>
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<tr>
<td>CAC</td>
<td>Codex Alimentarius Commission</td>
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<tr>
<td>CBP</td>
<td>U.S. Customs and Border Protection</td>
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<td>CDC</td>
<td>Centers for Disease Control and Prevention</td>
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<td>CIFOR</td>
<td>Council to Improve Foodborne Outbreak Response</td>
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<td>CCMS</td>
<td>Consumer Compliant Monitoring System</td>
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<td>Center for Learning</td>
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<td>COOP</td>
<td>Continuity of Operations</td>
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<td>Civil Service Retirement System</td>
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<td>DHHS (HHS)</td>
<td>(U.S. Department of) Health and Human Services</td>
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<td>DVMS</td>
<td>District Veterinary Medical Specialist</td>
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<td>eCFR</td>
<td>Electronic Code of Federal Regulations</td>
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<td>Equal Employment Opportunity</td>
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<td>Enforcement, Investigations, and Analysis Officer</td>
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<td>Acronym</td>
<td>Description</td>
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<td>Enforcement Investigations Division</td>
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<td>Eastern Laboratory</td>
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<td>Electronic Official Personnel Folder</td>
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<td>Emergency Response Team</td>
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<td>GPO</td>
<td>U.S. Government Printing Office</td>
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<td>HACCP</td>
<td>Hazard Analysis and Critical Control Point</td>
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<td>HIKE</td>
<td>Humane Interactive Knowledge Scenario</td>
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<td>Lm</td>
<td><em>Listeria monocytogenes</em></td>
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<td>Abbreviation</td>
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<td>Midwestern Laboratory</td>
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<td>Office of Management</td>
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<td>OMB</td>
<td>Office of Management and Budget, Executive Office of the President</td>
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<td>OOEET</td>
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<td>Public Health Veterinarian</td>
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<td>PPIA</td>
<td>Poultry Products Inspection Act</td>
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<td>PSRA</td>
<td>Poultry Slaughter Risk Assessment</td>
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<td>Acronym</td>
<td>Description</td>
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<td>RGB/RGBC</td>
<td>Raw Ground Beef; Raw Ground Beef Components</td>
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<td>Ready-to-Eat</td>
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<td>SSOP</td>
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<td>Shiga-toxin Producing <em>Escherichia coli</em></td>
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<td>Talmadge-Aiken</td>
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<td>Transmissible Spongiform Encephalopathy</td>
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<td>TSP</td>
<td>Thrift Savings Plan</td>
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<td>USDA</td>
<td>United States Department of Agriculture</td>
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<td>VMO</td>
<td>Veterinary Medical Officer</td>
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<tr>
<td>WAE</td>
<td>While Actually Employed - refers to Intermittent employee</td>
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<td>WGS</td>
<td>Whole Genome Sequencing</td>
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<td>WL</td>
<td>Western Laboratory</td>
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# TABLE OF CONTENTS

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<td>RESEARCH, EDUCATION AND ECONOMICS</td>
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MISSION AREA BRIEFING MATERIAL

The Mission Area template contains the following sections:

I. Organizational Overview

   Mission Area Fact Sheet
   Organizational Chart
   Biographies for Career and Political Staff in Key Leadership Positions
   Overview of Agency Programs and Operations
   Budget and Staffing Summary

II. Top Issues/Hot Topics

   Timeline
   Mission Area Issues
   GAO and OIG Audits
AGENCY BRIEFING MATERIAL

Each Agency template contains the following sections:

I. **Organizational Overview**

   Agency Fact Sheet  
   Agency’s Mission/Strategic Plan  
   Key Mission Delivery Performance Measures  
   Organization’s History  
   Organizational Chart  
   Biographies of Career Staff in Key Leadership Positions  
   Biographies of Political Staff in Key Leadership Positions  
   Organizational Budget and Financial Management  
   Enterprise Workforce Data

II. **Policies and Regulations**

   Statutory Authorities  
   Important Policies and Regulations  
   Overview of the Policy/Regulation Review Process  
   GAO and OIG Audits

III. **Congressional Relations and Issues**

   Overview

IV. **Internal and External Stakeholders**

   Important Relationships with Other Federal Departments or Organizations  
   Stakeholder Group Overview  
   Recent Engagements with Stakeholder Groups

V. **Top Issues**

   Hot Topics  
   Timeline

**Appendix A: Acronyms**
WHAT WE DO: OUR MISSION
The Research, Education, and Economics (REE) mission is responsible for advancing scientific knowledge related to food and agriculture through research, extension, and education. Four agencies (and the Office of the Chief Scientist) comprise the REE Mission area: Agricultural Research Service (ARS), Economic Research Service (ERS), National Agricultural Statistics Service (NASS), National Institute of Food and Agriculture (NIFA). Also, the Under Secretary is USDA’s Chief Scientist with USDA-wide responsibilities for scientific integrity and coordination of research and education. The National Agricultural Research, Extension, Education, and Economics (NAREEE) Advisory Board provides advice to the Secretary and Congress on relevance and adequacy of REE programs.

WHO WE ARE: OUR WORKFORCE
REE Agency Employment (approximations):
- ARS: 7,700 Employees
- ERS: 360 Employees
- NASS: 950 Employees
- NIFA: 390 Employees
- OCS: 7 Employees
- REE: 10 Employees

WHO WE SERVE: OUR CONSTITUENTS
REE provides scientific research, economic research and analysis, and statistical information to inform USDA program and policy decisions, science-based solutions to farmers and agriculture industry, and educational programs for the next generation workforce.

KEY UPCOMING DECISIONS
- National Action Plan for Combating Antibiotic Resistant Bacteria (CARB): Whether to request funding from the REE agencies and across other Mission Areas of USDA for CARB activities as a priority initiative.
- The Billion-Ton Bioeconomy Initiative: In February 2017 USDA and DOE are expected to sign an MOU supporting Bioenergy R&D and Joint Vision. Following the MOU signing, the launch of the Interagency Action Plan on the Bioeconomy is expected.
- U.S. Farm Income Forecasts: The first ERS release for 2017 will happen in February. Forecasts are used by USDA and its stakeholders to inform perspectives on the financial health of the U.S. agricultural economy.

BUDGET HIGHLIGHTS FY 2016
- REE Undersecretary Office $893,000 in Office of the Secretary’s budget
- Mission area agencies total appropriation in FY 2016 is over $3.3 billion.
- Office of the Chief Scientist and the NAREEE Advisory Board funded through REE agencies
- REE appropriation in inflation adjusted dollars is less than in 2010
United States Department of Agriculture
2016 Presidential Transition
Research, Education, and Economics Mission Area (REE)

I. Organizational Overview

Organizational Chart

Research, Education, and Economics Mission Area

Under Secretary/Chief Scientist, USDA
  Deputy Under Secretary

  Chief of Staff
  Senior Advisor
  Confidential Assistant

Office of the Chief Scientist
  Director

REE Communications
  Director
  Public Affairs Specialist

Agricultural Research Service
  Administrator

National Institute for Food and Agriculture
  Director

Economic Research Service
  Administrator

National Agricultural Statistics Service
  Administrator

October 28, 2016
The Office of the Under Secretary of Research, Education, and Economics currently has 10 staff members, including the Under Secretary, Dr. Cathie Woteki. The Deputy Under Secretary, Dr. Ann Bartuska, is a career USDA employee. The positions of Chief of Staff, Senior Advisor, and Confidential Assistant are currently filled by political appointees. The Communications Director and Public Affairs Specialist positions are filled by career USDA employees. The two executive assistants and the program assistant are also career USDA employees.

**Biographies for career and political staff in key leadership positions**

**Dr. Catherine (Cathie) Woteki**  
**Under Secretary for Research, Education, and Economics and Chief Scientist (Political)**  
202-720-5923, catharine.woteki@osec.usda.gov

Dr. Catherine Woteki is Under Secretary for United States Department of Agriculture's (USDA) Research, Education, and Economics (REE) mission area, as well as the Department's Chief Scientist. Her responsibilities include oversight of the four agencies that comprise REE, the Agricultural Research Service (ARS), National Institute for Food and Agriculture (NIFA), Economic Research Service (ERS), National Agricultural Statistics Service (NASS), and the Office of the Chief Scientist. The National Agriculture Library and National Arboretum, are within ARS and thus, also fall under this mission area.

Before joining USDA, Dr. Woteki served as Global Director of Scientific Affairs for Mars, Incorporated, where she managed the company's scientific policy and research on matters of health, nutrition, and food safety.

From 2002 to 2005, she was Dean of Agriculture and Professor of Human Nutrition at Iowa State University, where she was also the head of the Agriculture Experiment Station. Dr. Woteki served as the first Under Secretary for Food Safety at USDA from 1997 to 2001, where she oversaw U.S. Government food safety policy development and USDA's continuity of operations planning. Dr. Woteki also served as the Deputy Under Secretary for REE at USDA in 1996.

Prior to going to USDA, Dr. Woteki served in the White House Office of Science and Technology Policy as Deputy Associate Director for Science from 1994 to 1996. During that time she co-authored the Clinton Administration’s policy statement, “Science in the National Interest.” Dr. Woteki has also held positions in the National Center for Health Statistics of the U.S. Department of Health and Human Services (1983 to 1990), the Human Nutrition Information Service at USDA (1981 to 1983), and as Director of the Food and Nutrition Board of the Institute of Medicine at the National Academy of Sciences (1990 to 1993). During her tenure as Director of the Food and Nutrition Board she had direct responsibility for twenty-seven studies and co-authored a nutrition book entitled Eat for Life which became a Book of the Month Club selection.

Dr. Woteki’s research interests include nutrition, food safety policy, risk assessment, and health survey design and analysis. She is the author of over sixty refereed scientific articles and twelve books and technical reports.
In 1999, Dr. Woteki was elected to the Institute of Medicine of the National Academy of Sciences, where she has chaired the Food and Nutrition Board (2003 to 2005). She received her M.S. and Ph.D. in Human Nutrition from Virginia Polytechnic Institute and State University (1974). Dr. Woteki received her B.S. in Biology and Chemistry from Mary Washington College (1969).

Dr. Ann Bartuska  
Deputy Under Secretary for Research, Education, and Economics  
202-720-5923, ann.bartuska@osec.usda.gov

Dr. Ann M. Bartuska is Deputy Under Secretary for USDA's Research, Education, and Economics (REE) mission area. She came to REE in September, 2010 from the USDA Forest Service, where she was Deputy Chief for Research & Development, a position she had held since January 2004. She served as Acting USDA Deputy Undersecretary for Natural Resources and Environment from January - October of 2009, and was the Executive Director of the Invasive Species Initiative of the Nature Conservancy from 2001-2004. Prior to this, she was the Director of the Forest and Rangelands staff in the Forest Service in Washington, DC.

Dr. Bartuska is an ecosystem ecologist with degrees from Wilkes College (B.S.), Ohio University (M.S.) and West Virginia University (Ph.D.). She represents USDA on the Committee on Environment, Natural Resources and Sustainability of the White House National Science and Technology Council. Bartuska is currently on the Multi-disciplinary Expert Panel (MEP) of the Intergovernmental Panel on Biodiversity and Ecosystem Services (IPBES), chartered by UNEP, and is active in the Ecological Society of America, serving as Vice-President for Public Affairs from 1996-1999 and as president from 2002-2003. She has served as co-chair of the Science and Technology for Sustainability Roundtable of the National Academies, on the Board of the Council of Science Society Presidents, and is a member of AAAS (American Association for the Advancement of Science) and SACNAS (Society for the Advancement of Chicanos and Native Americans in Science).

Dr. Chavonda Jacobs-Young  
Administrator, Agricultural Research Service  
202-720-3656, c.jacobsyoung@ars.usda.gov

Dr. Chavonda Jacobs-Young has served as Administrator of the U.S. Department of Agriculture's chief scientific in-house research agency since February 2014. Previously, Dr. Jacobs-Young had served as ARS Associate Administrator for National Programs, where she led the Office of National Programs, which manages the research objectives of the Agency, and the Office of International Research Programs, which is responsible for ARS' liaison with its international partners.

Prior to moving into her roles at ARS, Dr. Jacobs-Young served as the Director of the Office of the Chief Scientist at USDA, where she was responsible for facilitating the coordination of scientific leadership across the Department to ensure that research supported by, and scientific advice provided to, the Department and external stakeholders were held to the highest standards of intellectual rigor and scientific integrity. She served as the Acting Director for USDA's National
Institute of Food and Agriculture, and has served as a senior policy analyst for agriculture in the White House Office of Science and Technology Policy.

Dr. Jacobs-Young is a native of Georgia. She holds M.S. and Ph.D. degrees in Wood and Paper Science and a B.S. degree in Pulp and Paper Science and Technology from North Carolina State University. She also is a graduate of American University's Executive Leadership in Public Policy Implementation Program.

**Dr. Mary Bohman**  
**Administrator, Economic Research Service**  
202-694-5000, mbohman@ers.usda.gov

Dr. Bohman joined ERS in 1997 and previously served as Director of the Agency's Resource and Rural Economics Division, Deputy Director for Research in the Market and Trade Economics Division (MTED), and Chief of MTED's Europe, Africa, and Middle East Branch. Other public-sector positions held include details to the White House Office of Science and Technology Policy and to USDA's Under Secretary for Farm and Foreign Agricultural Services. From 1990 to 1997 she was on the Agricultural Sciences faculty at the University of British Columbia.

Mary is a member of the Agricultural & Applied Economics Association, the Association of Environmental and Resource Economists, and the International Association of Agricultural Economists. She serves as Co-Chair of the Global Steering Committee for the Global Strategy for Agricultural and Rural Statistics under the United Nations Statistical Commission.

Dr. Bohman received her Ph.D. from the Department of Agricultural Economics, University of California, Davis and her B.S. from the School of Foreign Service, Georgetown University.

**Hubert Hamer**  
**Administrator, National Agriculture Statistics Service**  
202-720-3896, hubert.hamer@nass.usda.gov

Before becoming administrator, Mr. Hamer served as director of the Statistics Division, which produces and releases more than 400 national statistical reports each year covering the agency’s crops, livestock, economic, demographic, environmental, and census programs. He also served as executive director of the NASS Agricultural Statistics Board (ASB) and executive director of the Advisory Committee on Agriculture Statistics. From May 2000 until April 2010, Hamer was NASS Associate Deputy Administrator for Field Operations, overseeing 24 state field offices as well as the Training and Career Development Office.

Hamer completed the program for Senior Managers in Government at Harvard University’s John F. Kennedy School of Government in 2004 and completed the Office of Personnel Management (OPM) Executive Potential Program in 1994. As part of the OPM program, he served as a fellow with the Senate Budget Committee and worked on the staff of the Secretary of Agriculture.
Hamer was born on a small livestock and row crop farm in Benton County, Mississippi, and later continued his development in Grand Junction, Tennessee. He is a graduate of Tennessee State University.

**Dr. Sonny Ramaswamy**  
**Director, National Institute of Food and Agriculture (Political-term)**  
202-720-4423, sonny@nifa.usda.gov

Dr. Sonny Ramaswamy was appointed by President Barack Obama in 2012 to serve as Director of the National Institute of Food and Agriculture. The Director of NIFA serves a six-year term based on legislation and is also subject to reappointment for an additional six-year term.

Prior to starting at NIFA, Dr. Ramaswamy held a number of academic positions, including: Dean of Oregon State University’s College of Agricultural Sciences; Director of Purdue’s Agricultural Research Programs; university distinguished professor and head of Kansas State’s Entomology Department; and professor of entomology at Mississippi State.

Dr. Ramaswamy received his B.S. degree in agriculture and M.S. degree in entomology from the University of Agricultural Sciences, Bangalore, India. His doctorate is in entomology from Rutgers University. He is also a graduate of Harvard University’s Management Development Program.

**Kim Green**  
**Director of the Office of the Chief Scientist**  
202-720-3444, kim.green@osec.usda.gov

Ms. Kim Green was selected to be the Director of the Office of the Chief Scientist in 2014, after eight years of service to USDA within the Food Safety and Inspection Service (FSIS). She held several positions with FSIS, including Acting Deputy Assistant Administrator, Director of the Food Defense and Assessment Staff, and Director of the Data Analysis and Integration Staff. She served as Acting District Manager for the Denver District of the Office of Field Operations, responsible for public health and food safety for the Agency's largest operational region, stretching from Nebraska to Guam. Ms. Green was on detail with the Natural Resources Conservation Service in 2014. Before joining USDA, Ms. Green was Vice President for Research, Science, and Technical Affairs for the International Bottled Water Association.

She holds a Bachelor of Science Degree in Chemistry and a Master of Science in Geochemistry, both from The Colorado School of Mines. She was appointed to the U.S. Army Science Board and served from 1991-1997. Ms. Green is the author or co-author of more than 30 peer-reviewed scientific publications.
Overview of REE Programs and Operations

Mission Statement:
The Research, Education, and Economics (REE) mission area of the U. S. Department of Agriculture has Federal leadership responsibility for advancing scientific knowledge related to food and agriculture through research, extension, and education.

Priority Goals:
Building on REE’s 2010 “A Roadmap for USDA Science,” the REE Action Plan, first developed in 2012 and revised in 2014, establishes goals and priorities for USDA science and education. It includes strategies and actions to help coordinate efforts to achieve these goals:

- Goal 1: Local and Global Food Supply and Security
- Goal 2: Responding to Climate and Energy Needs
- Goal 3: Sustainable Use of Natural Resources
- Goal 4: Nutrition and Childhood Obesity
- Goal 5: Food Safety
- Goal 6: Education and Science Literacy
- Goal 7: Rural-Urban Interdependence and Prosperity

Several goals have sub-goals to provide programmatic emphasis. For each goal or sub-goal, strategies are identified that provide a vision for how the goals can be supported. Through alignment with the various components in the REE plan, USDA agencies demonstrate that their programs support the stated goals, which in turn support the broader Departmental goals, set forth by the Secretary of Agriculture.

The Research, Education, and Economics (REE) mission area works to address the challenges that exist today and those that will confront the country in the future. Through the combined efforts of all REE scientists, researchers, and partners, USDA has created a robust infrastructure to perform world-class science and to deliver classroom and community education and transfer technologies from the labs to the private sector for commercialization.

Major Programs in REE:
The Agricultural Research Service (ARS) is the largest intramural research agency of USDA. ARS has a workforce comprised of life and physical scientists, engineers, and veterinarians who represent a wide range of disciplines and work at more than 90 locations across the country and at 5 overseas laboratories. The ARS research agenda is broad, with about 750 research projects organized under 4 major program areas: Nutrition, Food Safety, and Quality; Animal Production and Protection; Natural Resources and Sustainable Agricultural Systems; and Crop Production and Protection.
The Economic Research Service (ERS) is USDA’s primary source of economic information and analysis, and economic and social science research. The mission of ERS is to inform and enhance public and private decision making on economic and policy issues related to agriculture, food, the environment, and rural development.

The National Agricultural Statistics Service (NASS) is USDA’s statistical agency. NASS conducts hundreds of surveys every year and prepares reports covering virtually every aspect of U.S. agriculture. The statistical data provided by NASS is essential to the public and private sectors for making effective policy, production, and marketing decisions on a wide range of agricultural commodities. NASS also conducts statistical science research on survey design, sampling, and other methodological issue areas. NASS works closely with the States in determining their agricultural profiles.

The National Institute of Food and Agriculture (NIFA) is the primary extramural research, education, and extension funding agency of USDA. Its mission is to invest in and advance agricultural research, education, and extension to solve societal challenges. Some of funding opportunities are specific to the Land-Grant University System, and others open to participation by other academic institutions, government agencies, non-governmental organizations, and even private sector entities.

About 94 percent of NIFA funds are used for program grants that are distributed to science professionals around the country to fund innovative solutions to local and global challenges. Grant recipients include colleges and universities across the nation, including the 112 1862, 1890 and 1994 Tribal Land-Grant Institutions; Hispanic-serving institutions; non-land grant colleges; and other academic organizations. Approximately 51 percent of funding is distributed to programs at land-grant universities and other colleges based on eight legislated formulas, generally referred to as “capacity” funding. Partnerships with federal agencies and other entities leverage NIFA’s investments. Approximately four percent of the NIFA programs support higher education and youth development-related efforts, including 4-H programs through the Cooperative Extension System.

Other USDA Organizations: While other USDA organizations do not directly fall within REE mission area jurisdiction (ex: Forest Service (FS) Research and Development (R&D)), their contribution is vital to USDA’s science agenda. Forest Service R&D provides the basic and applied science that underpins the agency’s efforts to promote resilient forests and sustainable communities that can adapt to forest threats such as climate change, fire, and insect and disease infestations. The knowledge and information gained from this research benefits the American public by improving the health and productivity of the Nation’s forests, and the quality of life of communities by providing protection from fire, improving water and air quality, and supporting other ecosystem services in both urban and rural communities.
Program Planning and Evaluation:
The Department’s Office of the Chief Scientist (OCS) was established pursuant to the 2008 Farm Bill. OCS assists USDA’s Chief Scientist in providing strategic coordination of the science that informs the Department’s decisions, policies, and regulations that affect all aspects of U.S. food and agriculture and related landscapes and communities. OCS advises the Chief Scientist, as well as agency leadership and senior staff across the Department, on science policy and science issues. The Office further participates with the Chief Scientist and agency leadership and senior staff in developing and communicating critical policy and program management decisions. Externally, the OCS provides liaison between the Department and other federal entities, as well as members of academia, and industry groups, in identifying and addressing issues of high scientific priority. The OCS ensures the preparation and dissemination of a broad range of information resource documents critical to policy and decision-making processes. OCS Senior Advisors conduct analytical or policy studies and projects that promote the strategic interests of the U.S. Government.

The Office provides Departmental leadership and coordination for the formulation, administration, interpretation and evaluation of the Department’s science and research integrity policies and initiatives. It ensures that research supported by and scientific advice provided to the Department and its stakeholders is held to the highest standards of intellectual rigor and scientific integrity.

The National Agricultural Research, Extension, Education, and Economics Advisory Board (NAREEEAB) provides advice to the Secretary of Agriculture, Congress and land-grant colleges and universities on top priorities and policies for food and agricultural research, education, extension and economics. The Board is made up of 25 members, each of which represents a specific category of U.S. agricultural stakeholders, as mandated by Congress. The Board is charged to provide recommendations to the Under Secretary of the Research, Education, and Economics mission area on the draft strategic plan and to conduct an annual review of the relevance of the REE programs and activities to the established priorities and the adequacy of funds for those programs. The NAREEE Advisory Board also provides advice and recommendations to the Secretary, Congress, and the land-grant colleges and universities on the National Genetic Resources Program; and on the Citrus Disease Research and Extension Program and the Specialty Crop Research Initiative through mandated annual consultations with the National Institute of Food and Agriculture. The NAREEE Advisory Board recently appointed 7 new members. 15 members of various subcommittees of NAREEE are currently being reviewed for appointment. NAREEE has an additional 9 members whose terms will expire in September 2017 and a solicitation to accept nominations for these members will be posted in early spring 2017. NAREEE is exempt from the chartering requirements of the Federal Advisory Committee Act (7 USC 2123(f)).

The National Agricultural Statistics Service (NASS) Advisory Committee on Agricultural Statistics (ACAS) advises the Secretary of Agriculture on the scope, timing, content, etc., of the periodic censuses and surveys of agriculture, other related surveys, and the types of information to obtain from respondents concerning agriculture. ACAS currently has 9 members with terms expiring in January 2017 and, nominations to replace these members are currently being accepted for review. The ACAS charter is current and will not be up for renewal until August 15, 2018.
### Budget and Staffing Summary

#### REE Mission Area

**Budget Authority FY 2009- FY 2016**  
(Dollars in Thousands)

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#### Summary by Agency:

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The Research, Education, and Economics appropriation in 2016, in inflation adjusted dollars is less than in 2010.

**Office of the Chief Scientist**
The 2008 Farm Bill authorizes funding for OCS’ operation through the transfer of funds from agencies within REE.

**National Agricultural Research, Extension, Education, and Economics (NAREEE) Advisory Board**
The National Agricultural Research, Extension, and Teaching Policy Act of 1977, as amended, sets a cap of $500,000 annually (including staff salaries) for the operation of the NAREEE Advisory Board. The REE mission area agencies share in the cost of the Board based on an established percentage: Economic Research Service – 10%; National Agricultural Statistics Service – 10%; Agricultural Research Service – 40%; National Institute of Food and Agriculture – 40%.

**II. Top Issues/Hot Topics**

**Timeline**
The REE Action Plan Report on progress will be compiled over the first few months of 2017. The REE Report to Congress will be compiled simultaneously. There are several board meetings that will take place in the beginning of 2017 including the CARB Advisory Council in January. The BRDi Board meets quarterly, with the first meeting likely to take place in late March. In April, a meeting of the Foundation for Food and Agriculture Board meeting including *ex officio* members will occur. The NAREEE Board will also meet in April. The CARB Advisory Council will convene again in May.
Mission Area Issues

- **Presidential Advisory Council on Combating Antibiotic-Resistant Bacteria (PACCARB):** The PACCARB was established in September 2015 by the HHS Secretary in consultation with the Secretaries of Agriculture and Defense. The [charter](#) describes PACCARB’s role to provide advice, information, and recommendations regarding programs and policies intended to support and evaluate the implementation of the Combating Antibiotic Resistant Bacteria (CARB) Executive Order 13676, including the National Strategy and the **National Action Plan for Combating Antibiotic-Resistant Bacteria**. OCS works with HHS, DoD and the PACCARB co-chairs supporting interagency meetings, coordinating USDA participation and inputs to PACCARB, and serving as Alternate Ex-Officio.

- **Billion-Ton Bioeconomy Initiative:** Seven agencies constitute the U.S. Government’s Biomass Research and Development Board which developed the billion ton bioeconomy initiative. USDA along with other agencies engaged in clean energy research and development are working to find innovative ways to accelerate results. In February 2017 USDA and DOE are expected to sign an MOU supporting Bioenergy R&D and Joint Vision. Following the MOU signing, the launch of the Interagency Action Plan on the Bioeconomy is expected.

- The Economic Research Service’s **U.S. Farm Income Forecasts** are updated three times per year, including the first release for 2017 that will take place during the first half of February. The ERS farm income and finance program measures, forecasts, and explains indicators of economic performance for the U.S. farm sector and farm businesses by resource region and commodity specialization. The program's data and analysis are used by USDA and its stakeholders to better understand factors related to the financial health of the U.S. agricultural economy. The analysis is useful in identifying subsectors and business types that are performing particularly well, or poorly, relative to past trends and to other types of farms. Financial performance measures include the farm sector's receipts and expenses; gross and net value added; and both net cash farm income and net farm income. Measures also include changes in the sector's assets, debt, and overall wealth, as well as financial ratios that depict solvency, liquidity, and efficiency. Taken together, the measures summarize the financial condition of the farm sector.

- The **USDA Climate Hubs** were established in 2014 to develop and deliver science-based, region-specific information and technologies to agricultural and natural resource managers; to enable climate-informed decision-making; and direct land managers to USDA agency programs and regional partners to build resilience to climate variability. Five Hubs are hosted by ARS and five are hosted by the FS. The Hubs focus on partnership development, stakeholder engagement, regional assessments, information synthesis, tool development, adaptation demonstrations, education, research outreach and translation.
- **Scientific Integrity:** In December 2015, the Chief Scientist, in consultation with the USDA Science Council, accepted recommendations made by the Departmental Scientific Integrity Officer (DSIO) to revise DR 1074-001. In accordance with the delegations of authority specified in Title 7 CFR 2.21a(11)(iv), the Under Secretary for REE, as the USDA Chief Scientist, has primary responsibility for “[developing] mechanisms to address scientific integrity within the Department.” Accordingly, the Chief Scientist has overall responsibility for the USDA Scientific Integrity Policy, which was established by the issuance of Departmental Regulation (DR) 1074-001 (“Scientific Integrity”) on May 10, 2013. In December 2015, the Chief Scientist, in consultation with the USDA Science Council, accepted recommendations made by the Departmental Scientific Integrity Officer (DSIO) to revise DR 1074-001. A revised version of the DR and an accompanying procedural manual were subsequently drafted by the DSIO in collaboration with USDA agency and staff office representatives (i.e., the Agency Scientific Integrity Officers), and entered into the USDA Directives clearance system in June 2016. As of October 6, 2016, final clearances for issuance of the revised DR and manual were pending.

- **The National Agricultural Research, Extension, Education, and Economics (NAREEE) Advisory Board:** The NAREEE Board’s Citrus Disease Subcommittee will meet February 2-3, 2016, to conduct the annual mandated consultation with the National Institute of Food and Agriculture on the agenda and annual priorities and budget for the Citrus Disease Research and Extension (CDRE) Program. The Citrus Disease Subcommittee will draft and issue a letter of recommendations to USDA in the 2nd quarter of 2017. These recommendations will potentially influence the Request for Pre-Proposal Applications for the CDRE program.

- **The Foundation for Food and Agriculture Research (FFAR)** was authorized by Congress as part of the 2014 Farm Bill and operates as a non-profit corporation leveraging public and private resources to increase the scientific and technological research, innovation, and partnerships critical to boosting America's agricultural economy. Congress initially provided $200 million for FFAR which must be matched by non-federal funds as FFAR identifies and approves projects. The REE Under Secretary, with the support of the Office of the Chief Scientist, is delegated by the Secretary to lead the USDA review of proposed FFAR activities to ensure that the Foundation’s work complements USDA activities. USDA and FFAR are in the process of finalizing a Memorandum of Understanding between USDA and the Foundation. The MOU will formalize the working relationship between USDA and FFAR, as FFAR becomes a partner in supporting the research initiatives of USDA. The Board adopted an aggressive plan to spend down the $200M by the end of 2018. The majority of the funds will be allocated to challenge areas the Board identified and a proportion of funds will be held for other priorities that may arise. We are asked to submit ideas for specific projects we would like FFAR to undertake within both categories (challenges and other opportunities). All of which is dependent on finding non-Federal partners with matching funds. Concerns remain about oversight of financial matters within FFAR.
United States Department of Agriculture  
2016 Presidential Transition  
Research, Education, and Economics Mission Area (REE)

- **National Bio and Agro-Defense Facility (NBAF):** Since 2004, DHS and USDA have worked closely to fulfill the Homeland Security Presidential Directive 9 mandate for the agencies to plan to establish safe, secure, state-of-the-art agriculture biocontainment laboratories that research and develop diagnostic capabilities for foreign animal and zoonotic diseases (those that can pass between animals and humans). The NBAF—a $1.25 billion next-generation biocontainment facility under construction in Manhattan, Kansas—is the result of DHS’ and USDA’s planning efforts (including APHIS and ARS). The NBAF will replace existing, aging biocontainment laboratories located at the Plum Island Animal Disease Center (PIADC) in Orient Point, New York. DHS has received all of the NBAF construction funds and plans for the NBAF to be fully operational in 2023. USDA is working closely with DHS on the transition planning for the move from PIADC to NBAF. In its version of the 2017 appropriations bill, the Senate Agriculture Appropriations Subcommittee included language encouraging DHS and USDA to work together on a plan for the future operation of NBAF, including consideration of the appropriate agency to manage the facility. As a result, USDA and DHS face several complex technical and financial questions, including: long term administration costs, technical expertise in managing a facility with private sector tenants, and any additional management requirements for BSL-4 level facilities. It is estimated that it will require significant sums to operate the facility. Any transition to USDA would require a corresponding increase in resources for USDA.

- **The National Animal Health Laboratory Network (NAHLN):** is the Nation’s system for surveilling for animal disease. R&D is needed to support the 5 pillars related to high consequence animal disease threats: Prepare, Prevent, Detect, Respond, and Recover (PPDRR). R&D is inadequately funded and most pillars are far from completion. The National Institute of Food and Agriculture (NIFA) has no reliable stream of sufficient funding to engage the extramural scientific community leaving the animal health-resource challenged Agricultural Research Service to do most of the work through intramural research. A competitive program prioritizing R&D imperatives within and between all 5 PPDRR pillars would be a great boost to agriculture security. NIFA’s Food and Agriculture Defense Initiative (FADI) needs approximately $30-40 M for improving infrastructure. The NAHLN provides a framework for a network of labs to coordinate emerging disease detection. Samples often go to university labs rather than federal labs and there are differences across universities in capabilities, equipment, and resources. A negative test in one university may not be as reliable if another university has better capabilities to analyze samples. Laboratories with different capabilities using different technologies must be able to communicate. Without harmonized processes and coordination, early detection is challenging. Presently, much work is being accomplished through good will. For example, APHIS provides fee for service for surveillance but labs are doing more than they are being funded for: the situation will not continue indefinitely. The Federal Government is dependent on the civilian sector to provide reagents. If there is an event for which there is only one or a few supplier(s) of reagents and they become overwhelmed or are unable to produce, testing will not be possible. NIFA funding to laboratories through the NAHLN has been cut approximately 40% and is insufficient for
infrastructure maintenance and response. In 2006, NAHLN was able to respond to three foreign animal diseases. By 2014, that number has only risen to four because of decreased funding.

- The **Global Open Data for Agriculture and Nutrition** (GODAN) is a partnership of over 370 partners from national governments and nongovernmental, international, and private sector organizations seeking to make data on agriculture and nutrition open, available, useable, and accessible for unrestricted use worldwide. The Office of the Chief Scientist coordinates the U.S. Government participation in the GODAN initiative. It is anticipated that both the chairs of the 2017 G7 and the G20, Italy and Germany respectively, will take up the open data for agriculture and nutrition topic as a priority for their terms.

- **China Garden**: The Chinese government recently agreed to fund the construction of the National Chinese Garden Project (China Garden) at the National Arboretum. Official groundbreaking was scheduled to take place in late October 2016. The Chinese government has agreed that they will hire and pay directly all contractors. Previously, the National China Garden Foundation (NCGF) was identified to be the hiring authority and as such, there were concerns on the availability of funds to pay for construction. The recently completed MOU with the Chinese government makes clear the new intent of the Chinese to hire, manage and pay for all contractors related to the construction of the China Garden. The MOU also includes provisions to protect the interests of the U.S. National Arboretum since authority to direct the operations of the contractors will no longer reside with NCGF. Additional provisions include hours of access to, and prohibiting any contractor housing on Arboretum grounds. Finally, the Chinese indicated their intent to complete construction in 3 years. The next steps are for NCGF to raise the endowment for maintenance and to monitor all aspects of construction through an Owners’ Representative hired specifically for that role.

**Under Secretary’s Board Commitments**
The Under Secretary serves on the following boards:

- Biomass Research and Development Board (BRDB)
- National Science and Technology Council (NSTC) Committee on Homeland and National Security (CHNS)
- NSTC Committee on Science (CoS)
- NSTC Committee on Technology (CoT)
- NSTC Task Force on Ebola-Response Science and Technology
- NAREEE Advisory Board
- Foundation for Food and Agriculture
- Global Research Alliance
- China MOST Joint Working Group
- India Joint Working Group
Deputy Under Secretary’s Board Commitments
The Deputy Under Secretary serves on the following boards:

- NSTC Committee on Environment, Natural Resources, and Sustainability (CENRS)
- NSTC Committee on Science, Technology, Engineering, and Math (CoSTEM)
- Chair, NSTC subcommittee on Global Change Research
- 4H Board of Trustees
- NAS Science and Technology For Sustainability Roundtable
- Vice-Chair Civil Applications Committee (CAC)
- Co-chair NSTC Interagency Working Group on Scientific Collections

GAO and OIG Audits

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WHAT WE DO: OUR MISSION

The Agricultural Research Service (ARS) is the U.S. Department of Agriculture’s chief in-house scientific agency. ARS conducts research on agricultural problems of high national and global priority. Our job is finding solutions to challenges that affect our stakeholders every day from field to table. Our research ensures high-quality, safe food, and other agricultural products; assesses the nutritional needs of Americans; sustains a competitive agricultural economy; enhances the natural resource base and the environment and provide economic opportunities for rural citizens, communities, and society as a whole.

WHO WE ARE: OUR WORKFORCE

- Roughly 7700 employees at 90 locations around the Nation, including the National Arboretum, National Agricultural Library, and 4 overseas laboratories
- Scientific personnel including roughly 1600 scientists, 3500 support scientists and technicians, and 250 Post Docs
- About 2500 programmatic and administrative personnel, including program leaders, librarians, information technology and administrative specialists

WHO WE SERVE: OUR CONSTITUENTS

ARS serves the public, producers, commodity groups, non-governmental organizations, the academic and scientific communities, state and local governments, and Federal action and regulatory agencies such as APHIS, FSIS, NRCS, FS, EPA, DOE, NIH, and others.

KEY UPCOMING DECISIONS

- In FY 2012, ARS completed a Capital Investment Strategy to modernize and/or rebuild critical facilities housing high priority research. The FY17 budget includes a request of $94.5 million to make much needed investments in Salinas, California and Frederick, Maryland. A decision is required on the level of support for ARS capital investments in the FY 2018 President’s Budget.
- ARS is undertaking an assessment of the Administrative and Financial Services Division, which serves the REE agencies. The assessment, slated for completion in February 2017 and performed in partnership with the National Academy of Public Administration, may result in organization structure changes. As such, a reorganization package, per Departmental Regulation 1010, will possibly be submitted in February or March timeframe. Decision points may possibly include restructuring the organization and relocation of employees.

BUDGET HIGHLIGHTS FY 2016

- $1.36 billion discretionary budget, including $1.12 billion for research programs (including NAL), $20.1 million for repair and maintenance, $5.1 million for GSA rent and DHS security payments, and $212.1 million for Buildings and Facilities (B&F). The graph reflects only research programs.
- Since 2015, ARS has been appropriated $257.1 million in B&F ($212.1 million in FY 2016 and $45 million in FY 2015), which provides resources for seven (7) of 21 projects identified in the 2012 Capital Investment Strategy.

2016 ARS Research Program

- Product Quality/Value Added
- Livestock Production
- Livestock Protection
- Crop Production
- Crop Protection
- Food Safety
- Human Nutrition
- Environmental Stewardship
- National Agricultural Library
I. **Organizational Overview**

**Agency’s Mission/Strategic Plan**

**Mission Statement**
ARS conducts research to develop and transfer solutions to agricultural problems of high national priority and provide information access and dissemination to:
• Ensure high-quality, safe food, and other agricultural products;
• Assess the nutritional needs of Americans;
• Sustain a competitive agricultural economy; and
• Enhance the natural resource base and the environment and provide economic opportunities for rural citizens, communities, and society as a whole.

**Vision**
Lead America towards a better future through agricultural research and information.

**The ARS Strategic Plan**

**Key mission delivery performance measures**

ARS’ key performance measures for its research are defined in its FY 2012-2017 Strategic Plan. Given the fundamental nature of research programs, these are qualitative in nature, as are the indicators listed annually in ARS’ Annual Performance Plan. These performance measures and indicators are also part of the Agency’s annual budget submission. ARS reports progress and outcomes for these measures and indicators in its Annual Performance Report. The ARS Strategic Plan and the combined ARS Annual Performance Report for FY 2015 and Performance Plan for FY 2016-2018 can be found on the [Plans and Reports page of ARS’ web site](https://www.ars.usda.gov/ARSUserFiles/00000000/StrategicPlan/USDAARSFY2012-2017StrategicPlan.pdf). Older reports are available through the [GPRA archive](https://www.ars.usda.gov/ARSUserFiles/00000000/StrategicPlan/USDAARSFY2012-2017StrategicPlan.pdf).

ARS’ Strategic Research Goals, Performance Measures, and Indicators for the past five years are listed below. Progress (outcomes and impacts) made annually for these indicators is narrative and contained in the annual performance report referenced above.

**Goal 1.1 - Enable Americans to make health-promoting, science-based dietary choices.**

Performance Measure: Monitor nutrient composition of food supply and consumption by Americans while conducting research on life stage nutrition and metabolism. Strengthen the scientific basis for dietary guidance for health promotion and disease prevention and develop strategies for prevention of obesity and related diseases.
Indicators:
- ARS will survey, release data on, and analyze national food consumption patterns of Americans.
- ARS will develop new methods, conduct food composition analyses, and compile databases for known, emerging, and new classes of nutrients.
- ARS will develop new methods, conduct food composition analyses, and compile databases for known, emerging, and new classes of nutrients and for branded food items.
- ARS will identify dietary and lifestyle intervention strategies to prevent obesity and promote healthy food choices and eating behaviors.
- ARS will determine the functions, bioavailability, interactions, and requirements for known, emerging, and new classes of nutrients across the lifecycle.
- ARS will publish new findings on metabolic processes that are affected by nutrient intake.
- ARS will discover genetic or epigenetic factors that influence physiologic responses to diet or changes in gene expression in response to dietary intake.
- ARS will identify processes and methods whereby agriculture production influences the nutritional value of the food supply.

Goal 1.2 – Protect food from pathogens, toxins, and chemical contamination during production, processing, and preparation.

Performance Measure: Develop new technologies that assist ARS customers in detecting, identifying and controlling foodborne diseases associated with the consumption of animal products that affect human health.

Indicators:
- ARS will determine how population systems in animals, plants, or the environment, or any combination of these influence the safety of food. Determine the conditions under which microorganisms exist. Determine how microorganisms may in turn influence the conditions prevailing in the environment. Ensure that these technologies can be utilized by regulatory agencies, producers and/or processors to help assure safe food products.
- ARS will develop an understanding of bacterial, viral, and fungal pathogenicity through a systems biology approach. Utilize this data for pathogen intervention and control, modeling, and providing data for the development of risk assessments by regulatory agencies. Ensure that these technologies can be utilized by regulatory agencies, producers and/or processor to help assure safe food products.
- ARS will develop innovative methods and advanced technology systems that rapidly and accurately detect, identify, and differentiate the most critical and economically important foodborne bacterial, viral, and protozoan pathogens. Ensure that these technologies can be utilized by regulatory agencies and/or producers to help assure safe food products.
- ARS will develop intervention and control strategies that will help to significantly decrease or eliminate pathogens in food animals and their derived products (eggs/milk), seafood, and plant crops (produce/grains/tree nuts) during critical periods of production and processing. Develop and subsequently combine new/innovative processing technologies using the intelligent hurdle concept. Ensure that these technologies can be utilized by producers and/or processors to help assure safe food products.
• ARS will develop bioinformatic databases and tools, and predictive user-friendly models to understand pathogen behavior and acquisition of virulence characteristics under various stress conditions. Determine the key risk factors of human pathogens in foods, and evaluate systems interventions for their impact, which will enable regulatory/action agencies to make critical food safety decisions that impact public health.

• ARS will develop innovative methods and advanced technology systems that rapidly and accurately detect and identify veterinary drugs, chemical residues, heavy metals, persistent organic pollutants, and biological toxins derived from bacteria, fungi, and plants. Evaluate contaminant toxicity and mechanism of action. Provide data which will enable regulatory/action agencies to make critical food safety decisions that impact public health.

• ARS will develop approaches to understand the development, persistence, and transmission of antimicrobial resistant (AMR) genetic elements that result in antimicrobial resistant foodborne pathogens. Develop and validate assays to rapidly detect and assess AMR pathogens. Develop and evaluate alternatives to antibiotics to reduce the development of AMR in foodborne pathogens.

Goal 1.3 – Enhance the economic viability and competitiveness of U.S. agriculture by maintaining the quality of harvested agricultural commodities or otherwise enhancing their marketability, meeting consumer needs, developing environmentally friendly and efficient processing concepts, and expanding domestic and global market opportunities through the development of value-added food and nonfood technologies and products, except energy and fuels.

Performance Measure: Develop methods and technologies to better define, measure, preserve or enhance quality and improve utilization of food crops, animals and agricultural fibers, as well as non-food, non-fuel biobased products and sustainable technologies/processes.

Indicators:
• ARS will develop technologies leading to new or improved products from bio-based (agricultural) renewable resources, residues, and wastes.
• ARS will develop new or improved methods to measure or predict marketable and or nutritional quality, or to sort by quality.
• Enable commercially-viable post-harvest technologies for non-food biobased products and for value-added non-food processing.
• Develop new or improved methods to measure, predict, enhance or reduce impacts to food marketability, nutritional quality, new bioactives and functional foods, and/or food processing technologies.

Goal 2.1 – Integrated, effective, and safe water resource management.

Performance Measure: Develop technology and practices to promote improvement of integrated, effective and safe water resource management.
Indicators:
• ARS will develop new or improved guidelines, technologies, and/or knowledge to increase the effectiveness of agricultural water management.
• ARS will develop new or improved guidelines, technologies, and/or knowledge to reduce erosion and sedimentation from agricultural lands and/or improve water quality.
• ARS will develop new or improved knowledge, tools, technologies, guidelines, and/or conservation practices to better protect water resources, improve the overall effectiveness of USDA conservation programs, and/or improve watershed management and ecosystem services in agricultural landscapes.

Goal 2.2 – Improve quality of atmosphere and soil resources, understand effects of climate change.

Performance Measure: Improve quality of atmosphere and soil resources; understand effects of climate change through development of knowledge and technologies.

Indicators:
• ARS will assess the potential risks and benefits to agricultural systems from climate change, and develop agricultural management practices and decision support strategies that enable producers to take advantage of the beneficial effects, and adapt to the adverse effects of climate change.
• ARS will develop management practices and decision tools to improve soil quality, protect the environment, and contribute to the sustainability of agricultural systems.
• ARS will assess the greenhouse gas emissions from agricultural systems and develop methods for reducing the emissions.

Goal 2.3 – Enable new biorefining technologies to support an economically robust biorefining industry.

Performance Measure: Enable new commercially-viable technologies to (1) convert agricultural materials and byproducts into fuels and other marketable products, and (2) reduce risks and increase profitability in existing industrial biorefineries.

Indicators:
• ARS will enable technologies that can reduce business risks, increase the value of co-products, and/or expand the number of revenue streams for existing biorefineries.
• ARS will enable technologies for the production of new biofuels which are compatible with the Nation’s existing fuel distribution infrastructure.

Goal 2.4 – Effectively and safely manage and use manure and other agricultural and industrial byproducts in ways that maximize their potential benefits while protecting the environment and human and animal health.

Performance Measure: Effectively and safely manage and use manure and other agricultural and industrial byproducts in ways that maximize their potential benefits while protecting the environment and human and animal health.
Indicators:
• ARS will increase utilization of manure nutrients and resources.
• ARS will reduce manure pathogens and Pharmaceutically Active Compounds (PACs).
• ARS will reduce atmospheric emissions from animal production facilities.
• ARS will develop beneficial uses of agricultural, industrial, and municipal byproducts.

Goal 2.5 - Develop and transfer economically viable and environmentally sustainable production and conservation practices, technologies, plant materials and integrated management strategies, based on fundamental knowledge of ecological processes, that conserve and enhance the nation's diverse natural resources found on its range, pasture, hay, and turf lands.

Performance Measure: Develop and transfer economically viable and environmentally sustainable production and conservation practices, technologies, plant materials and integrated management strategies, based on fundamental knowledge of ecological processes, that conserve and enhance the Nation's diverse natural resources found on its range, pasture, hay and turf lands.

Indicators:
• ARS will provide improved germplasm and cultivars that can be released for pasture, harvested forages, turf, biofuels, rangeland restoration, and conservation. (2014, 2015, 2016, 2017, 2018)
• ARS will provide forage, pasture, and rangeland management technologies and strategies that reduce inputs while improving livestock performance and sustaining the environment.

Goal 2.6 – Develop integrated solutions to solve challenges related to agricultural system productivity, profitability, energy efficiency, and natural resource stewardship.

Performance Measure: Develop integrated solutions to solve challenges related to agricultural system productivity, profitability, energy efficiency, and natural resource stewardship.

Indicators:
• ARS will develop integrated solutions to solve challenges related to agricultural system productivity, profitability, energy efficiency, and natural resource stewardship.
• ARS will develop integrated solutions to increase agricultural system productivity, profitability and natural resource stewardship with metrics to describe the sustainability of the solutions.

Goal 3.1 – Protect, expand, and enhance the United States’ crop genetic resource base, increase scientific knowledge of crop genes, genomes, biological processes and systems, and deliver economically and environmentally sound technologies that improve the production efficiency, quality, health and value of the nation’s crops.
Performance Measure: Develop knowledge, strategies, systems and technologies that maximize the production efficiency of our annual, perennial, greenhouse and nursery cropping systems. Develop new technologies and tools contributing to improving these systems to meet current and future food crop production needs of diverse consumers, while ensuring economic and environmental sustainability and production efficiency, health, and value of our nation’s crops.

Indicators:
• ARS will breed superior new crops, varieties, and enhanced germplasm.
• ARS will devise innovative approaches to crop genetic improvement and trait analysis.
• ARS will expand crop genomic information resources and advanced bioinformatic capabilities.
• ARS will conserve and encourage the use of plant and microbial genetic resources and associated information.
• ARS will expand fundamental knowledge of plant biological and molecular processes.
• ARS will develop more effective means for plant biotechnology risk assessment.
• ARS will develop more effective methods to enhance biotechnology for crop improvement.
• ARS will develop crop production strategies to optimize crop genetic potential, mitigate losses due to biotic and abiotic stresses, and increase production efficiency.
• ARS will improve pollinator health, bee systematics and germplasm lines, and pollination.

Goal 3.2 – Protect our nation’s crops.

Performance Measure: Provide scientific information to increase our knowledge of plant genes, genomes and biological and molecular processes to protect crops and cropping systems from the negative effects of pests and infectious diseases. Develop sustainable control strategies for crop pests and pathogens based on fundamental and applied research that are effective and affordable, while maintaining food safety and environmental quality.

Indicators:
• ARS will continue to identify and characterize genes of insect, nematode, and plant pathogen resistance in crop plants, closely related non-crop species, and other species, to enhance opportunities for developing host plant resistance, and to incorporate such genes into commercially acceptable varieties.
• Continue to identify and characterize resistance genes in crop plants for insect, nematode, and plant pathogens, to enhance opportunities for developing host plant resistance, and to incorporate such genes into commercially acceptable varieties.
• ARS will continue to develop fundamental knowledge about biology and ecology that provides the foundation for strategies to exclude, accurately detect and identify, and mitigate arthropod and nematode pests, weeds, and plant pathogens.
• ARS will perform applied research and development to provide new, useful and safe products to exclude, accurately detect and identify, and mitigate arthropod and nematode pests, weeds, and plant pathogens.
Goal 4.1 – Provide scientific information and biotechnologies to enhance management practices that will ensure an abundant supply of competitively priced animal and aquaculture products.

Performance Measure: Provide scientific information to maximize the production efficiency of our food animal production systems. Develop new technologies and tools contributing to improve those systems to meet current and future food animal production needs of diversified consumers, while ensuring economic and environmental sustainability and animal well-being.

Indicators:
• ARS will identify underlying genetic and/or physiologic mechanisms relating to food animal production and production efficiencies for traits associated with growth physiology, nutrient utilization, reproductive physiology, health, and well-being in food animals.
• ARS will develop genomics infrastructure and tools to efficiently identify genes, their function, and interactions with environmental factors for exploitation in genome enabled improvement programs for food animals.
• ARS will develop and improve sustainable production systems for food animals; incorporating strategies to optimize production system efficiency while ensuring economic and environmental sustainability.
• ARS will characterize nutrient requirements of food animals; measure nutrient availability of traditional and nontraditional feedstuffs; and develop strategies for improving nutrient use efficiency.
• ARS will characterize food animal germplasm for traits of importance and continue to increase the inventory of germplasm stored within the National Animal Germplasm Repository to preserve biodiversity.

Goal 4.2 - Prevent and control pests and animal diseases that pose a threat to agriculture, public health, and the well-being of American citizens.

Performance Measure: Provide scientific information to protect animals, humans, and property from the negative effects of pests and infectious diseases. Develop and transfer tools to the agricultural community, commercial partners, and government agencies to control or eradicate domestic and exotic diseases and pests that affect animal and human health.

Indicators:
• ARS will describe 5 new discoveries or developments significant for their scientific or applied value.
• ARS will form new partnerships and continue old partnerships with industry, universities, and other government agencies in order to promote production and marketing of new methods for detection and identification of animal pathogens, arthropods that transmit pathogens, and arthropods that destroy property; including genetic markers, new methods of detecting gene sequences or antibodies or proteins, and comprehensive guides to morphological identification.
• ARS will form new partnerships and continue old partnerships with industry, universities, and other government agencies in order to promote production and marketing of inventions that protect animals from pathogens or manage arthropods that transmit pathogens or damage property.

Organization’s History

The Agricultural Research Service (ARS) was established on November 2, 1953, pursuant to authority vested in the Secretary of Agriculture by 5 U.S.C. 301 and Reorganization Plan No. 2 of 1953, and other authorities. ARS is the principal in-house research agency of the U.S. Department of Agriculture (USDA). Congress first authorized federally supported agricultural research in the Department of Agriculture Organic Act of 1862, which established what is now USDA. That statute directed the Commissioner of Agriculture “to acquire and preserve in his Department all information concerning agriculture which he can obtain by means of books and correspondence, and by practical and scientific experiments.” The scope of USDA’s agricultural research programs has been expanded and extended more than 60 times since the Department was created.
Organizational Chart

United States Department of Agriculture
2016 Presidential Transition
Agricultural Research Service (ARS)

ARSC conducts research to develop and transfer solutions to agricultural problems of high national priority and provide information access and dissemination to: ensure high-quality, safe food, and other agricultural products; assess the nutritional needs of Americans; sustain a competitive agricultural economy; enhance the natural resource base and the environment and provide economic opportunities for rural citizens, communities, and society as a whole.
Biographies of career staff in key leadership positions

**Dr. Chavonda Jacobs-Young**  
Administrator  
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Dr. Chavonda Jacobs-Young has served as Administrator of the U.S. Department of Agriculture's chief scientific in-house research agency since February 2014. Previously, Dr. Jacobs-Young had served as ARS Associate Administrator for National Programs, where she led the Office of National Programs, which manages the research objectives of the Agency, and the Office of International Research Programs, which is responsible for ARS' liaison with its international partners.

Prior to moving into her roles at ARS, Dr. Jacobs-Young served as the Director of the Office of the Chief Scientist at USDA, where she was responsible for facilitating the coordination of scientific leadership across the Department to ensure that research supported by, and scientific advice provided to, the Department and external stakeholders were held to the highest standards of intellectual rigor and scientific integrity. She served as the Acting Director for USDA's National Institute of Food and Agriculture, and has served as a senior policy analyst for agriculture in the White House Office of Science and Technology Policy. In that position she supported the President's science adviser and others within the Executive Office of the President on a variety of agricultural scientific activities and worked across the Federal Government to improve interagency cooperation and collaboration on high-priority scientific issues.

Dr. Jacobs-Young is a native of Georgia. She holds M.S. and Ph.D. degrees in Wood and Paper Science and a B.S. degree in Pulp and Paper Science and Technology from North Carolina State University. She also is a graduate of American University's Executive Leadership in Public Policy Implementation Program.

**Dr. Steven Kappes**  
Associate Administrator for Research Programs  
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Dr. Steven Kappes became the ARS Associate Administrator for National Programs in August 2016. Until his appointment, Dr. Kappes served as the Deputy Administrator for Animal Production and Protection (APP) in the Office of National Programs since 2005. The APP program includes animal production, animal health, entomology, aquaculture and animal well-being research in cattle, pigs, sheep, horses, trout, catfish and salmon. The APP staff also includes the ARS Biosafety Officer.

Dr. Kappes is leading the ARS Big Data initiative and he recently served as a senior advisor for animal protection and production in the USDA Office of the Chief Scientist. He had worked with USDA agencies on issues related to animal health and production, herbicide resistance, and biosafety and biocontainment in high and maximum biocontainment laboratories.
United States Department of Agriculture
2016 Presidential Transition
Agricultural Research Service (ARS)

Dr. Kappes has co-chaired a U.S. Government interagency biosafety taskforce and is a co-chair of the National Science and Technology Council Subcommittee on Foreign Animal Disease Threats. He also is a member of the USDA One Health Joint Working Group and he is working with USDA agencies and Food and Drug Administration to address issues on antimicrobial resistance.

Dr. Kappes' previous positions within ARS were a research scientist at the U.S. Meat Animal Research Center, Clay Center, Nebraska, an ARS National Program Leader for the Food Animal Production national program and Director of the U.S. Meat Animal Research Center.

Dr. Simon Liu
Associate Administrator, Research Management and Operations
202-720-3658, simon.liu@ars.usda.gov

Dr. Simon Y. Liu has served as Associate Administrator for Research Management and Operations since February 2015. He previously served as Director of the National Agricultural Library (NAL), which serves as the central library for the U.S. Department of Agriculture and is one of the four National Libraries of the United States. NAL is world's largest and most accessible research library specializing in agriculture.

Before joining NAL, Dr. Liu served as Associate Director of the National Library of Medicine (NLM) and Director of the NLM Computer and Communications System. Prior to his service at NLM, he held leadership positions with the U.S. Departments of Justice and Treasury, following work in the private sector where he led information system development and space mission studies to support NASA mission and operations.

He attended university in his native Taiwan and pursued graduate studies in the United States, where he earned master's degrees in Computer Science, Business Administration, and Government from Indiana University, the University of Maryland, and Johns Hopkins University. He has earned two doctoral degrees: an Ed.D in Higher Education Administration and a Ph.D. in Computer Science from George Washington University. He also serves as an adjunct faculty member with graduate school appointments at several of these institutions.

Dr. Liu is active in professional societies and associations and has served as the Editor-in-Chief of an information technology magazine and editor of four journals in the past 20 years. Dr. Liu has published a book and more than 80 book chapters, journal articles, and conference papers.
Mr. Joon Park  
Deputy Administrator, Administrative and Financial Management  
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Mr. Park began his service on September 2012 as the Deputy Administrator for Administrative & Financial Management (AFM). As the Deputy Administrator for AFM, Mr. Park leads an organization of over 400 business professionals throughout the United States that provide human resources, financial management, acquisition, property management, facilities engineering, safety, travel, information technology and extra mural agreements services to the four USDA Research, Economics & Education (REE) agencies.

Mr. Park has held other positions with the USDA Agricultural Research Service to include serving as the ARS Human Resources Director in Beltsville, MD from 2010 – 2012 and as the ARS South Atlantic Area Deputy Area Director for Business Management in Athens, GA from 2007 – 2010. Prior to joining USDA in 2007, Mr. Park served as the H-60 Director of Logistics with the Department of the Navy, Naval Air Systems Command (NAVAIR) in Patuxent River, MD. Mr. Park began his Federal service in 1996 through the Navy Acquisition Intern Program. Mr. Park graduated from Liberty University in 1996 with a B.S. degree in Government and received his Master of Business Administration (MBA) from The Johns Hopkins University in 2002. In addition, Mr. Park is a graduate of the Federal Executive Institute in Charlottesville, VA, the National Security Studies Program at the George Washington University in Washington, D.C, the Key Executive Leadership Certificate Program at the American University in Washington D.C, and the USDA Senior Executive Service Candidate Development Program (SESCDP).

Dr. Sharon Drumm  
Chief of Staff  
202-720-4465, sharon.drumm@ars.usda.gov

As Chief of Staff for ARS, Sharon is the main point of contact for others in the Department on information and matters related to ARS. Dr. Drumm oversees legislative affairs and directs numerous projects in ARS focusing on business process efficiency, employee and organizational culture, and communications.

Dr. Drumm held prior positions in ARS as Strategic Planner and the Agency Performance Office and served for over a year as Budget Coordinator in the Research, Education, and Economics Mission Area of USDA. She has been in ARS for 19 years, joining the Federal government as a Presidential Management Intern after closing up a successful private survey research and management consultant business. In the distant past, Sharon was Director of the American University’s Campaign Management Institute and Lobbying Institute, Assistant Director of the University’s Center for Congressional and Presidential Studies, and worked for Congressman George Sangmeister on Capitol Hill. Sharon received her Ph.D. from American University in Political Science, with emphasis on public administration, policy analysis, and American government.
Mr. Michael Arnold  
Director of Budget  
202-720-4421, michael.arnold@ars.usda.gov

As Director of the Budget and Program Management Staff, Mr. Arnold oversees the formulation and execution of the ARS budget and is a senior advisor to the Administrators.

Mr. Arnold began his career with the ARS Budget and Program Management Staff in 1995 as an appointee in the Student Career Experience Program (SCEP). After obtaining his Bachelors of Science degree in Accounting in 1996 from the University of Maryland Eastern Shore and his MBA from American University in 1998, he accepted a position as a Budget Analyst with BPMS. In 2006, Mr. Arnold was named Special Assistant to the Director of the Budget and Program Management Staff. In 2006, he also served on assignment with the U.S. House of Representatives Agriculture Appropriations Subcommittee. Mr. Arnold became the Deputy Director of BPMS in 2008 and was appointed Director in 2009.

Dr. Sheryl H. Kunickis  
Director, USDA Office of Pest Management Policy  
202-720-5375, Sheryl.Kunickis@osec.usda.gov

Dr. Sheryl Kunickis has served as Director of the USDA Office of Pest Management Policy (OPMP) since May 2010. In this capacity, she represents USDA on the Pesticide Program Dialogue Committee, an EPA Federal Advisory Committee. During her time as OPMP Director, Dr. Kunickis has also served as the Acting Director in the Office of the Chief Scientist.

Prior to her current position, Dr. Kunickis served as the Director of the USDA Natural Resource Conservation Service (NRCS) Remote Sensing Laboratories (RSLs), and served a 1-year detail at the White House Council on Environmental Quality as the Deputy Assistant Director for Agriculture, Lands, and Wildlife.

Additionally, Dr. Kunickis has served as the National Agricultural Research Coordinator and was responsible for managing a partnership between the Agricultural Research Service (ARS), National Institute of Food and Agriculture (NIFA), and NRCS; a Soil Scientist/Landscape Analyst for the NRCS Soil Survey Division; and a Soil Scientist with responsibilities for Soil Survey work in North Carolina and New York.

Dr. Kunickis earned her Ph.D. in Soil Science from North Carolina State University, and her M.S. and B.S. in Agronomy from Brigham Young University. She received an USDA Honor Award for Management Excellence from Secretary in 2010. In 2003-2004, she was selected a Department of Commerce Science and Technology Fellow.
Dr. Pamela Starke-Reed  
**Deputy Administrator Nutrition, Food Safety and Quality**  
301-504-4788, [pamela.starke-reed@ars.usda.gov](mailto:pamela.starke-reed@ars.usda.gov)

Dr. Starke-Reed is the Deputy Administrator for Nutrition, Food Safety and Quality Utilization of Agricultural products at the Agricultural Research Service (ARS), USDA. Dr. Starke-Reed also serves as the Ethics Officer and Scientific Integrity Officer for ARS. She came to ARS, leaving the National Institutes of Health (NIH) where most recently she served 12 years as Deputy Director of the Division of Nutrition Research Coordination, coordinating the ongoing nutritional sciences, obesity and physical activity research at NIH. Her previous positions include 10 years with the NIH National Institute on Aging as Director of the Office of Nutrition and Program Director for the Nutrition and Metabolism and Protein Structure and Function research programs. She has also served as Biologist with the Food and Drug Administration’s Center for Food Safety and Applied Nutrition and Assistant Professor with the Department of Medicine of George Washington University (GWU) in Washington DC. Since 1991, Dr. Starke-Reed has served as Adjunct Professor with the GWU Medical Center in Washington D.C. She earned her B.S. in Biology at St Lawrence University in Canton, NY and her Ph.D. in Pathology at Hahnemann University in Philadelphia, Pennsylvania.

Dr. Starke-Reed is well known throughout the human nutrition community for her efforts at NIH to link nutritionals sciences research with research on physical activity to help better understand how the quality of diet and physical activity contribute to health and disease/obesity. As part of that effort, she was co-chair of the Subcommittee on Dietary Reference Intakes of the Interagency Committee on Human Nutrition Research (ICHNR). In February 2014 Dr. Starke-Reed was named Co-Executive Secretary for the (ICHNR) under the Chairs of Dr. Cathie Woteki (OCS and Undersecretary USDA) and Dr. Karen DeSalvo (ASH/HHS). The ICHNR is a trans-federal government committee established to improve coordination and increase the effectiveness and productivity of Federal agencies engaged in nutrition research; members include representatives from USAID, USDA, DOC, DOD, DHHS, DVA, NASA, NSF, EPA, FTC, NOAA, VA, and the White House Office of Science and Technology Policy. Dr. Starke-Reed represents ARS and/or USDA on several trans-federal government committees including the Food Safety Technical Committee in CODEX Alimentarius, as well as several International committees/programs in Food Safety research. She also represents ARS in the Quality and Utilizations of Agricultural products on National and international working groups. Dr. Starke-Reed has published numerous papers and book chapters and currently serves on the editorial board of the Journal of Nutritional Biochemistry and as Associate Editor for Nutrition Reviews.
Dr. Sally Schneider  
Deputy Administrator Natural Resources and Sustainable Agricultural Systems  
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Dr. Schneider has served as the ARS Deputy Administrator for Natural Resources and Sustainable Agricultural Systems (NRSAS) since January 2014. NRSAS includes the national research programs covering air, soil, water, bioenergy, climate change mitigation and adaptation, modeling, remote sensing, sustainability, precision agriculture, pasture/forage/rangelands, and agricultural systems. NRSAS staff also provide leadership to the Long-term Agroecosystem Research (LTAR) network and the Climate Hub network.

Prior to becoming the Deputy Administrator, NRSAS, Dr. Schneider served in the ARS Office of National Programs as the National Program Leader for Specialty Crops and the IR-4 (minor use pesticides) program. Dr. Schneider served for 13 years on the United Nations Environmental Programme (UNEP) Methyl Bromide Technical Options Committee.

Before joining ARS’s headquarters staff, Dr. Schneider led research teams on crop simulation and modeling in North Carolina, precision agriculture in Washington, and alternatives to methyl bromide in California.

Dr. Schneider earned a Ph.D. in Plant Pathology/Nematology from the University of California, Riverside and a B.S. in Mathematics/Computer Science from the University of California, Riverside. She also completed a USDA Graduate School training program in Systems Engineering and the SES Candidate Development Program with USDA and American University.

Dr. Maureen Whalen  
Deputy Administrator National Program Crop Production and Protection  
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Dr. Maureen Whalen has served as Deputy Administrator for ARS Crop Production and Protection National Programs in the ARS Office of National Programs since February 2016. The Crop Production and Protection programs include, plant genetic resources, genomic and genetic improvement, plant diseases, crop protection and quarantine, and crop production.

Prior to joining the Office of National Programs, Dr. Whalen was Associate Director of the Northeast Area in ARS and before that, of the Pacific West Area. She previously served as Assistant Director of the Pacific West Area. She joined ARS as Research Leader of the Crop Improvement and Utilization Research Unit in the Western Regional Research Center in Albany, CA. Her research focused on secondary metabolism in plants.

Before joining ARS, Dr. Whalen was a Professor of Biology at San Francisco State University, where she directed a research and training program in molecular plant pathology, in addition to teaching cell and molecular biology to graduates and undergraduates. She served as program director of NIH-funded minority institution infrastructure and training grants. After postdoctoral
research in molecular plant pathology in the Department of Plant Pathology, University of California, Berkeley, she joined the Biology faculty at Colby College in Maine, as a Clare Boothe Luce Professor. Dr. Whalen received her Ph.D. degree in Botany at the University of California, Berkeley, and her B.S. degree in Biological Sciences at Cook College at Rutgers University.

Ms. Eileen Herrera
Acting Director Office of International Program
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Eileen M. Herrera was selected Acting Director, Office of International Program August, 2016 upon the unplanned departure of the Program Director. Ms. Herrera has served as Deputy Director of the Office of International Research Programs (OIRP), Agricultural Research Service (ARS), U.S. Department of Agriculture (USDA) since 2009, where she oversees the program management and implementation staff and assists the Agency’s leaders with planning the overall research mission, goals, and policies of ARS’s international research programs. Ms. Herrera is ARS’s primary point of contact for the U.S. Government’s major food security initiative, Feed the Future (FtF) including overseeing ARS’s research under the Norman Borlaug Commemorative Research Initiative (NBCRI), and is the USDA Research, Education, and Economics (REE) lead to coordinate the mission area input into the Global Food Security Strategy under the new Global Food Security Act (GFSA).

Ms. Herrera served as the U.S. Correspondent as well as the U.S. representative on the Governing Board for the Organization for Economic Co-operation and Development (OECD) Collaborative Research Program, and was the U.S. Secretariat for the U.S.-EC Task Force on Biotechnology Research. Ms. Herrera is the principal point of contact in ARS for international activities with Sub Saharan Africa and has served as the primary USDA contact for the USG international science and technology programs. Prior to coming to ARS in late 1999, Ms. Herrera worked at the Research and Scientific Exchanges Division of USDA’s Foreign Agricultural Service (FAS) for 10 years, managing cooperative multi-lateral projects in the Middle East, Central and Eastern Europe, Spain and Brazil in a variety of agricultural research areas. Ms. Herrera was a Peace Corps Volunteer in the Democratic Republic of Congo and a State Department Intern at the U.S. Embassy in Jordan. She has a Masters in International Management from the American Graduate School of International Management (Thunderbird).

Dr. Andrew Hammond
Pacific West Area Director
510-599-6060, andrew.hammond@ars.usda.gov

As Area Director of the Pacific West Area, Dr. Hammond oversees implementation of ARS research carried out in eight states from Washington State to Hawaii. The Area Director's Office provides administrative, technical and budgetary assistance to our locations

Dr. Hammond has been in Federal service for 38 years. He served two years in the U.S. Peace Corps (Philippines) and has served 36 years ARS. He began his career in Beltsville, Maryland as
a Research Animal Scientist, followed by 14 years as Research Leader of the Subtropical Agricultural Research Station, Brooksville, Florida. In August 1998, he became the Assistant Area Director for the Pacific West Area and was located at Albany, California. In August 2000, he was appointed Associate Area Director of the South Atlantic Area, stationed at Athens, Georgia. In May, 2004, he transferred back to the Pacific West Area Office as Associate Area Director. And in April 2008 he was named Pacific West Area Director. Andy obtained his B.S. degree in Animal Science from Oregon State University and advanced degrees (M.S. and Ph.D.) in Nutrition from Washington State University.

Dr. Larry Chandler
Plains Area Director
970-492-7057, larry.chandler@ars.usda.gov

As Area Director for the Plains Area, Dr. Chandler oversees the implementation of 85 to 100 research projects at 22 research locations in 10 states. The Area Director's Office provides administrative, technical and budgetary assistance to our locations.

Dr. Chandler received his Ph.D. in entomology from Texas A&M University. He joined USDA-Agricultural Research Service in 1982 and has served in several positions including Research Entomologist in Weslaco, TX (1982-1989), Research Entomologist in Tifton, GA (1989-1994), Research Leader of the Northern Grain Insects Research Laboratory in Brookings, SD (1994-1999), Director of the Red River Valley Agricultural Research Center in Fargo, ND (1999-2004), Associate Director of the Northern Plains Area in Fort Collins, CO (2004-2008), and Director of the Midwest Area in Peoria, IL (2008-2012). He transferred back to Fort Collins, CO in 2012 and currently serves as the Director for the Northern Plains Area. During his active research career he conducted research on IPM of horticultural and field crop insect pests. He has previously served as the ARS Technical Coordinator for the Corn Rootworm Areawide Pest Management Program, the ARS Coordinator for the National Sclerotinia Initiative, and chair/co-chair of the ARS Information Technology Advisory Group.

Dr. Robert Matteri
Midwest Area Director
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As Director of the Midwest Area, Dr. Matteri oversees research implementation at 13 locations in over 9 states.

Dr. Matteri joined ARS in 1991 as a Research Physiologist in the Animal Physiology Research Unit, Columbia, Missouri. In 1992, he became the unit's Research Leader. In 2001, Dr. Matteri became Assistant Director of the Pacific West Area in Albany, CA, and was subsequently named the Associate Director. Dr. Matteri earned a B.A. in Zoology at Humboldt State University, Arcata, CA. He completed graduate studies in Stress Physiology and Endocrinology at the University of California-Davis, earning M.S. and Ph.D. (1984) degrees in Animal Physiology.
His graduate work revealed previously unknown mechanisms for the negative effects of stress hormones on reproduction.

**Dr. Deborah Brennan**  
**Southeast Area Director**  
662-686-5266, deborah.brennan@ars.usda.gov

As Director of the Southeast Area, Dr. Brennan oversees the implementation of 544 research projects at 62 research units and 5 worksites in 13 states and territories.

Dr. Brennan joined ARS in 2002 as an Associate Area Director in Stoneville, Mississippi. She came from APHIS where she was a Veterinary Medical Officer. While working for APHIS Dr. Brennan was also Area Veterinarian in Charge of the State of Mississippi and worked cooperatively with Mississippi Department of Agriculture and Commerce and the Mississippi Board of Animal Health on a variety of State and Federal animal health programs and instrumental in the eradication of Brucellosis from the State of Mississippi. Dr. Brennan received a Bachelor of Science degree, cum laude, in Biology and Chemistry from Texas A & M University Commerce, a DVM Ph.D. from Texas A & M College of Veterinary Medicine. Dr. Brennan also has a Masters in Public Administration from Kutztown University in Pennsylvania.

**Dr. Dariusz Swietlik**  
**Northeast Area Director**  
301-504-6078, dariusz.swietlik@ars.usda.gov

As Director of the Northeast Area, Dr. Swietlik oversees implementation of research at 15 research centers and laboratories and 9 worksites located in 13 states from Maine to Tennessee and the District of Columbia. These include the U.S. National Arboretum in Washington D.C., and Beltsville Agricultural Research Center (BARC) in Maryland, the largest and most comprehensive agricultural research complex in the world.

Prior to his current position, Dr. Swietlik served as the Director of North Atlantic Area and Director and Research Leader of the USDA-ARS Appalachian Fruit Research Station in Kearneysville, West Virginia. Before joining the USDA-ARS, Dr. Swietlik was a Full Professor of Plant Physiology with the Texas A&M University-Kingsville where he was involved in research, academic teaching and extension work on citrus crops. He also was the Assistant Director of the Citrus Center as well as the Texas A&M University Agricultural Research and Extension Center in Weslaco, Texas. Originally from Poland, he came to the United States in 1980 as a Senior Fulbright Scholar and conducted research on fruit crops at the USDA, ARS, Beltsville Agricultural Research Center in Beltsville, Maryland followed by a Research Associate (Post-Doctoral) position with the West Virginia University. Dr. Swietlik holds a PhD degree in Pomology and an MS degree in Soil Chemistry and Plant Nutrition.
Mr. Paul Wester, Director
National Agricultural Library
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As Director of the National Agricultural Library, Mr. Wester oversees the work of one of four national libraries of the United States that houses one of the world's largest collections devoted to agriculture and its related sciences.

Mr. Wester started his Federal Service at the National Archives and Records Administration (NARA) in June 1990 at the Washington National Records Center. From 1994 until 2002, he served in a variety of management capacities in NARA’s regional records services operation. In late 2002 Paul began leading NARA’s national records management programs, culminating in his service as the first Chief Records Officer for the U.S. Government from March 2011 until October 2015. Mr. Wester holds an undergraduate degree in history and Master of Arts and Master of Library Science degrees from the University of Maryland.

Ms. Mojdeh Bahar
Assistant Administrator for Technology Transfer
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Ms. Bahar has broad responsibility for managing the intellectual property that evolves from the research program of the Agency and serves as a resource for management of intellectual property and technology transfer across the USDA.

Ms. Bahar came to ARS from NIH, where she served as the Chief of the Cancer Branch at the Office of Technology Transfer. There she led a team responsible for marketing, patenting and licensing NIH and FDA inventions in the areas of cancer, gene therapy, and biological response modifiers. Prior to that, Ms. Bahar was an Examiner with the United States Patent and Trademark Office (USPTO). During her tenure at the NIH, she first served as the Regional Coordinator for the Mid-Atlantic Region of the Federal Laboratory Consortium for Technology Transfer (FLC) from 2008 to 2011 and then as the National Chair from 2011 to 2013. A patent attorney registered to practice before the USPTO, the State of Maryland, the United States District Court for the District of Maryland, and the United States Court of Appeals for Federal Circuit, Ms. Bahar is also a Certified Licensing Professional (CLP). She is a graduate of the University Of Maryland School Of Law. She also received a Master of Arts degree from New York University and a Bachelor of Science degree with Honors in Chemistry and French from Dickinson College.

Mr. Paul Gibson
Chief Information Officer
301-504-5600, paul.gibson@ars.usda.gov

Mr. Gibson leads ARS information technology operations and planning to ensure that ARS scientists and all who support them have access to the cutting-edge technology they need to do their job. In this role, he provides strategic leadership and direction for a program encompassing
information technology policy, cybersecurity, networking, application development and infrastructure operations to support a distributed and nationwide scientific research program. Before entering this position, Mr. Gibson served as Associate CIO at USDA’s Economic Research Service (ERS) where he oversaw strategic IT planning, priority setting, and review of agency information technology initiatives in support of the ERS program of research. He contributed to the work of the Interagency Working Group on Digital Data, including its recent publication, "Harnessing the Power of Digital Data for Science and Society." While at ERS, he also served as Assistant Administrator, responsible for ERS program performance and accountability activities and as Information Resource Manager for the Market and Trade Economics Division, where he led an international team that created the Agricultural Market Access Database, which enables extensive analysis of trade restrictions in global agricultural markets. Prior to joining USDA, Mr. Gibson served as an International Economist at the U.S. International Trade Commission. Mr. Gibson holds an M.S. in Information Management from Syracuse University and a Federal Chief Information Officer Certification from National Defense University. He also holds an M.A. in International Affairs from George Washington University and a B.A. from the University of Wisconsin, Madison.

Dr. Don McLellan
Director, Office of Outreach, Diversity, and Equal Opportunity
202-720-6161, donald.mclellan@ars.usda.gov

Dr. Donald McLellan is a native of Dillon, South Carolina. He holds a B.S (’85) and M.S. (’87) in Agribusiness from South Carolina State University and a Ph.D. in Human and Community Resource Development from the College of Agriculture at The Ohio State University.

Dr. McLellan currently serves as the Director of the Office of Outreach, Diversity and Equal Opportunity (Civil Rights) with the Agricultural Research Service (ARS) at the United States Department of Agriculture (USDA). Prior to joining ARS/USDA, he served as the Director for the Office of Human Resources and Diversity Relations for the College of Agricultural & Environmental Sciences at the University of Georgia. In 2004 He was awarded a German Marshall Fellowship in recognition of his work as an emerging U.S. Leader. His transatlantic assignments has included: Brussels, Belgium; Copenhagen, Denmark; Budapest, Hungary; Barcelona, Spain; Paris, France; Elmau, Germany; and most recently Tremezzo, Italy.

During his tenure at the University of Georgia, Dr. McLellan also served as the Director of the University of Georgia’s Young School pre-collegiate Research and International Apprenticeship Program. This program was designed to attract high achieving minority students to the field of scientific research and technology at the University of Georgia with international sites, which included Ghana Africa and Costa Rica, and Honduras, Central America. In 2006 he was honored as a National Role Model by Minority Access, Inc. in partnership with the Secretary of Health and Human Services and the National Institute of Health for Exemplary Achievements in Expanding Opportunities for others.
Dr. McLellan’s past work experiences also include the following Universities: The Ohio State University, Office of the Vice President for Student Affairs; Clemson University, Cooperative Extension Services, South Carolina State University, Cooperative Extension Service.

**Mr. Chris Bentley**  
**Director, Office of Communications**  
301-504-1636, christopher.bentley@ars.usda.gov

As Director of Communications for ARS, Mr. Bentley leads an office of 23 communications specialists in coordinated efforts to promote ARS.

Before joining ARS, Mr. Bentley served as the Press Secretary and Chief of Media Relations for U.S. Citizenship and Immigration Services (USCIS) in the Department of Homeland Security (DHS). Immediately before his appointment to USCIS Headquarters, Mr. Bentley served as the Public Affairs Officer for the Baltimore District of the former Immigration and Naturalization Service within the Department of Justice. He is a Gulf War veteran and also worked as Communications Coordinator for the Blinded Veterans Association and as a broadcast journalist in the United States Army prior to joining DHS. Mr. Bentley graduated Lasalle University with a Masters in Communication.

**Biographies of political staff in key leadership positions**

ARS does not have any political staff.
Organizational Budget and Financial Management

### Agricultural Research Service

**Budget Authority FY 2009-2016**

(Dollars in Thousands)

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<td>Product Quality/Value Added</td>
<td>$107,486</td>
<td>$111,056</td>
<td>$105,037</td>
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<td>232,242</td>
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<td>70,530</td>
<td>89,632</td>
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<td>92,765</td>
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<td>Crop Protection</td>
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<td>205,710</td>
<td>203,207</td>
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<td>188,960</td>
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<td>Human Nutrition</td>
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<td>89,734</td>
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<td>85,438</td>
<td>80,328</td>
<td>86,874</td>
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<td>Decentralized GSA Rent and DHS Security Payments</td>
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<td>Total, Salaries and Expenses</td>
<td>1,138,212</td>
<td>1,179,639</td>
<td>1,133,230</td>
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<td>Recovery Act Funds</td>
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<td>Supplementals</td>
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<td><strong>User Fees /2</strong></td>
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<td>Patent Culture Collection</td>
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<td>44</td>
<td>59</td>
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<td>NAL-Document Delivery Services</td>
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<td>National Arboretum</td>
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<td>Reimbursements /3</td>
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<td>143,671</td>
<td>137,150</td>
<td>147,825</td>
<td>152,171</td>
<td>157,778</td>
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<td>Total, Agricultural Research Service</td>
<td>$1,487,492 $1,385,576 $1,289,522 $1,268,661 $1,186,002 $1,298,366 $1,359,580 $1,545,703</td>
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</table>

1/ 2016 figure is revised upward from the President's Budget submission.
2/ 2015 data are estimates, as actuals are currently not available.
Enterprise Workforce Data

Workforce Data FY 2009- FY 2016

GS Level Distribution

- GS 01-04: 0.6%
- GS 05-07: 17.6%
- GS 08-12: 40.6%
- GS 13-15: 32.6%
- Other: 8.1%
- ES: 0.6%
- ARS employs a workforce of 7,656 employees of which the following are full-time and part-time (Includes all permanent and temporary employees as of AUG 2016)
  - Full-time: 6,915 employees
  - Part-time & Intermittent: 741 employees.
- ARS employs seasonal employees to provide support during busier months. During the spring & summer of 2016, ARS hired 601 seasonal employees.
- ARS employs 1968 temporary employees.
- Of our total workforce, 20% are eligible to retire within the next year.
- ARS headquarters is located in Beltsville, Maryland, which houses 8% of our workforce
- ARS has 5 Area Offices (located in Albany, California, Fort Collins, Colorado, Peoria, Illinois, Stoneville, Mississippi, and Beltsville, Maryland. ARS has 90 research locations in the United States (located in most states), plus 4 overseas locations around the world.
- 25% of the employees stationed in the field offices are Ph.D. scientists.

II. Policies and Regulations

Statutory Authorities


Important Policies and Regulations

ARS internal Policies and Procedures (P&P), bulletins and manuals govern the work of employees. ARS is also governed by USDA Departmental Regulations. Three that get the most reference in the dealings with the public and USDA are featured here.

Scientific Integrity Policy

USDA Departmental Regulation DR 1074-001 establishes the USDA Scientific Integrity Policy and provides instruction and guidance to Departmental leadership, employees and contractors to ensure the highest level of integrity in all aspects of the Department's involvement in scientific and technical processes and analysis. It includes guidance to decision makers as they develop public policies based on sound science relevant to food, agriculture, natural resources, rural development, and related issues. This information will ensure public confidence by articulating the principles of scientific integrity and roles and responsibilities of all USDA employees, including career staff and political appointees, in maintaining these principles within the Department of Agriculture.
This policy covers use of scientific information, information quality and peer review, Dual-Use Research of Concern, participation in professional societies, awards and honors, research misconduct, and reporting processes.

**Scientific Publications**
Documentation of scientific results and objective interpretations of their significance and applicability to the public are among the major products of ARS research. Publication in non-USDA media is a primary form of this documentation and an essential means for communicating ARS research to other scientists and to ARS customers, partners, and stakeholders. All who participate in the preparation and review of a manuscript for publication have a responsibility to contribute to the objective and effective communication of ARS research findings. The quality and utility of ARS publications reflect on the authors as well as the Agency as a whole.

This policy relays criteria for determining authorship and review processes within the Agency, including the requirements for handling publications for Dual Use Research of Concern, publications with implications for intellectual property, and issues on topics of prominence in the public eye or policy arena.

**Animal Care and Use**
ARS leadership recognizes the significant scientific advances and benefits to the health and well-being of animals and the public that have been achieved through the conscientious use of live animals in research, testing, and teaching, and is committed to ensuring the highest standards of animal care and use, as defined through the Animal Welfare Act Regulations (AWAR) and other relevant Federal guidelines and policies.

This policy describes the core principles that serve as a foundation for the compassionate care and ethical oversight of all animals that are used in ARS research activities. In accordance with the laws, regulations, and policies that pertain to research involving live animals, an appropriately constituted and qualified IACUC must be designated for every ARS location that conducts research with animals. The IACUC of record for each ARS location must be granted absolute authority to ensure all animals are treated humanely and receive care that is consistent with prevailing standards for the species and the type of research that is conducted.

**Overview of the policy/regulation review process**

Although ARS does not publish regulations or policy, there exists a rigorous 5-year program and project management review cycle. In any given year, roughly 20% of ARS’ program, and therefore projects, are beginning anew.

There are roughly 700 research projects in ARS, and each is part of one or more of 17 ARS National Research Programs. These programs are planned in consultation with many people inside and outside ARS. This ensures that the programs are relevant to customer, stakeholder, and partner priority needs. Each National Program has an Action Plan that coordinates and dictates the objectives of every research project in the National Program. The Action Plan
covers the next 5 years of work in that program area. All action plans comprise the ARS Strategic Plan, along with management initiatives.

Every single ARS research project is peer reviewed by scientific panels to ensure the continued excellence of the agency’s research. The panels consist of non-ARS scientists. The reviews are arranged through our Office of Scientific Quality Review, in a process mandated by the 1998 Farm Bill.

Scientists prepare annual reports on each of their projects; National Program teams prepare summaries of accomplishments for each National Program. Links to program reports can be found by clicking on any of the National Programs listed here. You will find links to project reports by visiting here and entering search terms for projects of interest. Towards the end of the cycle covered by our 5-year strategic plan, National Program teams evaluate each program's scope and accomplishments with the help of Customers, Stakeholders, and Partners, and begin planning for the next 5-year cycle.

**GAO and OIG Audits**

- **02703-0001-10**-Procurement Oversight Audit of the Invasive Plant Research Laboratory Contract, dated September 7, 2012
- **02703-0002-10**-Procurement Oversight Audit of the Red River Valley Agricultural Research Center Contract, dated June 28, 2012
- **02703-0007-HQ**- Procurement Oversight Audit of National Center for Agricultural Utilization Research Contract, dated June 11, 2012

- GAO-13-255, Agricultural Research: Two USDA Agencies Can Enhance Safeguards against Project Duplication and Strengthen Collaborative Planning, dated April 12, 2013
- **50099-84-HY**, USDA’s Response to Colony Collapse Disorder, dated January 20, 2012
- **50601-0002-22**, Department’s Controls over Prioritizing and Funding of Agricultural Research, February 24, 2016

27
III. Congressional Relations and Issues

Overview

Animal Welfare and the US Meat Animal Research Center (USMARC)
Following a January 2015 New York Times article that alleged animal abuse at the ARS U.S. Meat Animal Research Center (USMARC) in Clay Center, Nebraska, ARS has made considerable efforts to increase the transparency of the handling and use of animals in its research programs. This topic received attention during the House Appropriations Committee hearings. Five percent of ARS’ 2016 appropriations were held back on condition of the Secretary of Agriculture certification that all ARS animal research locations have a fully functioning Institutional Animal Care and Use Committee (IACUC) and that ARS update their Animal Welfare Policy and Procedures (P&P). The Secretary of Agriculture certified these requirements on June 17, 2016. In addition, Senate Report 114-82 requires ARS to enter into an agreement with Animal and Plant Health Inspection Service (APHIS) to have APHIS conduct routine inspection of ARS animal research facilities to ensure humane treatment of their animals. This agreement was executed on February 11, 2016. Furthermore, ARS is required to provide the Senate and House Appropriations Committees with quarterly reports detailing efforts to improve and ensure animal welfare programs follow animal welfare regulations. A USDA Office of the Inspector General (OIG) audit of the allegations (release is expected in autumn 2016) concludes there are no systematic problems with animal welfare at USMARC. ARS has agreed to implement all five recommendations from the audit (the fifth recommendation went through negotiation and ARS and OIG successfully reached management decision).

Southeast Poultry Research Laboratory (SEPRL)
The biocontainment facilities of the Southeast Poultry Research Laboratory in Athens, Georgia, are outdated with insufficient capacity and new facilities have been a top ARS priority for several years. As of FY 2016, Congress has appropriated full funding of $158.7 million for construction and a contract for the design-build phase is expected to be awarded by April 2017. The new facilities, which are expected to open in 2023, will include approximately 288,000 gross square feet (GSF) in 9 buildings.

China Garden
Ground-breaking on the 12-acre Chinese Garden at the U.S. National Arboretum in Washington, D.C. is expected during fall 2016. The Gardens is a collaborative project between the United States (USDA is lead USG entity) and the People’s Republic of China, which has agreed to fund all of the construction costs. The U.S.-based non-profit National China Garden Foundation will coordinate construction and subsequent fund-raising to cover future maintenance and operating costs. The 443-acre Arboretum is a research facility for the USDA Agricultural Research Service. This project continues to be of interest to the Friends of the
National Arboretum (FONA), an independent non-profit organization established to enhance support for the Arboretum. FONA works extensively with Congress in support of USNA.

National Bio- And Agro- Defense Facility (NBAF)
The Department of Homeland Security’s (DHS) NBAF is the next-generation biocontainment facility under construction in Manhattan, Kansas. NBAF will replace existing, aging biocontainment laboratories located at the Plum Island Animal Disease Center (PIADC) in Orient Point, New York. DHS has received all of the NBAF construction funds and plans for the NBAF to be fully operational in 2023. The Senate’s version of the FY 2017 Agriculture Appropriations Bill and the Homeland Security Appropriations Bill includes identical report language encouraging DHS and USDA to work together on a plan for the future operation of NBAF, including consideration of an appropriate agency to manage the facility.

Major Capital Investments
In 2012, at the request of the Secretary and Congress, ARS completed an extensive review of the agency’s laboratory portfolio and developed a plan for future capital investments. The review, reported as the “Capital Investment Strategy” (CIS), highlighted the agency’s aging infrastructure and recommended modernization of selected priority facilities. Many of these facilities are at the limit or well in excess of their “functional lifespan” according to engineering standards. Congress appropriated $257 million in fiscal years 2015 and 2016 to address high priority facility needs as identified in the CIS. The FY 2017 President’s Budget requests an additional $94.5 million for the modernization of two laboratories: Foreign Disease- Weed Science Research Laboratory in Frederick, Maryland; and the Agricultural Research Technology Center in Salinas, California. These two laboratories are among the agency’s highest priorities based on criteria developed (i.e., research program importance and facility condition) in the CIS report.

BEP land interest in BARC
The U.S. Bureau of Engraving and Printing (BEP) has expressed interest in acquiring 100 acres of ARS land at the Beltsville Agricultural Research Center in Beltsville, Maryland for its future facilities. ARS and BEP are in the initial stage of seeking legislative authorities to exchange the land for fair market value and coordinating with GSA and USDA officials on the planning. This has been discussed with both the House Oversight Committee and House Ag Committee. In addition, Congressman Hoyer’s office was briefed on this authority on Oct 24, 2016 with Office of Congressional Relations.

Excess property on the Beltsville Agricultural Research Center
Unused and vacant properties at the Beltsville Agricultural Research Center (BARC) was briefly mentioned at a September 2016 hearing by the House Committee on Oversight and Government Reform Subcommittee on Transportation and Public Assets. Dr. Gregory Parham, Assistant Secretary for Administration, represented USDA at the hearing, though he was only asked whether he had visited BARC. Prior to the hearing, ARS staff provided congressional committee staffs with a briefing on the status of BARC facilities, which included a tour of buildings at various locations (including the 100-acre site being considered by the U.S. Bureau of Engraving and Printing (BEP) for a satellite production facility). Legislative authority could preempt limitations on selling BARC land based on Maryland Land Use Code § 25-211 (2014): Zoning
IV. **Internal and External Stakeholders**

**Important relationships with other Federal Departments or organizations**

ARS collaborates with, provides research data to, and shares leadership of federal research initiatives with many other Federal agencies in support of their missions, including:

- **Department of Agriculture**
  - Agricultural Marketing Service
  - Animal and Plant Health Inspection Service
  - Center for Nutrition Policy and Promotion
  - Economic Research Service
  - Farm Services Agency
  - Food Safety Inspection Service
  - Foreign Agricultural Service
  - Forest Service
  - Grain Inspection, Packers, and Stockyards Administration
  - National Agricultural Statistics Service
  - National Institute of Food and Agriculture
  - Natural Resources Conservation Service
  - Rural Development

- **Department of Commerce**
  - National Oceanographic and Atmospheric Administration
  - National Institute for Standards and Technology

- **Department of Defense**
  - Air Force
  - Army
  - Army Corps of Engineers
  - Defense Threat Reduction Agency
  - Navy

- **Department of Energy**
  - Office of Science
  - Office of Energy Efficiency and Renewable Energy

- **Department of Health and Human Services**
  - Agency for Healthcare Research and Quality
  - Centers for Disease Control and Prevention
  - Food and Drug Administration
  - National Institutes of Health

- **Department of Homeland Security**
  - Science and Technology Directorate

- **Department of the Interior**
  - Bureau of Indian Affairs
  - Bureau of Land Management
  - Bureau of Reclamation
United States Department of Agriculture
2016 Presidential Transition
Agricultural Research Service (ARS)

- National Park Service
- United States Fish and Wildlife Service
- United States Geological Survey
- Department of State
  - United States Agency for International Development
  - Bureau of International Security and Nonproliferation/Cooperative Threat Reduction Office
- Department of Transportation
- Department of Veterans Affairs
- Environmental Protection Agency
- Federal Bureau of Investigation
- Labor Unions
  - American Federation of Government Employees
    - AFGE 43
    - AFGE 1331
    - AFGE 1657
    - AFGE 2315
    - AFGE 3147
    - AFGE 3247
    - AFGE 3748
  - National Federation of Federal Employees (NFFE) 1752
- National Aeronautics and Space Administration
- National Science Foundation
- Smithsonian Institution

ARS participates in joint Federal initiatives and activities led by the White House Office of Science and Technology Policy, the National Science and Technology Council, and numerous other Federal committees and work groups.

ARS works on a number of specific collaborations worth noting:

- ARS coordinates on international issues with Department of State, including regular communication on a number of science and technology platforms; participation in joint committee meetings such as those with the European Union, Egypt, Brazil, South Africa, India, and China; over 15 years of cooperation in irrigation management in support of peaceful interactions in the Middle East, and collaboration with foreign scientists in the former Soviet Union on topics of mutual interest through the International Science and Technology Center in Astana, Kazakhstan.
- ARS regularly coordinates with USDA Foreign Agricultural Service personnel in Offices for Agricultural Affairs and Agricultural Trade Offices in Embassies around the world regarding bilateral issues, travel processes/warnings/restrictions, and facilitating communication with local research organizations.
- ARS collaborates extensively with Department of Homeland Security and APHIS in the planning of the National Bio and Agro-Defense Facility in Manhattan, Kansas, which in 2023 will replace the Plum Island Animal Disease Center in Orient Point, NY where ARS administers research programs on foreign animal diseases.
• ARS collaborates with the Department of Commerce, National Institute of Standards and Technology to develop and validate standards. Examples include: SRM3280 Multivitamin/Multielement Tablets; and SRM3246 Ginkgo biloba (Leaves)
• ARS is the vice-chair of USDA’s Civil Rights Council and collaborates with the Smithsonian Institution on the development of EEO education curricula.
• ARS provides the following services to the Economic Research Service, the National Agricultural Statistics Service and the National Institute of Food and Agriculture through its Administrative and Financial Management unit:
  o Human Resources,
  o Acquisition,
  o Personal and Real Property,
  o Financial Management and Agreements,
  o Travel, and
  o Safety.
• ARS provides information and information technology services to the Economic Research Service, the National Agricultural Statistics Service and the National Institute of Food and Agriculture through its Office of the Chief Information Officer. ARS utilizes Enterprise Content Management provided by Rural Development.
• ARS’ National Agricultural Library provides access to electronic journals through its DigiTop program to:
  o Department of Agriculture
    • Animal and Plant Health Inspection Service
    • Economic Research Service
    • Food and Nutrition Service
    • Food Safety and Inspection Service
    • Foreign Agricultural Service
    • Forest Service
    • National Agricultural Statistics Service
    • National Institute of Food and Agriculture
    • Natural Resources Conservation Service
  o Department of Homeland Security
    • Science and Technology Directorate
• The National Agricultural Library is a Federal Repository Library and also provides data repository, information clearinghouses, and web site services to:
• Department of Agriculture
  o Center for Nutrition Policy and Promotion
  o Forest Service
  o Research, Education, and Economics Mission Area
  o National Agricultural Research, Education, Extension, and Economics Advisory Board
  o National Institute of Food and Agriculture
  o Natural Resources Conservation Service
  o Rural Development
• Department of Transportation
• Smithsonian Institution
The Director of the National Agricultural Library is an ex-officio member of the National Library of Medicine’s Board of Regents.

ARS utilizes foreign visitor J-1 Visa processing services provided by the Forest Service.

**Stakeholder group overview**

ARS develops and implements National Programs (each of which contain a number of research projects) through a five year cycle that starts with stakeholder input meetings. Over the past five years, almost 2,000 different stakeholders and stakeholder organizations have participated in these meetings. These include:

- Producers – more than 350 participating including:
  - National producer organizations
  - State producer organizations
  - Individual producers – farmers, ranchers, beekeepers, aquaculture producers, etc.
- Business associations – more than 30 representing commercial interests in a particular sector
- State Boards and Commissions – more than 50 State-chartered groups representing a variety agricultural and environmental interests
- Federal Advisory Committees, including the National Agricultural Research, Extension, Education, and Economics Advisory Board (NAREEE Board) and Advisory Committee on Biotechnology & 21st Century Agriculture (AC21)
- Companies – more than 350 ranging from small business to global enterprises
- Environmental groups – more than 40
- International – more than 50 representing foreign governments, organizations, and universities
- Science societies – a dozen representing an array of disciplines
- State Agencies – more than 50
- Native American Tribes – seven tribes and tribal organizations
- Universities – 125 different U.S. universities

Most of these participated in multiple stakeholder input meetings providing guidance to ARS on future priorities for and desired products from its research programs. Each brings both shared and unique agricultural challenges to the table covering the scope of economic, nutritional, environmental, food security, and other needs of U.S. agriculture.

In addition, ARS routinely holds workshops on a given national challenge in which it seeks stakeholder input; often these workshops are held jointly with other Federal Agencies.

Finally, ARS scientists, National Program Leaders, and administration meet regularly with stakeholders who bring specific research needs to the agency’s attention.
Recent engagements with stakeholder groups

ARS had the following meetings in Fiscal Year 2016 where stakeholder input and consultation occurred.

National Program workshops – the purpose of these workshops is to identify stakeholder priorities and obtain input on the development of the next five year Action Plan for the National Program:

- 101 – Food Animal Production, May 23 and 25, 2016 (joint with the National Institute of Food and Agriculture)
- 301 – Plant Genetic Resources, Genomics, and Genetic Improvement, September 27, 2016

Climate Hub Outreach Activities

ARS houses and staffs five of the ten Regional Climate Hubs (Northern Plains, Southern Plains, Southwest, the California sub-Hub, and Midwest. Understandably, each region of the United States has unique production and environmental challenges. The Climate Hubs, through USDA and partner programs, offer regionally relevant tools, strategies management options, and technical support to farmers, ranchers and forest land owners to help them adapt to climate change. The Hubs direct land managers to USDA agencies that can provide program support to enable them to implement climate-informed management practices. The Hubs build networks that facilitate the flow of knowledge and information, and because they are regional they are able to provide focused support to targeted populations and stakeholders within that specific region.

For our diverse producers and stakeholders, the Hubs translate climate change projections into potential local impacts on the agricultural and forestry sectors. Using this information, along with data on past trends, the Hubs provide periodic regional assessments of risk and vulnerability to help land managers better understand the potential impacts of a changing climate. The Hubs provide outreach, education, and extension to farmers, ranchers, forest landowners, and rural communities on science-based risk management through the land grant universities, Cooperative Extension, USDA service agencies, and public/private partnerships.

Climate Hub activities include, but are not limited to:

- Assessing the impacts of climate extremes and changes on agricultural systems
- Understanding the climate-related information needs of producers and professionals;
- Synthesizing and translating climate science and research into useable tools and products;
- Demonstrating climate-smart adaptation strategies, techniques, and management practices;
- Building partnerships among federal, state, Tribal, NGO, and private sector organizations;
- Educating and communicating to regional audiences about climate-related risks and resources.
Recent Climate Hub Engagements

- The Southwest Climate Hub focused on collaboration with Cooperative Extension Service (CES) for fiscal year 2016 (FY16) and increasing tribal outreach. Key partners included New Mexico State University (NMSU) CES, University of Arizona (UA) CES, University of Nevada CES, UC Davis CES, California Department of Food and Agriculture (CDFA), NRCS, U.S. Forest Service, California Hub, Southern Plains Hub, South Central CSC, Southwest CSC, Southern Rockies LCC, Desert LCC, CLIMAS RISA, and NDMC.
- The Caribbean Climate Hub hosted a roundtable meeting with USDA Secretary Tom Vilsack and local USDA leaders and producers in May 2016. USDA Blog: Secretary Vilsack Visits Puerto Rico to Talk Climate Change and Caribbean Agriculture.
- The Pacific Northwest, Northeast, Southeast, Northern Plains, and Southern Plains Climate Hubs led workshops on the Building Blocks for Climate Smart Agriculture.
- The Northeast Climate Hub hosted a Partners meeting with 50 participants focused on Land-Grant Universities.
- The Northwest Regional Climate Hub (NRCH) held a 3-day workshop in Kennewick, WA 9-11 March to bring stakeholders together to plan a coordinated approach to meet needs related to climate mitigation and adaptation in the Pacific Northwest.

ARS Headquarters also participated in the following specific workshops with stakeholders in FY 2016:

- ARS-FSIS Food Safety stakeholder & customer research workshop, March 7-10, 2016
  - **Reason for Engagement:** Reporting & discussing food safety program activities, research priorities & concerns related to new 2016-2020 NP108 Food Safety research cycle.
  - **Relevant Outcomes:** The workshop brought together senior administrators, managers & scientists representing various Federal agencies & academia undertaking food safety research, & regulatory & public health oversight. Discussions & information presented at workshop informed participants of priorities & needs to be undertaken during next 5-years. This occasion was also a means to continue strengthening inter-departmental collaborations and address future USDA & DHHS initiatives.

  - **Reason for Engagement:** Discuss ARS research and programs related to animal health, budget implications, priority areas and other opportunities.
  - **Relevant Outcomes:** Exchange of information on research priorities for the U.S livestock industries and provided the framework for future engagement at the USAHA annual conference in Greensboro, NC, October 2016.

- Alternatives to Antibiotics workshop, Ames, Iowa, April 5-7, 2016
  - **Reason for Engagement:** Obtained input from the livestock industries on priorities for research on new and innovative veterinary medical countermeasures that could reduce the use of medically important antibiotics.
United States Department of Agriculture
2016 Presidential Transition
Agricultural Research Service (ARS)

- **Relevant Outcomes**: Provided important information to ensure ARS’s research programs on antimicrobial resistant bacteria are relevant to the needs of the U.S. livestock and poultry industries.

- **Pioneering Partnerships with National Bio and Agro-defense Facility (NBAF) Symposium, Manhattan, Kansas, May 9-10, 2016**
  - **Reason for Engagement**: Obtain input from university partners and stakeholders on maximizing the relevance and impact of NBAF.
  - **Relevant Outcomes**: Provided important information for the development of a science and technology national action and implementation plan for NBAF.

- **American Association Swine Veterinarians meeting with NIFA and ARS, Washington, D.C., May 17, 2016**
  - **Reason for Engagement**: Further develop and enhance USDA research, education, and extension plans that are responsive to the needs of the swine industry through increased communication and coordination of active USDA intramural and extramural research projects and other initiatives with AASV leadership.
  - **Relevant Outcome**: Provide updates on the research needs of the swine health community, such as the need for additional research and development of veterinary medical countermeasures for foreign animal diseases, including alternatives to antibiotics.

- **NIFA and ARS Combating Antibiotic-Resistant Bacteria (CARB) Stakeholder Workshop, Webinar, July 19, 2016**
  - **Reason for Engagement**: To discuss, prioritize, and develop strategies to help address the most pressing animal health research, education, and extension needs related to antimicrobial resistance.
  - **Relevant Outcome**: Provided important information that will guide USDA’s CARB research program to ensure relevance and impact.

- **National Cattlemen’s Beef Association, Washington, D.C., August 12, 2016**
  - **Reason for Engagement**: Further develop and enhance ARS’s animal health research plans that are responsive to the needs of U.S. cattle industry.
  - **Relevant Outcomes**: Provide updates on the research needs of the cattle health community, such as the need for additional research and development of veterinary medical countermeasures for foreign animal diseases, including alternatives to antibiotics.

- **Shell Fish Meeting, Washington, D.C., February 1, 2016**
  - **Reason for Engagement**: Meeting requested by Pacific Coast Shellfish Growers Association and the East Coast Shellfish Growers Association to engage ARS and NIFA Leadership on industry priorities.
  - **Relevant Outcomes**: Stakeholders communicated priorities, including the need for improved genetic stocks on each coast and the need to address ocean acidification.
V. **Top Issues**

**Hot Topics**

**ANIMAL WELFARE**
Over the past 2 years, ARS has revamped and enhanced its review of animal research proposals and the care of its animals following a January 2015 New York Times article that alleged mistreatment during research at the U.S. Meat Animal Research Center (USMARC) in Clay Center, Nebraska.

ARS has also entered into an agreement with the USDA Animal and Plant Health Inspection Service (APHIS) to register all locations that use animals in research and to allow unannounced inspections beginning in November 2016 to ensure compliance with the Animal Welfare Act. ARS has made considerable efforts to increase the transparency of the handling and use of animals in its research programs.

The actions ARS has taken during 2016 have complied with requirements outlined in Senate Report 114-82 for ARS-operated and co-located facilities (APHIS registration and inspection), and the Agency has filed quarterly reports to both the Senate and House Appropriations Committees on animal welfare actions taken. Additionally, ARS’ actions have vastly improved its oversight capabilities, created solid procedures in providing for the animals in its research, and instituted a superior animal handling training program.

ARS is currently awaiting the release of a USDA Office of Inspector General Audit of the allegations (expected release October 2016). A preliminary version of the audit concluded there are no systematic problems with animal welfare at USMARC. ARS has agreed to implement all five recommendations from the audit.

**HUANGLONGBING (CITRUS GREENING)**
Huanglongbing (HLB), also known as citrus greening disease, is currently the greatest threat to the citrus industry worldwide, and is present in all 32 citrus-producing counties in Florida. The disease also has been found in a small number of residential locations in Texas and southern California. The bacterium that causes the disease is transmitted by the Asian citrus psyllid (ACP) from infected to healthy trees.

A Multiagency Coordination group (MAC), which is being led by ARS and APHIS representatives, was established by the USDA Secretary to develop and implement a unified research strategy to fight citrus greening. MAC projects funded from FY 2014 to FY 2016 included research for thermotherapy and chemical treatments of trees; biocontrol and areawide management of the psyllid vector; early disease detection; and advanced field trials of citrus rootstocks and sweet orange scions thought to be tolerant of the disease. Funds are administered by APHIS.

ARS research efforts target every aspect of citrus greening — the ACP vector, the presumed bacterial pathogen, and the citrus host through the development of resistant varieties. ARS scientists are working with other Federal and university researchers and industry to coordinate its research activities.
NATIONAL BIO- AND AGRO-DEFENSE FACILITY
The principal U.S. foreign animal disease research facility is located at the Plum Island Animal Disease Center (PIADC) on an island 2 miles off Long Island, New York. Operated by the Department of Homeland Security (DHS), PIADC is the only laboratory in the Nation authorized to work on high-consequence, live foot-and-mouth disease (FMD) viruses. The ARS Foreign Animal Disease Research Unit at PIADC is the primary USDA laboratory responsible for conducting research on foreign animal diseases of livestock, such as FMD, classical swine fever, and African swine fever.

PIADC lacks the infrastructure to work with biosafety level-4 (BSL-4) zoonotic agents and has inadequate BSL-3 space. Homeland Security Presidential Directive 9 identified the need for new state-of-the-art agriculture biocontainment laboratories for studying foreign animal and zoonotic diseases. In response, DHS and USDA initiated plans for the National Bio- and Agro-Defense Facility (NBAF) to be built at Kansas State University in Manhattan, Kansas. Construction began in spring 2013, and NBAF is slated for completion in 2020 and expected to be fully operational by the end of 2023.

Once the NBAF facility is complete, ARS and APHIS will move staff and foreign animal disease research, diagnostics, and training from PIADC to Manhattan, Kansas. NBAF’s enhanced level of security and larger research spaces will allow ARS to increase scientific staff and expand its foreign animal disease program, including priority biological disease threats and potentially dangerous new and emerging diseases that may threaten U.S. animal production. One outstanding question still to be resolved is which department — DHS or USDA — will provide primary management and oversight of facility operations.

The Senate’s version of the FY 2017 Agriculture Appropriations Bill and the Homeland Security Appropriations Bill includes identical report language encouraging DHS and USDA to work together on a plan for the future operation of NBAF, including consideration of an appropriate agency to manage the facility.

HIGHLY PATHOGENIC AVIAN INFLUENZA
Highly pathogenic avian influenza (HPAI) virus is responsible for serious disease and high mortality rates in poultry and wild birds and, if detected, can lead to immediate closure of international trade markets in poultry and poultry products for that country.

ARS scientists are experts in working with highly dangerous animal pathogens, and have access to the high-containment laboratories needed to study dangerous livestock and poultry pathogens. This gives USDA critical capacity for countering biological threats to agriculture and public health, and for addressing the needs of action and regulatory agencies, partners, and stakeholders quickly.

In the worst animal disease outbreak in U.S. history, HPAI viruses infected wild birds in Washington State in December 2014, which quickly spread to chicken layer and turkey farms in other states, resulting in the eventual loss of 49 million birds. ARS scientists quickly implemented a rapid response research program to understand the virulence, host
range, and transmission capabilities of these emerging viruses. Within weeks they had developed a rapid molecular test to detect the virus and transferred it to APHIS. ARS scientists also engineered a vaccine and transferred the vaccine to a commercial partner for development. Although the immediate threat has diminished, the commercial partner obtained a product license and was awarded a contract to manufacture the vaccine for the U.S National Veterinary Stockpile for use in future outbreaks.

**ZIKA VIRUS**

There is currently no vaccine available for the Zika virus, and ARS has not been involved in Zika research. However, ARS scientists have done extensive and long-running research on biting insects and mosquitoes, particularly the two species — the yellow fever mosquito (*Aedes aegypti*) and Asian tiger mosquito (*Aedes albopictus*) — known to transmit the Zika virus.

As part of that research, ARS is:

- Investigating whether Zika virus can infect birds, including poultry;
- Developing attractants, repellents, and biopesticides for mosquito population surveillance and control; and
- Working closely with the American Mosquito Control Association and others involved in U.S. mosquito control to develop better mosquito surveillance and control methods.

**ANTIMICROBIAL RESISTANCE**

The presence of antibiotic-resistant bacteria in foodborne, animal, and human pathogens can reduce the usefulness of existing antibiotics and may increase the risk of more severe infections and hospitalizations. The FDA, which is the primary regulatory agency for antibiotic use in animals, relies on USDA research about antibiotic use and antimicrobial resistance (AMR) in agricultural production to inform its policy and regulatory decisions.

ARS scientists are involved in research on AMR mechanisms and ecology and methods to improve control and mitigation of AMR development and transmission in agro-ecosystems, such as livestock feedlots and other environments. Additionally, ARS collaborates with FDA, CDC, and FSIS on the National Antimicrobial Monitoring System (NARMS), the primary monitoring system for AMR surveillance, to assess AMR in production animals, retail meats, and humans. A report on the surveillance data was just recently completed and approved through ARS. It should be available soon through the FDA/NARMS Web page: [www.fda.gov/AnimalVeterinary/SafetyHealth/AntimicrobialResistance/NationalAntimicrobialResistanceMonitoringSystem/ucm059103.htm](http://www.fda.gov/AnimalVeterinary/SafetyHealth/AntimicrobialResistance/NationalAntimicrobialResistanceMonitoringSystem/ucm059103.htm). NARMS also holds a public meeting every 2 years; the next meeting is in the early planning phase.

Working with NARMS, ARS scientists recently isolated the first bacteria from pigs containing a plasmid that causes resistance to colistin, one of the antibiotics used as a last resort to treat Salmonella in humans.
ARS scientists also conduct research to develop and evaluate alternatives to antibiotics for the prevention and treatment of diseases in animal production, including food safety pathogens. This includes development of vaccines, microbial-derived products, immune-related products, phytochemicals, and chemicals and enzymes with potential to reduce the use of medically important antibiotics in animal agriculture.

**ARSENIC IN RICE**
FDA has proposed Guidance for Industry on the allowable levels of inorganic arsenic in rice used for infant cereals in the United States, which could affect U.S. rice producers.

In 2015, USDA’s Office of the Chief Scientist provided FDA with substantive comments on draft documents concerning inorganic arsenic in rice. In these documents (most importantly, the Risk Assessment and Guidance for Industry), FDA reviewed evidence supporting chronic toxicity of inorganic arsenic and proposed establishing a maximum level of 100 ppb of inorganic arsenic in infant rice cereal. On April 6, 2016, FDA released the Risk Assessment along with the Guidance for Industry.

ARS is working to provide important key data needed by rice producers, breeders, and regulators to better understand how to address the challenge of arsenic in rice. ARS carries out research on arsenic in rice in Stuttgart, Arkansas; Beltsville, Maryland; and Grand Forks, North Dakota. Rice research is also conducted at 10 other U.S. locations.

For 2017, ARS scientists will:
- Continue efforts to breed rice varieties that reduce arsenic uptake and sequestration in the grain;
- Develop alternative water management practices that reduce exposure to arsenic in the soils, while preserving yield; and
- Work with industry on the deployment of the new arsenic analysis technology.

**COFFEE BERRY BORER**
The coffee berry borer (CBB) is a serious invasive pest that reduces coffee yield and degrades quality and now affects all coffee-producing areas, including Hawaii, the only U.S. state where coffee is grown. Hawaiian coffee is a valuable commodity because of its high quality, but the Hawaii Department of Agriculture has now quarantined coffee leaving infested areas.

ARS scientists are working with Hawaiian officials and university researchers on a number of efforts to eliminate or control this threat, including:
- Supporting an Areawide Integrated Pest Management (IPM) program for the CBB, a multi-year project involving ARS laboratories in Hawaii, Maryland, and New York. Since 2013, ARS has committed $1 million annually to the CBB IPM program;
- Developed application strategies for a microbial control product, *Beauveria bassiana*, to reduce the level of CBB infestations in fields;
Developing methods to synchronize crop ripening to create a berry-free production interlude that would interrupt the CBB life cycle without reducing yields; and

- Investigating other organic and sustainable agricultural methods for CBB control, including insect predators, parasitoids, and nematodes that attack CBB.

**ORGANIC RESEARCH**

Organic production is one of the fastest-growing segments of U.S. agriculture, and organic techniques have been shown to provide environmental benefits, such as increased soil carbon sequestration, reduced nutrient runoff, and increased on-farm biodiversity.

ARS has incorporated organic production elements into many research projects, allocating about $95 million from 2009-2015 for organic research at multiple locations. Research focuses on developing sustainable practices that enhance organic agricultural productivity, profitability, energy efficiency, and natural resource stewardship. These sustainable production systems also incorporate consumer preferences for organic produce and supply chain economic information, which allows producers to expand market opportunities. ARS organic research is coordinated with other agencies through the USDA Organic Working Group.

**POLLINATOR HEALTH**

Honey bees and other pollinators are essential for food security, contributing $15 billion in added crop value via pollination. The honey bee industry has been struggling with high rates of bee mortality, including Colony Collapse Disorder, a phenomenon in which worker bees in a colony abruptly disappear or die, for more than 10 years. The causes of this mortality remain unclear, although it may be associated with a combination of challenges pollinators face that include pathogens, parasites, environmental stress, natural habitat loss, and exposure to pesticides.

ARS conducts research on bee and pollinator health primarily at four laboratories, each with a unique regional advantage and research role: Baton Rouge, LA, honey bee breeding; Beltsville, MD, honey bee pests and diseases; Tucson, AZ, honey bee nutrition and Africanized bees; and (soon) Albany/Davis, CA, longitudinal studies and integrative research.

Recent ARS work of significance includes:

- Research on improving bee nutrition health, controlling the Varroa mite and other pests and pathogens, understanding the effects of pesticides on colonies, setting up longitudinal studies to determine causes and evaluate treatments for bee mortality, and establishing a bee genebank to preserve valuable germplasm for breeding; and
- Completing, with APHIS, a nationwide survey of bee health that sets baseline values for pest and disease prevalence; and

In June 2014, President Obama issued a memorandum creating a Federal strategy to promote the health of honey bees and other pollinators, part of which included the establishment of a Pollinator Health Task Force that ARS and other USDA agencies participate.
The White House Office of Science and Technology Policy requested an analysis of the gaps that exist in pollinator research. The ARS report submitted in June 2016 detailed research priorities that included:

- Improving methods for assessing combinations of mortality factors;
- Conducting epidemiological studies and developing decision support software;
- Conducting multi-factorial studies to determine the causes of mortality;
- Curating bee collections and preserving bee germplasm;
- Developing new bee husbandry tools and decision models and software;
- Determining the effects of pesticides and finding means to mitigate pesticide exposure;
- Developing gene editing tools for use in bees; and
- Developing new means for controlling Varroa.

**SCIENTIFIC INTEGRITY**

USDA’s Scientific Integrity Policy is detailed in Departmental Regulation (DR) 1074-001 Scientific Integrity, which provides guidance to Departmental leadership, employees, and contractors to ensure the highest level of integrity in the Department's involvement in scientific and technical processes and analysis. The DR establishes procedures for addressing concerns and/or alleged violations of scientific integrity policy by a USDA employee/contractor.

In addition, ARS has recently revised its processes for publication of scientific research on prominent topics to ensure that information disseminated by ARS scientists and staff meets the criteria for objective scientific research and results, and aligns with the USDA Scientific Integrity Policy. It is ARS policy to ensure scientists can communicate their research findings without political interference or inappropriate influence, as long as they comply with USDA policies and procedures for planning and conducting scientific activities, reporting scientific findings, and reviewing and releasing scientific products. Communications must remain within the bounds of scientific findings.

The Agency Scientific Integrity Officers (ASIOs) and Agency Research Integrity Officers (ARIOs) have agreed to proposed revisions to DR 1074-001 (Scientific Integrity) and new DM 1074-001 Procedures for Responding to Allegations of Scientific Integrity-Related Misconduct. USDA Science Council members had no objections or concerns about the proposed revisions or implementation of the draft directives, which are currently undergoing formal review and clearance.

**SOUTHEAST POULTRY RESEARCH LABORATORY (SEPRL)**

The U.S. National Poultry Research Center in Athens, Georgia, is home to the Southeast Poultry Research Laboratory (SEPRL) and six other laboratories that collectively conduct research on most aspects of poultry production and poultry products. The Center employs 134 ARS staff, including 42 scientists who are involved in research on antimicrobial resistance, avian diseases (including HPAI), bacterial epidemiology, general microbiology, toxicology, and egg safety and quality.
During FY 2016, ARS merged the administrative functions of the Avian Disease and Oncology Laboratory (ADOL) in East Lansing, Michigan, into SEPRL, making ADOL a work site of SEPRL.

SEPRL laboratories are mostly outdated with insufficient capacity, and modernizing the biocontainment facilities has been an ARS top priority for several years. As of FY 2016, Congress had appropriated full funding ($159 million) for the new facilities, which are expected to open in 2023. Modernization will result in approximately 277,494 gross square feet in 5 new buildings and 2,800 gross square feet in four renovated facilities. ARS expects to award a contract for the design-build phase by April 2017.

SCREW-WORM ERADICATION EFFORTS
New World screwworms are fly larvae (maggots) that can infest livestock and other warm-blooded animals, including people, most often by entering an animal through an open wound to feed on the animal’s living flesh. In October 2016, APHIS confirmed the presence of the screwworm in Key deer from National Key Deer Refuge in Big Pine Key, Florida, and the first local infestation in the United States in 34 years. In response, the Florida Commissioner of Agriculture declared an agricultural state of emergency in Monroe County, Florida.

ARS and APHIS have been involved in the response efforts, which include fly trapping to determine the extent of the infestation, releasing sterile flies to prevent reproduction (an ARS-developed technology), and disease surveillance to look for additional cases in animals. The initial goal will be to keep the infestation from spreading to new areas in Florida that could jeopardize the cattle industry there and to eradicate the screwworm flies from the affected Keys.

An important component of USDA’s efforts to keep screwworm flies out of the United States is the Screwworm Eradication Program that was initiated by the United States and Mexico in 1972, which ARS supports by providing research support and technical advice to APHIS. The U.S. and Panamanian governments currently collaborate on producing and releasing more than 1.5 billion sterile screwworm fly pupae each year near the border between Panama and Colombia to maintain a barrier that keeps the flies from spreading into Central America.

CAPITAL INVESTMENT STRATEGY
In 2012, in response to a Congressional directive, ARS surveyed the conditions of buildings at its 90 locations and developed a Capital Investment Strategy (CIS). The survey was to assess the merit and priority for fully funding pending major facility renovation and replacement projects and are aligned to research mission program priorities. The 2012 CIS continues to guide ARS facility capital investment priorities and has been instrumental in communicating the Agency’s infrastructure funding needs to Congress.

To date, Congress has fully funded five of ARS’ top eight CIS priorities. Design funding for two others were included in President’s FY 2016 budget request, and construction funding for those two projects are included in the President’s FY 2017 budget, which has not been acted on by Congress as of October 2016.
ARS is in the process of updating the CIS for 2018 to validate/modify the long-term facility needs to support research requirements for the distant future.

AFM ASSESSMENT
ARS is undertaking an assessment of the Administrative and Financial Services Division (AFM) — which includes the human resources, financial management, property management, and purchases and contracts functions — to assess the structure, processes, and resources employed in the delivery of these services to the REE agencies.

The assessment is being performed in partnership with the National Academy of Public Administration, whose members have been meeting with ARS and REE employees since August 2016 to gather service complaints and complements, best practices, and suggestions for improvements to service. The Academy is expected to compile its discussions and complete its work on the assessment by February 2017. The findings of the assessments may result in organizational structure changes to AFM with an aim at improving services, triggering the need for a Departmental Reorganization Package (DR1010).

Hot Topics – Office of Pest Management Policy

OPMP INTERACTION WITH ARS LEADERSHIP AND THE DEPUTY SECRETARY
The Office of Pest Management Policy (OPMP) was created in 1997 in response to grower concerns about EPA’s implementation of the Food Quality Protection Act of 1996 (FQPA). While OPMP is administratively under ARS, the Director of OPMP works under the direction of the Office of the Secretary. OPMP serves as the Department’s focal point for pesticide issues and all issues related to pest management, and OPMP staff provide Departmental coordination on agricultural biotechnology issues including the internal Biotechnology Coordinating Committee and the Secretary’s Advisory Committee on Biotechnology and 21st Century Agriculture (AC21).

Congress and other stakeholders are keenly aware of the work OPMP provides in support of growers. For the past 4 years OPMP has been specifically recognized by the House and/or Senate Agricultural Appropriations Committees in appropriations bills.

Interactions with ARS leadership are administrative only in scope; all work efforts and policy direction are directed by the Deputy Secretary. The Director of OPMP meets with the Deputy Secretary monthly in person (or more often as needed) and is in contact via e-mail regularly. In addition, the Director works with a Senior Policy Advisor to the Secretary and frequently responds to requests from the Secretary. During interagency review on relevant rulemakings, the Director of OPMP represents USDA at meetings with OMB and receives direction from the Deputy Secretary. The director also works closely with the Chief Economist, and on specific issues, the Chief Economist and the OPMP Director represent USDA at meetings with OMB.

RELATIONSHIP OF OPMP WITH EPA
Under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), the Administrator of the Environmental Protection Agency (EPA) is required to consult with the Secretary of Agriculture at various points. The Office of Pest Management Policy (OPMP), working under the direction of the Office of the Secretary, specifically the Deputy Secretary, serves in this
capacity and provides input to EPA in various formal and informal capacities. USDA provides accurate information about all aspects of agricultural production and provides an assessment of the impacts of EPA’s proposals on U.S. agriculture.

The goals are to ensure EPA’s efforts concerning agriculture are fully informed with the facts and the most up-to-date science, and to convey to EPA the implications of their decisions on the agricultural community. USDA provides reliable data and information to EPA on the benefit, costs, and overall effects of proposed EPA regulatory actions, including the registration review of pesticides. USDA also engages in informal dialogue with EPA to convey the importance of providing U.S. agriculture with safe and effective tools to protect crops and increase agricultural productivity.

However, under FIFRA and related statutes, EPA has sole responsibility for interpreting any USDA-provided information, drawing conclusions, and taking regulatory actions based on the information. While USDA has taken issue with some of EPA’s assumptions and conclusions, USDA recognizes that EPA is faced with multiple and complex scientific challenges, and available data are sometimes ambiguous or uncertain. The repeated challenge of EPA actions in court, particularly in the arena of endangered species protection, further complicates EPA’s ability to prioritize actions based solely on scientific considerations. EPA does solicit extensive public comments at multiple stages of the registration review process for each pesticide. USDA has provided comprehensive comments on several pesticides, and encourages all interested parties to continue to do so in the future. Throughout this process, USDA remains committed to supplying EPA with the best available data on pesticides and U.S. agriculture, and looks forward to providing feedback and suggestions on EPA registration decisions and other regulatory actions.

**REVOCATION OF CHLORPYRIFOS TOLERANCES**

EPA proposed the revocation of all chlorpyrifos tolerances which would potentially result in severe impacts for domestic agricultural production and international trade. USDA has strongly voiced concerns regarding the science, data quality, and lack of transparency. EPA has until March 30, 2017 to inform the Court as to whether or not they will deny the petition which was filed several years ago.

**EPA CONSULTATION ON PESTICIDE REGISTRATIONS – ENDANGERED SPECIES ACT AND FEDERAL FUNGICIDE & RODENTICIDE ACT CONFLICTS**

EPA must consult with the Fish and Wildlife Service and the National Marine Fisheries Service on all actions including pesticide registrations. Historically, they have had strong conflict and resulting Biological Opinions could not be implemented by EPA and/or had mitigation measures that were impossible for agriculture. They recently completed the first three Biological Evaluations that showed that between 80-96% of endangered species are impacted due to overly conservative assumptions. These have taken three years and there is another year of work. The process is unsustainable and has frustrated registrants and the agricultural community. USDA has no formal role in consultation but have attempted to engage.
GLYPHOSATE
EPA is currently reviewing whether or not glyphosate, one of the most widely used herbicides in the United States, causes cancer. Their Scientific Advisory Panel (SAP) was scheduled to meet last month, but EPA postponed until the end of 2016. USDA is closely watching how the science unfolds. While EPA’s white paper indicates they do not believe it causes cancer, the postponement has raised concerns as it was related to the membership of the SAP.

DICAMBA REGISTRATION
USDA-APHIS announced determinations of nonregulated status for Monsanto Company’s soybeans and cotton that are resistant to glyphosate and dicamba in January 2015. Genuity Bollgard II with Roundup Ready Flex cotton and Roundup Ready 2 Xtend soybean seed have been available for purchase since 2015. The seed contains traits that allow in-season use of dicamba and/or glyphosate herbicides in cotton and soybean production along with other desirable agronomic and insect management traits. However, while glyphosate is registered for use with these crops, the EPA registration of dicamba for use in the crop season is still pending. In 2016, some growers in some mid-western states chose to use the product off label, resulting in very widespread and serious crop damage. Recently, a producer was killed in a dispute over the dicamba drift damage. USDA has strongly requested that EPA get this product registered (responsibly) for the next growing season.

ATRAZINE ECOLOGICAL RISK ASSESSMENT AND REGISTRATION REVIEW
Atrazine has been used in the United States for weed control in field corn, sweet corn, grain sorghum, sugarcane, citrus, and warm-season turfgrass for over 50 years. The benefits of atrazine compared to alternatives include excellent crop safety; broad range weed control; applicability in minimum, no-till, and conventional tillage; and economy of use. The draft ecological risk assessment, which draws heavily from conservative model estimations, concludes that atrazine is highly detrimental to amphibians, fish, birds, mammals, etc. - the ecosystem, effects that have not been seen under actual field conditions. USDA, as well a stakeholders across the USA, provided public comments on the serious concerns with the risk assessment. EPA intends to release the atrazine human health risk assessment late 2016.
# Timeline

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<tr>
<th>Key Decision or Program Action</th>
<th>Expected Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARS Animal Welfare Program Customer, Stakeholder, and Partner Symposium</td>
<td>January 2017</td>
</tr>
<tr>
<td>Agricultural System Competitiveness and Sustainability National Program Retrospective (5 year) Assessment Published</td>
<td>January 2017</td>
</tr>
<tr>
<td>Agricultural System Competitiveness and Sustainability National Program Customer Workshop</td>
<td>February 2017</td>
</tr>
<tr>
<td>National Academy of Public Administration Assessment of Administrative Service Delivery in REE due; Departmental Reorganization Package (DR1010) likely to follow</td>
<td>February 2017</td>
</tr>
<tr>
<td>New cycle of Plant Diseases National Program begins</td>
<td>March 2017</td>
</tr>
<tr>
<td>Pasture, Forage and Rangeland Systems National Program Customer Workshop</td>
<td>April 2017</td>
</tr>
<tr>
<td>Crop Production National Program Customer Workshop</td>
<td>April 2017</td>
</tr>
<tr>
<td>Human Nutrition National Program Retrospective (5 year) Assessment Published</td>
<td>May 2017</td>
</tr>
</tbody>
</table>
Appendix A: Acronyms

AD — Area Director, the SES line manager in each of ARS’ 5 geographic areas
AA — ARS Associate Administrator (for Research Operations or Research Programs)
AC — ARS Administrator’s Council
AFGE — American Federation of Governmental Employees
AFM — ARS Administrative and Financial Management, which services ARS and the rest of the REE Agencies
APD — Acquisition and Property Division
ARIS — Agricultural Research Information System (ARS’ project system of record)
CD — ARS Center Director, the SES line manager at a number of larger research centers in ARS
ODEO — ARS Office of Outreach, Diversity and Equal Opportunity
ARS OC — ARS Office of Communications
ARS OCIO — ARS Office of the Chief Information Officer
Axon — the ARS intranet
BARC — Beltsville Agricultural Research Center
BARD — Binational Agricultural Research and Development (U.S. and Israel)
BPMS — ARS Budget and Program Management Staff
DAAFM — ARS Deputy Administrator for Administrative and Financial Management
Cat 1 or Cat 4 — Category 1 & 4 - Research Scientists in ARS
CRADA — Cooperative Research and Development Agreement
CRIS — Current Research Information System
EBSC — ARS AFM Eastern Business Service Center
FD — ARS AFM Facilities Division
FMAD — ARS AFM Financial Management and Agreements Division
HRD — ARS AFM Human Resources Division
Lead SY — Lead Scientist (on a research project)
LC — ARS Location Coordinator
LD — ARS Laboratory Director
MOU — Memorandum of Understanding
MTRA — Material Transfer Research Agreement
MWA — ARS Midwest Area
NA — National Arboretum
NACOP — ARS National Advisory Council of Office Professionals
NAL — National Agricultural Library
NCRBSC — ARS AFM National Capital Region Business Service Center
NEA — ARS Northeast Area
NFCA — Non-funded Cooperative Agreement
NFFE — National Federation of Federal Employees
NPL — National Program Leader
ONP — ARS Office of National Programs
OSQR — ARS Office of Scientific Quality Review
OTT — ARS Office of Technology Transfer, which services ARS and the rest of USDA
PA — ARS Plains Area
PALS — ARS AFM Personnel and Labor Solutions
**United States Department of Agriculture**

**2016 Presidential Transition**

**Agricultural Research Service (ARS)**

- **PDRAM** — ARS Program Direction and Resource Allocation Memo (how ARS assigns objectives and funds to research projects)
- **PI** — Principal Investigator (on a research project)
- **PWA** — ARS Pacific West Area
- **REE** — Research, Education, and Economics
- **RGEF** — Research Grade Evaluation Guide (OPM’s scientific grading system)
- **RL** — ARS Research Leader
- **RLAC** — ARS Research Leader Advisory Council
- **RPES** — Research Position Evaluation System (ARS’ implementation of OPM’s Research Grade Evaluation Guide)
- **RSA** — Research Support Agreement
- **SCA** — Specific Cooperative Agreement
- **SEA** — ARS Southeast Area
- **SY** — Scientist Years (sometimes used interchangeably with “scientist”)
- **WBSC** — ARS AFM Western Business Service Center
- **Y2C** — Your Two Cents, the ARS internal feedback program
WHAT WE DO: OUR MISSION

The Economic Research Service (ERS) anticipates trends and emerging issues in agriculture, food, the environment, and rural America and conduct high-quality, objective economic research to inform and enhance public and private decision making. As a Federal Statistical Agency, ERS provides timely, objective data on the well-being of America’s farmers, consumers, natural resources, and rural communities.

WHO WE ARE: OUR WORKFORCE

- We employ about 360 people, including roughly 240 economists and other social scientists. Communication, IT, and administrative professionals support our research mission.
- All staff work at headquarters in Washington, DC.

WHO WE SERVE: OUR CONSTITUENTS

ERS provides data and research findings to inform USDA and other Federal policy and program decisions. State and local government officials, Non-Government Organizations, agribusiness companies and farmers, and the food industry rely on ERS statistics and reports.

KEY UPCOMING DECISIONS

- **U.S. Farm Income Forecasts**: ERS farm income forecasts are updated three times per year, including the first release for 2017 that will take place during the first half of February. Forecasts are used by USDA and its stakeholders to inform perspectives on the financial health of the U.S. agricultural economy.
- **Report to Congress: International Trade and Tropical Deforestation**: In response to a request in the FY 2016 Senate Appropriation Committee Record, ERS will submit a Report to Congress that analyzes the relationship between international trade in agricultural commodities and tropical deforestation, placing U.S. trade and consumption in an international context.

BUDGET HIGHLIGHTS FY 2016

- **ERS Single-Line Budget Authority**: $91 million
  - Discretionary Authority: 94%
  - Reimbursable authority: 6%
- Addresses the highest priority policy questions and research data needs within our discretionary authority to focus resources on most policy-relevant economic issues.
- Systematically consults with stakeholders to sharpen priorities and research investments.
I. **Organizational Overview**

USDA’s Economic Research Service is a primary source for economic data, research, and analysis that informs both public and private sector decisions makers in the food and agricultural sector. ERS’s economic research touches on topics related to all USDA mission areas.

**Agency’s Mission/Strategic Plan**

The mission of USDA’s Economic Research Service is to anticipate trends and emerging issues in agriculture, food, the environment, and rural America and to conduct high-quality, objective economic research to inform and enhance public and private decision making.

ERS provides research, data, and analysis to enhance the understanding of policy makers, regulators, program managers, and those shaping debate on economic and policy issues. ERS economic forecasts are used both by decision makers as well as other researchers in the food and agricultural sector. Research and market outlook findings are published in USDA reports and academic journal articles. In order to reach our stakeholders, ERS invests in clearly communicating our research, outlook and statistics through our website, a digital monthly magazine, *Amber Waves*, a daily Chart of Note distributed to subscribers via email and Twitter, and interactive data tools.

ERS’s strategic goals correspond to the four programmatic USDA strategic goals as outlined in the table below:

<table>
<thead>
<tr>
<th>USDA Strategic Goal</th>
<th>USDA Strategic Objectives</th>
<th>ERS Research Program Area</th>
<th>Key Outcome</th>
</tr>
</thead>
</table>
| **Strategic Goal 1:** Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving. | **Objective 1.1:** Enhance Rural Prosperity  
**Objective 1.2:** Create Thriving Communities  
**Objective 1.3:** Support a Sustainable and Competitive Agricultural System | Rural Prosperity and a Competitive Agricultural System | Economic research and analysis that enhances understanding by policy makers, regulators, program managers, and those shaping public debate of economic issues affecting rural development, rural well-being, farm business and household income, and rural communities. |
<table>
<thead>
<tr>
<th>USDA Strategic Goal</th>
<th>USDA Strategic Objectives</th>
<th>ERS Research Program Area</th>
<th>Key Outcome</th>
</tr>
</thead>
</table>
| **Strategic Goal 2:** Ensure our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing our water resources. | **Objective 2.1:** Restore and Conserve the Nation’s Forests, Farms, Ranches, and Grasslands  
**Objective 2.2:** Lead Efforts to Mitigate and Adapt to Climate Change  
**Objective 2.3** Protect and Enhance America’s Water Resources | Climate, Energy, and Natural Resource Conservation | Economic research and analysis that enhances understanding by policy makers, regulators, program managers, and those shaping public debate of economic issues related to developing Federal farm, natural resource, and rural policies and programs that respond to the challenges of climate change and the need to protect and maintain the environment while improving agricultural competitiveness and economic growth. |
| **Strategic Goal 3:** Help America promote agricultural production and biotechnology exports as America works to increase food security. | **Objective 3.2:** Ensure U.S. Agricultural Resources Contribute to Enhanced Global Food Security  
**Objective 3.2:** Enhance America’s Ability to Develop and Trade Agricultural Products Derived from New Technologies  
**Objective 3.3:** Support Sustainable Agriculture Production in Food-Insecure Nations | Global Food Supply and Security | Economic research and analysis that enhances understanding by policy makers, regulators, program managers, and organizations shaping public debate of economic issues related to adoption of economically and environmentally sustainable technologies to support enhanced food security, factors affecting trade of U.S. agricultural products (including products produced using biotechnology), strategies to reduce trade barriers and increase markets for U.S. products (including biotechnical exports) |
| **Strategic Goal 4:** Ensure that all of America’s children have access to safe, nutritious, and balanced meals. | **Objective 4.1:** Increase Access to Nutritious Food  
**Objective 4.2:** Promote Healthy Diet  
**Objective 4.3:** Protect Public Health by Ensuring Food is Safe | Food Choices, Nutrition, and Food Safety | Economic research and analysis that enhances understanding by policy makers, regulators, program managers, and those shaping public debate of economic issues related to improving the efficiency, efficacy, and equity of public policies and programs relating to domestic food prices and availability at home, consumer food choices, nutrition and health outcomes, nutrition assistance programs, and protecting consumers from unsafe food. |
ERS conducts agency-wide strategic planning exercises every five years with our next planned round scheduled for 2017-2018. Within each of ERS’s individual divisions, priority project planning occurs annually and strategic goals and medium-term planning occurs every 2-3 years. Both the 5-year agency-wide and division-level medium-term planning exercises include stakeholder interaction ad feedback to improve ERS understanding of customer needs and views. Stakeholders include both USDA policy officials, other Federal decision makers, and agricultural and food industry sector participants. Our most recent strategic plan is available on our website at: http://ers.usda.gov/about-ers/strategic-plan.aspx.

Key mission delivery performance measures

ERS Key Performance Indicators allow for tracking of outcomes that demonstrate impact of research, data, and analyses. Recent measures are presented in the table below:
<table>
<thead>
<tr>
<th>Key Performance Indicator (KPI)</th>
<th>Strategic Goal</th>
<th>Actual</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inform policy officials and stakeholders on policy issues through briefings on research findings (number of briefings)</td>
<td>1,2,3,4</td>
<td>45</td>
<td>39</td>
</tr>
<tr>
<td>Provide research, data, and analysis on policy relevant issues at the request of key decision makers and policy officials (number of staff analyses produced)</td>
<td>1,2,3,4</td>
<td>487</td>
<td>518</td>
</tr>
<tr>
<td>Federal Register Notice and other Government Use (number of notices citing ERS research and/or data)</td>
<td>1,2,3,4</td>
<td>44</td>
<td>34</td>
</tr>
<tr>
<td>Visits to ERS Web site (FY 2012); Number of page views (FYs 2013-2015) using Adobe Cloud software</td>
<td>1,2,3,4,5*</td>
<td>4.6 Mil.</td>
<td>8 Mil.</td>
</tr>
<tr>
<td>Customer satisfaction with the ERS Website (score on a 0-100 scale from Foresee website satisfaction survey)</td>
<td>5</td>
<td>72</td>
<td>73</td>
</tr>
<tr>
<td>Percent of scheduled key statistical indicators released on time</td>
<td>1,2,3,4,5</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Percent of staff analyses delivered on time</td>
<td>5</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Annual Program Review score</td>
<td>5</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

*Note that USDA Goal 5 is: Create a USDA for the 21st century That Is High-Performing, Efficient, and Adaptable. This Goal crosses all research topics and speaks to efficiencies in agency performance.
Organization’s History

The Economic Research Service (ERS) was established in 1961 from components of the former Bureau of Agricultural Economics principally under the authority of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627). ERS has been located at various office spaces in Washington, D.C. during its 55 year history and all of its staff have been located in Washington, D.C. for the past 20 years. Over time, the mission of ERS - and of USDA - has broadened from a focus on the farm economy to reflect the changed environment of our food and agriculture system, and now includes research on food safety, nutrition, natural resources, trade and international agriculture, and the environment.

ERS has established a reputation for timeliness, high quality, depth, and objectivity in analyzing front-burner issues and enhancing the field of agricultural economics. Recent work has informed debates on food deserts, biofuels and renewable energy, rural broadband investment, conservation programs and practices, US farm programs including Federal crop insurance, the role of agricultural research, and the effect of regional trade agreements on U.S. agriculture.

ERS has consistently and effectively combined incisive analysis with cutting-edge technology. The agency pioneered the development of econometric models of national and international agricultural commodity markets in the 1970s, following this with other models that underpin much of ERS's analysis. Most recently, ERS has developed:

- Geospatial online mapping tools to integrate and display data and research results geographically - including data on the rural economy, farm program distribution, and indicators of access to affordable and nutritious food.
- Pioneered the application of emerging behavioral economics methods to food and agricultural policy issues through both intramural and extramural research programs.
- Expanded the ability for USDA, in collaboration with FNS and NASS, to collect primary data on both consumers and farmers through the National Food Acquisition and Purchase Survey (FoodAPS) and Agricultural Resource Management Survey (ARMS) surveys.
- Expanded cooperation and coordination across Federal agencies in the use of administrative data to enhance research capabilities and improve the understanding of Federal food and farm policy programs.
United States Department of Agriculture
2016 Presidential Transition
Economic Research Service (ERS)

Organizational Chart

United States Department of Agriculture
Economic Research Service (ERS)

Office of the Administrator

Food Economics Division
- Diet, Safety, and Health
- Food Assistance
- Food Markets

Information Services Division
- Application Development
- Information Technology Services
- Publishing Services
- Research Support
- Web Services

Market and Trade Economics Division
- Agricultural Policy and Models
- Animal Products and Cost of Production
- Crops
- Food Security and Development
- International Demand and Trade

Resource and Rural Economics Division
- Conservation and Environment
- Farm Economy
- Rural Economy
- Structure, Technology, and Productivity
Biographies of career staff in key leadership positions

**Dr. Mary Bohman**  
**Administrator**  
202-694-5000, mbohman@ers.usda.gov

Dr. Mary Bohman is the Administrator of ERS. She joined ERS in 1997 and previously served as Director of the Agency's Resource and Rural Economics Division, Deputy Director for Research in the Market and Trade Economics Division (MTED), and Chief of MTED's Europe, Africa, and Middle East Branch. Other public-sector positions held include details to the White House Office of Science and Technology Policy and to USDA's Under Secretary for Farm and Foreign Agricultural Services. From 1990 to 1997 she was on the Agricultural Sciences faculty at the University of British Columbia. Dr. Bohman received her Ph.D. from the Department of Agricultural Economics, University of California, Davis and her B.S. from the School of Foreign Service, Georgetown University.

**Greg Pompelli**  
**Associate Administrator**  
202-694-5002, pompelli@ers.usda.gov

Greg Pompelli serves as the Associate Administrator, with primary responsibilities including overall agency operations, serving as the Agency’s Scientific and Research Integrity Officer, and administering its Research Position Classification System. Prior to joining the Administrator’s Office, he served as the Associate Director for the Market and Trade Economics Division, the Chief of the Animal Products, Grains and Oilseeds Branch, Chief of the Global Agricultural Markets Branch, and leader of the Geo-Spatial Economic Analysis team. Before joining ERS in 2000, Pompelli was an associate professor in the Department of Agricultural Economics and Rural Sociology at the University of Tennessee, an economic analyst with Sunkist Growers, Inc., and a loan officer with the Sacramento Bank for Cooperatives. Dr. Pompelli received a Ph.D. and an M.S. from the University of California-Davis and a B.S. from Pennsylvania State University.

**Ephraim Leibtag**  
**Assistant Administrator**  
202-694-5349, eleibtag@ers.usda.gov

Ephraim Leibtag is Assistant Administrator at ERS. He currently manages the agency's Staff Analysis Program, tracks agency metrics, output, and impacts, and represents the agency in various Federal working groups and committees. He previously served as Deputy Director for Research in ERS's Food Economics Division where he was responsible for directing the research program of the Division as well as oversight of all publications, briefings, and presentations of Division staff. Dr. Leibtag received his Ph.D. and M.A. from the University of Maryland at College Park and a B.A. in Economics from Yeshiva University.
Tony Williams
Director of the Information Services Division
202-694-5101, Tony.Williams@ers.usda.gov

Tony Williams is Director of the Information Services Division. He joined ERS in 2015 and lead ERS information technology, website, and publication efforts. Previously, Mr. Williams served as Assistant Division Chief for Information Technology (IT) in the Demographic Surveys Division of the Census Bureau with the responsibility of developing, directing and coordinating IT support and application development of mathematical statistical techniques in support of the design and conduct of the statistical programs in the demographic field. Previously Mr. Williams served as Senior Project Manager in the Operations Services Staff of the Justice Management Division, Department of Justice, directing the migration of component infrastructure into the Justice Data Center. He has also held private sector positions including as a Senior Software Engineer at AT&T. Mr. Williams received his B.S. in Math/Computer Science from California University of Pennsylvania and a M.B.A. in Finance from Virginia Tech University. He also holds a Masters Certificate in Project Management from George Washington University.

Marca Weinberg
Director of the Resource and Rural Economics Division (RRED)
202-694-5478, weinberg@ers.usda.gov

Marca Weinberg is Director of the Resource and Rural Economics Division (RRED). She previously served as RRED Associate Director and Chief of the division's Resource, Environmental, and Science Policy Branch. In her current position, she leads the agency climate change research program, and has served on inter-departmental efforts on sustainability indicators, water use and water quality. More generally, she leads a program of research, analysis and data collection to support policy makers and program managers concerned with conservation, rural development, and the structure and performance of the farm sector. Her primary research focus was on estimating costs, benefits, and distributional implications of policy design options for addressing the environmental impacts of agricultural production and of the non-commodity services agriculture provides. Dr. Weinberg received a Ph.D. and an M.S. in Agricultural Economics from the University of California, Davis, and a B.S. in Political Economy of Natural Resources from the University of California, Berkeley.
Jay Variyam  
Director of ERS Food Economics Division  
202-694-5457, jvariym@ers.usda.gov

Jay Variyam is the Director of ERS’s Food Economics Division. He leads its food policy research focused on federal food and nutrition assistance programs, use of behavioral economics to understand and improve diet quality, the economic effects of food taxes and subsidies, food availability, affordability, and access, assessing the economic cost of foodborne diseases, investigating the market and regulatory factors that drive food safety investments, and the characteristics of food markets and the interplay among consumers, government regulation, and food markets. A major emphasis is on developing consumer and food market data, including data on food prices, household food purchases, consumer dietary behaviors, and time use. He is a steering committee member of the National Collaborative on Childhood Obesity Research (NCCOR) and a member of the Interagency Council on Human Nutrition Research. Dr. Variyam holds a Ph.D. in agricultural economics from the University of Georgia. He completed his M.A. in agricultural economics and B.Sc. in agriculture at the Kerala Agricultural University, Kerala, India.

Gopinath (Gopi) Munisamy  
Director of ERS Market and Trade Economics Division  
202-694-5201, gmunisamy@ers.usda.gov

Gopinath (Gopi) Munisamy is Director of ERS’s Market and Trade Economics Division. He oversees a program of economic research and analysis on U.S. and global economic and policy factors affecting the structure and performance of agricultural markets and trade. Before joining ERS, he served on the faculty at Oregon State University in the Department of Agricultural and Resource Economics, and he chaired the Executive Committee of the International Agricultural Trade Research Consortium. Dr. Munisamy received a Ph.D., in Agricultural and Applied Economics from the University of Minnesota, his M.A. in Agricultural Economics from the Indian Agricultural Research Institute in New Delhi and a Bachelor’s degree in Agricultural Sciences from Tamil Nadu Agricultural University, India.

Biographies of political staff in key leadership positions

ERS does not employ any political staff.
## Organizational Budget and Financial Management

### Economic Research Service Budget Authority FY 2009-2016
(Dollars in Thousands)

<table>
<thead>
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<tr>
<td>Economic Research and Analysis</td>
<td>$79,500</td>
<td>$82,478</td>
<td>$81,814</td>
<td>$77,723</td>
<td>$71,391</td>
<td>$78,058</td>
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<td>GSA Rent &amp; Security</td>
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<td>0</td>
<td>0</td>
<td>6,227</td>
<td>6,535</td>
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<td><strong>Discretionary Sub-total</strong></td>
<td><strong>79,500</strong></td>
<td><strong>82,478</strong></td>
<td><strong>81,814</strong></td>
<td><strong>77,723</strong></td>
<td><strong>71,391</strong></td>
<td><strong>78,058</strong></td>
<td><strong>85,373</strong></td>
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<td><strong>Mandatory:</strong></td>
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<td>2014 Farm Bill: Organic and Market Data Initiatives</td>
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<td>-</td>
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<td>500</td>
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<tr>
<td>Reimbursements</td>
<td>1,248</td>
<td>4,747</td>
<td>1,771</td>
<td>2,189</td>
<td>3,624</td>
<td>5,795</td>
<td>6,484</td>
<td>5,552</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$80,748</strong></td>
<td><strong>$87,225</strong></td>
<td><strong>$83,585</strong></td>
<td><strong>$79,912</strong></td>
<td><strong>$75,015</strong></td>
<td><strong>$84,353</strong></td>
<td><strong>$91,857</strong></td>
<td><strong>$90,925</strong></td>
<td></td>
</tr>
</tbody>
</table>
Enterprise Workforce Data

![Graph showing workforce FY 2009-FY 2016](image)

![Pie chart showing GS level distribution](image)
ERS employs a workforce of 364 employees, of which the following are full-time and part-time:

- Full-time: 354
- Part-time: 10

ERS employs 6 temporary employees.

- Of our total workforce, 83 employees, or 23%, are eligible to retire within the next year.
- All ERS employees are located in the Washington DC headquarters office. ERS has no field offices.
- 239 or 66% of ERS’s employees are Economists, Social Science Analysts, Operations Research Analysts or Statisticians.

II. Policies and Regulations

Statutory Authorities

ERS was established in 1961 principally under the authority of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627). Delegations of authority are made by the Under Secretary for Research, Education, and Economics to the ERS Administrator to: (1) Conduct economic research on matters of importance to cooperatives (2) Conduct economic and social science research and analyses relating to: (i) Food and agriculture situation and outlook; (ii) The production, marketing, and distribution of food and fiber products, including studies of the performance of the food and agricultural sector of the economy in meeting needs and wants of consumers; (iii) Basic and long-range, worldwide, economic analyses and research on supply, demand, and trade in food and fiber products and the effects on the U.S. food and agriculture system, including general economic analyses of the international financial and monetary aspects
of agricultural affairs; (iv) Natural resources, including studies of the use and management of land and water resources, the quality of these resources, resource institutions, and watershed and river basin development problems; and (v) Rural people and communities, as authorized by title II of the Agricultural Marketing Act of 1946, as amended (7 U.S.C. 1621–1627), and the Act of June 29, 1935, as amended (7 U.S.C. 427). No legislation has recently or will soon expire.

Important Policies and Regulations

ERS does not write policy or regulations or administer any programs. ERS primarily conducts research and provides data and information to decision makers. ERS is one of 13 Principal Statistical Agencies in the Federal Government and is guided by OMB Statistical Directives 1 and 4. Statistical Directive 1 focuses on the importance of public trust in statistical agencies to conduct objective statistical activities. Directive 4 provides guidelines on the release of statistical products that covers ERS reports. The stated goal is “to maximize the quality, objectivity, utility and integrity of information, including statistical information provided to the public.” The Directive states that, “Unless otherwise specified in statute, statistical agencies or units are directly and solely responsible for the content, quality, and dissemination of their products.” See: https://www.whitehouse.gov/omb/inforeg_statpolicy for more details about these directives.

Overview of the policy/regulation review process

ERS does not write policy or regulations, but has a comprehensive peer and interagency review process for both its research and data products. All original ERS research conforms to USDAs’ Information Quality Policy and Scientific Integrity Policy as well as OMB’s Information Quality for Peer Review Policy. Research reports are reviewed by technical academic reviewers and both the subject matter and name of peer reviewers are provided on ERS’s website at: http://ers.usda.gov/about-ers/peer-reviews.aspx. The ERS Data Product Quality Standards describe the principles that ERS follows to ensure quality standards are met by all ERS data products. All ERS data products must meet each standard of purpose, utility, objectivity, transparency, integrity, and accessibility.

GAO and OIG Audits

ERS did not have any GAO, OIG, or other audits during the past 4 years and complies with all requests for information when contacted by GAO, OIG, or similar oversight organizations.
III. Congressional Relations and Issues

Overview

ERS occasionally is asked to conduct research and submit findings as a Report to Congress. Previous examples of these types of reports include: *Trends in U.S. Local and Regional Food Systems: A Report to Congress* and *Measuring the Indirect Land-Use Change Associated with Increased Biofuel Feedstock Production: A Review of Modeling Efforts: Report to Congress*. Currently, ERS is preparing a new Report to Congress with a draft title: *International Trade and Tropical Deforestation: A Report to Congress*. Based on a request from Senate Report 110-134 accompanying S. 1800, the 2008 Agricultural, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, ERS was asked to analyze the impacts of U.S. trade and import of food and commodities on global forest loss, and to identify potential U.S. policies that could reduce U.S. impacts on tropical forest loss.

The ERS report will analyze the patterns of deforestation in major deforesting countries including Argentina, Bolivia, Brazil, Paraguay, Indonesia, and Malaysia. Deforestation in South America is linked with production of beef and soybeans, while deforestation in Indonesia and Malaysia is linked with production of palm oil and wood products. The report will provide an historical tracking of production and international trade of forest-risk commodities and an economic model that considers potential policy options. The draft report is scheduled to go through USDA review and clearance during the next few months and then be submitted to Congress by December 2016. ERS does not have any other pending activities related to Congress.

All request for Reports to Congress are submitted through USDA’s standard clearance process and are sent to the requesting Congressional office. ERS can only release these reports publicly if approved to do so by the requesting Congressional office.

Our other primary interactions with Congress include responding to questions regarding economic research and data and participating in hearings and briefings when invited to do so. ERS is usually included in the annual budget and appropriations hearings for REE and occasionally is asked to testify at hearings related to food and agricultural policies for which ERS research is relevant to the discussion (food prices, food assistance programs, farm sector health, and the rural economy).
Relevant Committees

House Committee on Agriculture
   Subcommittees:
   Biotechnology, Horticulture, and Research
   Nutrition
   Livestock and Foreign Agriculture

House Committee on Appropriations
   Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

Senate Committee on Agriculture, Nutrition, and Forestry
   Subcommittee on Nutrition, Specialty Crops, and Agricultural Research

Senate Committee on Appropriations
   Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

ERS works closely with its fellow REE agencies to ensure broad coverage of agricultural science research and statistics and collaborates on projects of mutual interest. ERS also consults with USDA program agencies to learn more about key policy questions that may motivate research projects and works with other Federal agencies on joint research and data projects.

Partner agencies are listed below in 4 categories:

1. REE Mission Area: NASS, ARS, NIFA
2. Other USDA: AMS, APHIS, CNPP, FNS, FS, FSIS, NRCS, OBPA, OCE, RD, RMA, FAS, FSA
3. Other Federal Statistical Agencies: BEA, BLS, Census
4. Other Federal Agencies: USAID, EPA, FDA, GAO, OMB, OSTP, USTR

ERS also consults with international economic development and research groups including FAO and OECD.

In terms of shared services, ERS works in partnership with the Administrative and Financial Management unit in USDA’s ARS to receive Human Resources services (hiring, retirement, personnel actions, personnel security, employ assistance and work-life programs, workers’ compensation, and policy), acquisitions and procurement, extramural agreement administration,
United States Department of Agriculture
2016 Presidential Transition
Economic Research Service

financial and budget Management administration, time and attendance, and travel and relocation support. ERS receives shared payroll, and technical financial services from the USDA’s National Finance Center. Finally, ERS receives shared computing, network, and network security monitoring services from USDA’s National Information Technology Center.

Stakeholder group overview

ERS works with other research institutions on projects of mutual interest including methodological and technical reviews with the National Academy of Sciences on research and data quality across the agency, the National Collaborative on Childhood Obesity Research and the Food Research and Action Center on food economics, food choices, and food assistance program issues, the Farm Foundation on research topics related to farming and the rural economy, and the International Agricultural Trade Research Consortium (IATRC) on agricultural trade research topics. ERS also funds extramural research with other research institutions, especially academic institutions, through research grants and co-operative agreements that enable ERS researchers and academics to work jointly on projects of mutual interest to ERS and the University.

Recent engagements with stakeholder group

The National Collaborative on Childhood Obesity Research includes representatives from CDC, NIH, USDA, and the Robert Wood Johnson Foundation. Jay Variyam, FED Division Director is a member of the Steering Committee, and ERS’s Joanne Guthrie and Lisa Mancino are organizing a joint NCCOR workshop on promoting healthy food purchases among SNAP participants called “Moving from Test Market to All Markets: Translating Food Purchasing Research into Evidence-based Strategies to Improve the Purchase of Healthier Items”, October 17, 2016.

ERS co-sponsored a summit, jointly with the Farm Foundation, on “Antibiotic Stewardship: Policy, Education and Economics” in January 2016. More than 180 producers, economists, government agency staff and representatives from livestock, veterinary and feed industry organizations participated in the summit. The summit program examined how agriculture and animal health can be full partners with the human medical community in a fully integrated national action plan to reduce and mitigate antibiotic resistance.

ERS sponsored a conference in October 2015 to commemorate 20 years of US food security research at ERS. Participants included the Food Research and Action Center, the Center for Budget and Policy Priorities, the Congressional Hunger Center, the Institute of Medicine, Witnesses to Hunger, Bread for the World Institute, ConAgra Foods, American Enterprise Institute and many academics and think tanks.

In September 2015, an ERS co-sponsored Soil Renaissance Workshop brought more than 100 economists, researchers and practitioners together to discuss the economics of soil health. The multidisciplinary workshop laid the foundation for an ongoing program of research on the economics of soil health. The participants—from government, foundations, non-profits, academia and the private sector—gathered to learn about and discuss the science and economics
of soil health. Through 14 presentations, 5 posters, and 3 group discussion sessions, the workshop explored the economics of soil health.

In 2013, ERS contracted with the Farm Foundation to arrange listening sessions with agricultural industry groups representing a wide range of ERS stakeholders. The objective was to gather insight as to whether MTED’s research, outlook and data products are meeting stakeholders’ needs. Between February 2013 and July 2014, eleven focus groups were conducted, mostly at trade shows and industry conventions. These listening sessions were professionally managed by an independent third party, and followed a structure format. The results revealed a strong appreciation for ERS outlook and data products. The findings were used in creating a Commodity Outlook Program Strategic Plan that continues to guide efforts and investments in this program.

V. Top Issues

Key Topics

No immediate decisions regarding key policy issues, major upcoming programmatic decisions, or ongoing regulatory actions are on the horizon for ERS from an agency perspective. However, ERS often provides research findings and data through our staff analysis program to USDA decision makers involved in program and policies in other USDA mission areas (FFAS, FNCS, FS, MRP, NRE, and RD). Two of our most cited statistics are farm income forecasts (next update scheduled for the week of February 6, 2017) and domestic food security estimates (next update scheduled for September 6, 2017).

The latest information on those two topics, as well as selected 2-page backgrounder based on ERS research and data are presented below. In addition, USDA leaders can contact ERS Assistant Administrator Ephraim Leibtag (eleibtag@ers.usda.gov or 202-694-5349), who oversees ERS’s Staff Analysis response team, to receive information from ERS to inform food and agricultural policies and decisions.

Well-being of the Farm Sector

The ERS farm income and finance program measures, forecasts, and explains indicators of economic performance for the U.S. farm sector and farm businesses by resource region and commodity specialization.

ERS publishes estimates and forecasts of farm income, wealth, and household well-being based on responses to USDA’s annual Agricultural Resource Management Survey (ARMS) and information provided by USDA’s National Agricultural Statistics Service (NASS), Farm Service Agency (FSA), Risk Management Agency (RMA), and other sources of sector-level information.
Farm Sector Weakness Forecast to Continue Into 2016

- Net cash farm income for 2016 is forecast at $94.1 billion, and net farm income at $71.5 billion. Both measures are forecast to decline for the third consecutive year after reaching recent highs in 2013 for net farm income and 2012 for net cash income.
- Direct government farm program payments play an important role in the financial performance of the farm economy, accounting for over 14 percent of the sector’s net cash income in 2016—the highest percentage since 2006. In 2016, farm program payments are forecast to rise by 24.8 percent to $13.5 billion.
- Overall, the farm sector holds approximately $2.5 trillion in wealth—the net measure of assets and debt—and it is largely held in agricultural real estate, which accounts for 83 percent of the total value of farm assets.

Farm Businesses

*Farm businesses are defined as operations with gross cash farm income of over $350,000 or smaller operations where farming is reported as the operator's primary occupation.*

- Though farm businesses represent 41 percent of the total number of farms, they account for over 90 percent of the value of agricultural production and hold a majority of the assets and debt in the sector.
- Average net cash farm income (NCFI) for farm businesses is forecast at $102,200 in 2016, down 4.2 percent from 2015, the lowest level since 2011 in both nominal and real terms.
- The 4.2 percent decline expected in 2016 follows a double-digit decline in 2015 after average NCFI reached an historic high of $121,600 in 2014.

Farm Households

The well-being of farm-operator households differs from the financial performance of the farm sector or of farm businesses. Farm-operator households often have nonfarm investments, jobs, businesses, and other links to the nonfarm economy in addition to their farming interests.

- The median income of farm households increased steadily over 2010-14, reaching an estimated $81,637 in 2014. After declining in 2015 to $76,538, median household income is forecast to fall slightly further in 2016 to an expected $76,282, due to projected lower farm income.
- Median farm income earned by farm households is forecast to be -$1,353 in 2016. Most farm households earn all of their income from off-farm sources—median off-farm income is forecast to increase 2.5 percent, from $67,500 in 2015 to $69,159 in 2016.
Net sector farm income and net cash income, 2000-2016F

Note: F- forecast
Data as of August, 2016.

ERS updates its U.S. farm sector income and wealth statistics data three times per year in February, August, and November.
U.S. Household Food Security

In 2015, 12.7 percent of American households were food insecure. Food-insecure households had difficulty at some time during the year providing enough food for all their members due to a lack of resources. Food-secure households have consistent, dependable access to enough food for active, healthy living. USDA’s Economic Research Service produces an annual report *Household Food Security in the United States* and has been monitoring food insecurity in U.S. households since 1995.

Key statistics related to household food insecurity in the U.S. include:

- The percentage of U.S. households that were food insecure increased in 2008 and peaked at 14.9 percent in 2011, the highest recorded percentage since national monitoring of food security began in 1995. The cumulative decline in food insecurity from 2011 (14.9 percent) to 2014 (14.0 percent) was statistically significant.

- From 2014 to 2015, food insecurity declined from 14.0 percent to 12.7 percent. This was the largest year-to-year decline in food insecurity since the 2007-2009 recession ended.

- In 2015, 5.0 percent of U.S. households had very low food security. In this more severe range of food insecurity, the food intake of some household members was reduced and normal eating patterns were disrupted at times during the year due to limited resources. The decline from 5.6 percent in 2014 was statistically significant.

- In 2015, rates of food insecurity were substantially higher than the national average for households with incomes near or below the Federal poverty line, households with children headed by single women or single men, women and men living alone, and Black- and Hispanic-headed households.

- Household food security is a complicated issue that is influenced by a number of factors at many levels. Characteristics of individuals, such as disability status and employment, and characteristics of households, such as income, affect the likelihood of food insecurity. Beyond the individual and family, local, State, and National factors are also important. For example, research has shown that food prices at the local level are related to the likelihood a household is food insecure and national food prices are associated with national food insecurity trends. Research suggests State-level policies that may improve food security include those that increase the availability of affordable housing, promote access to and the use of Federal nutrition assistance programs, or that reduce the total tax burden on low-income households.

Turning specifically to food insecurity among children:

- In 2015, children and adults were food insecure at times during the year in 7.8 percent of households with children, down from 9.4 percent in 2014. At times during 2015, these households were unable to provide adequate, nutritious food for their children.
• Food insecurity among children had declined from a recessionary peak of 11.0 percent in 2008 to 7.8 percent in 2015 and was at the lowest recorded level from 1998 to 2015.

• While children are usually shielded from the disrupted eating patterns and reduced food intake that characterize very low food security, both children and adults experienced instances of very low food security in 0.7 percent of households with children in 2015. In these households, caregivers reported that children were hungry, skipped a meal, or did not eat for a whole day because there was not enough money for food. The decline from 1.1 percent in 2014 was statistically significant.

• Previous research has found that food insecurity impacts children’s health, educational outcomes, and development. Children in food-insecure households are more likely than their otherwise similar peers in food-secure households to have to repeat a grade, have poorer physical and mental health, more frequent illnesses, lower math achievement, and other problematic outcomes.

Federal nutrition assistance programs aim to decrease food insecurity:
• In 2015, about 59 percent of food-insecure households in the food security survey reported that in the previous month, they had participated in one or more of the three largest Federal nutrition assistance programs (SNAP, WIC, and National School Lunch Program).

• Research must account for the fact that food-insecure households are more likely to participate in food assistance programs which makes it hard to measure any ameliorating effects of the programs. Complex analysis using research methods to account for this “self-selection” measurement issue has shown that participation in Federal nutrition assistance programs, SNAP in particular, reduces food insecurity. Additionally, studies that look at the size of SNAP benefits have found that additional SNAP benefits improve food security status.

About the data:
• Data for the ERS food security reports come from an annual survey of about 40,000 households conducted by the U.S. Census Bureau. ERS sponsors the survey and analyzes the data. The food security survey asked one adult respondent per household questions about experiences and behaviors that indicate food insecurity, such as being unable to afford balanced meals, cutting the size of meals because of too little money for food, or being hungry because of too little money for food.

Upcoming policy issue:
• Child nutrition reauthorization and the Farm Bill both influence the administration of Federal nutrition assistance programs and can impact food insecurity. ERS’s national food security statistics are often cited in policy discussions around these legislative issues.
Outlook for Agricultural Trade

The outlook for U.S. agricultural trade is shaped by numerous factors—including year-to-year output variations, patterns of income growth around the world, and exchange-rate changes, foreign and domestic trade and farm policies, and regulations on food and agricultural products, investments in agricultural technology, the quality of transportation infrastructure, and the efficiency and competitiveness of the supply chain.

After 5 years of steady growth, U.S. agricultural exports declined in 2015 to $133.1 billion. U.S. imports continued to grow at 2 percent in 2015 though gains were well below the 7-percent average for 2000-15. These shifts in U.S. agricultural trade produced a trade surplus in 2015 about half of its 2014 value at $19.4 billion. Fiscal 2017 agricultural exports are projected at $133.0 billion, up $6.0 billion from the current fiscal 2016 forecast. U.S. agricultural imports are forecast at $113.5 billion, $400 million higher than current fiscal 2016 projections.

- **Product trends**
  - **Exports:** Grains and feed (including corn and wheat) have accounted for the largest share of U.S. agricultural exports over the past decade, followed by oilseeds and products (particularly soybeans), and horticultural products (such as fruit, vegetables, tree nuts, wine and essential oils). However, horticultural exports grew to 25 percent in 2015, the largest increase of any group.
  - **Imports:** In 2015, over 44 percent of U.S. agricultural imports were horticultural products, while sugar and tropical products such as coffee, cocoa, and rubber comprised over 20 percent. Imports of vegetable oils, processed grain products, and red meat have grown in recent years.

- **Market trends**
  - **Exports:** Over the past decade, East Asia—led by China, Japan, and South Korea—was the largest market for U.S agricultural products, with a collective 34-percent share. Over this period, U.S. agricultural exports to China grew 13 percent annually on average, peaking in 2012. In 2015, Canada re-emerged as the largest export market, surpassing China. Notably, in the last decade, exports to Canada and Mexico together accounted for 28 percent of total U.S. agricultural exports. The European Union (EU) is the third largest regional destination, followed closely by Southeast Asia.
  - **Imports:** Canada and Mexico are currently the largest foreign suppliers of agricultural products to the United States ($22.2 billion and $19.3 billion per year, respectively, in 2013-15), mostly consisting of consumer-oriented goods such as horticultural products, red meats, and snack foods. The EU is a close third, averaging $18.9 billion worth of U.S. agricultural imports in 2013-15, mainly horticultural products. South America—led by Brazil, Chile, and Colombia—averaged $13.7 billion in U.S. imports over the past 3 years; these imports consisted largely of horticultural, sugar, and tropical products in which it has a comparative or seasonal advantage.

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1 USDA forecasts trade data for the fiscal year in the Outlook for U.S. agricultural trade.
• **Key Competitors:** Other top agricultural exporters include the EU (commodities in competition with the United States include: corn, wheat, beef, pork, and almonds), Brazil (soybeans, corn, cotton, beef and pork), and Canada (a leading exporter of wheat and pork). Other countries that compete with the United States are Argentina (corn, soybeans), Australia (wheat, cotton, and beef), Ukraine (wheat, corn), Russia (wheat), and India and Uzbekistan (cotton).

• **Factors shaping the outlook for agricultural trade**
  
  o **Macroeconomic Environment:** Appreciation of the dollar since late 2014 has reduced the global competitiveness of U.S. agricultural commodities, putting downward pressure on market share. Exports of bulk commodities are particularly sensitive to changes in the exchange rate, whereas consumer-oriented goods, including meat, tend to be less sensitive. A closely related shift in the macroeconomic environment has been falling income growth rates in the developing world, a key driver of global demand for agricultural exports.

  o **International Policy Environment:** Foreign food and agricultural policies affect U.S. agricultural exports. Tariffs and other policies that restrict market access are higher and more variable across agriculture than other sectors. Farm policies distort global prices and relative competitiveness, creating an uneven playing field. Differences in regulations and standards aimed at food safety, environmental sustainability or other policy goals both facilitate and add to the cost of trading food and agricultural products. In cases where such policies discriminate against imported products without scientific basis, they are considered non-tariff barriers to trade.

  o **The agribusiness environment:** U.S. competitiveness is also supported by a healthy operating environment for farmers. Technological innovations that increase yields or ensure quality enhance the competitiveness and attractiveness of U.S. products. Farmers use a reliable road, rail and shipping infrastructure to bring their harvest to buyers in a timely manner. Unlike manufacturers, farmers are rarely directly engaged in the export process. Instead, commodity trading firms and food processors are the entities that bring farm products to markets. The competitiveness and efficiency of this supply chain is key to U.S. export performance.
State of the Rural Economy

The rural economy is recovering from the Great Recession, although slowly. Between the fourth quarter of 2009 and the second quarter of 2016, rural employment grew less than 4 percent while urban employment grew more than 10 percent. While rural employment grew slowly, the rural population declined for the first time on record, declining by about 0.3 percent between 2010 and 2014 and remaining nearly constant in 2015, while population in urban areas grew nearly 1 percent per year. As a result of modestly rising employment and slightly declining population, the share of the adult population employed in rural areas has risen from a low of 54.3 percent in the fourth quarter of 2009 to 56.0 percent by the second quarter of 2016; but is still below the pre-recession level of 58.0 percent.

Household incomes have also begun to rise in rural areas in recent years, although growth in incomes has lagged growth in employment. Real median household income in rural areas declined every year from 2008 to 2012, but began to grow in 2014 and grew 3.4 percent in 2015, almost as rapid as the growth in urban real median household income in 2015 (3.6 percent). As median household incomes have begun to rise in recent years, poverty rates have fallen.

- The rural poverty rate declined from a post-recession high of 18.4 percent in 2013 to 17.2 percent in 2015.
- In the same period, rural child poverty declined from 26.2 percent to 24.3 percent.

Despite this improvement, poverty and child poverty remain higher in rural areas than in urban areas. For example, the urban child poverty rate in 2015 was 20.1 percent.

These average trends mask a great deal of diversity across rural areas. Rural median household incomes are lowest and poverty rates are highest in much of the Mississippi Delta region, the Southeast, Appalachia, and parts of the Southwest, West, and Great Plains; especially near the border with Mexico and in tribal reservation areas. High poverty in these regions is associated with low levels of educational attainment and in many cases, remoteness and lack of access to infrastructure. The trends in median household income and poverty rates since the advent of the Great Recession have been more unfavorable in rural counties that are more dependent on manufacturing than in other rural counties, especially counties dependent on farming or mining.

Rural Policy Issues

Poverty and child poverty. The Administration’s initiatives include:

- Promise Zones Initiative – a partnership between the Federal Government and local leaders in high poverty communities to improve the economy, education, public safety, public health, and other local priorities. Promise Zones receive preferential access to Federal program grants and technical assistance. USDA leads the Promise Zone efforts in rural and tribal areas and the Department of Housing and Urban Development leads in urban areas. Since 2014, twenty two Promise Zones have been designated through three rounds of a competitive selection process, including eight rural or tribal zones.

- StrikeForce for Rural Growth and Opportunity – StrikeForce is a USDA initiative to address persistent poverty across rural America, in which USDA staff partner with local
United States Department of Agriculture
2016 Presidential Transition
Economic Research Service

and state governments and community organizations on projects to promote economic
development and job creation through increased outreach and technical assistance. Since
2010, more than 1,500 StrikeForce partnerships have been established, investing more
than $23 billion in high poverty areas of rural America. StrikeForce areas include nearly
1,000 counties, parishes, boroughs, and census areas in 21 States and Puerto Rico.

- Rural IMPACT (Rural Integration Models for Parents and Children to Thrive) – a
  program led by USDA and the Department of Health and Human Services to explore a
two-generation approach to reduce rural poverty and child poverty, seeking to increase
parents’ employment and education and child and family well-being. Ten rural and tribal
communities in ten states have been selected as demonstration sites through a competitive
process since it was launched in the summer of 2015. The main emphasis of the Rural
IMPACT program is technical assistance.

Opioids epidemic and rising mortality. There is substantial concern in Congress and the
Administration about the opioids epidemic and rising mortality rates among segments of the U.S.
population; with these problems especially pronounced in rural areas. In July 2016, the
Comprehensive Addiction and Recovery Act was enacted, which will promote increased
diversion of drug violations from the criminal justice system, and increased use of treatment
options such as Naloxone. Secretary of Agriculture Vilsack is leading an interagency task force
focused on this challenge, and USDA has expanded its Rural Health and Safety Education grants
program to increase rural communities’ ability to fight the epidemic. Obtaining funds for such
efforts will continue to be an issue.
Food Safety and the Implications of the Food Safety Modernization Act on Farmers

The Food Safety Modernization Act (FSMA) is the largest reform of U.S. food safety laws in 70 years. Passed in 2011, when fully implemented FSMA will affect every stage of the food production and marketing system. FSMA is anchored by 7 foundational rules which became final in 2015 and 2016. September 2016 marked the first major compliance date for covered larger businesses under the Preventative Controls rules for Human and Animal Food. Compliance requirements for other businesses and rules are being phased in over time, and FDA continues to release guidance documents and implementation strategies.

Key Points:

- According to data from the Centers for Disease Control and Prevention (CDC), about 48 million people (1 in 6 Americans) get sick, 128,000 are hospitalized, and 3,000 die each year from foodborne diseases.

- FSMA directs FDA to establish standards for adoption of modern food safety prevention practices by those who grow, process, transport, and store food, including, for the first time, on-farm regulation of produce with respect to microbial food safety. The goal is to shift the policy focus from *ex post* reaction to food safety incidents to *ex ante* risk-based preventative action.

- Foodborne illness linked to contaminated produce is a public health concern. Research from the CDC found that 46% of foodborne illnesses in the period 1998-2008 were attributed to produce.

- ERS research showed that the 2006 spinach and 2011 cantaloupe contamination events negatively impacted producers throughout the industry even though in both cases a single firm was at fault.

- FDA published the final rule on Standards for the Growing, Harvesting, Packing, and Holding of Produce for Human Consumption (the Produce Rule) on November 27, 2015 with an effective date of January 26, 2016. Compliance for some firms begins 2 years after the effective date and is phased-in for other covered firms over a 4-year period.

- ERS, in partnership with NASS, conducted two surveys of fruit and vegetable producers--one in late 2015 and the other in late 2016--to establish a baseline of food safety practices on the eve of FSMA implementation. The most recent previous national data on produce food safety practices was from 1999. Both surveys collect data for key requirements under the Produce Rule including water quality test frequency and standard, animal manure treatment by source, animal presence in fields, worker training and
hygiene, and sanitation of equipment and tools, as well as costs for these food safety practices.

- To complement and inform survey results, ERS is conducting five case studies to assess industry progress with respect to implementing FSMA, and to identify challenges encountered based on the characteristics of farms, commodity, region, and environment. Using information from the surveys and case studies, ERS will compare current food safety practices and costs and FSMA requirements across (1) farm/firm size, (2) geographic region, and (3) marketing channels. The research will provide a comparative for eventual assessment of effectiveness of FSMA adoption.

- FSMA also applies to imported produce. The final rule on Foreign Supplier Verification Programs for Importers of Food for Humans and Animals (FSVP) includes provisions that require importers to verify that food imported into the United States has been produced in a manner that meets applicable U.S. safety standards.

- The United States currently imports about one-third of its total fresh produce needs, up from less than 20 percent in 1990. Import shares have increased for both fresh and processed produce. Mexico, Canada, Chile, and Peru are among the major suppliers for fresh produce.
Financial Stress Indicators: Farm Bankruptcy and Commercial Bank Delinquency Rates

After several years of strong growth in farm income, the sector’s overall returns have been in decline with net farm income now forecast at $71.5 billion for 2016, 42 percent below the $123.8 billion peak in 2013. While a combination of forces placed the sector on an economic rollercoaster, data so far do not indicate a commensurate increase in financial stress on farm businesses or the institutions that serve them, with many financial indicators such as debt-to-asset levels near their historic lows. We present some additional evidence on farm bankruptcies and loan delinquencies, two observable signs of financial stress.

Recent data (through the second quarter of 2016) on farm bankruptcies and loan delinquencies indicate minimal signs of financial stress in the agricultural sector. Both farm bankruptcy rates, considered a lagging indicator of financial stress, and commercial bank delinquency rates for agricultural loans, which are shown here to lead upticks in bankruptcies, are low compared to historical levels and to more recent history in the 2000s.

Chapter 12 Bankruptcy is law available only to family farmers and provides a proxy measure for farm bankruptcy levels in the U.S. The use of Chapter 12 could be limited if debt levels exceed statutory limits or under other extenuating circumstances. Figure 1 shows Chapter 12 bankruptcy filings per 10,000 farms and the two shaded areas represent the post-WW1/Great Depression agricultural crisis and the 1980s farm crisis. More recent data show that bankruptcies are relatively low now as compared to the past.

*Figure 1: Farm Numbers and Bankruptcy Rates. 1899-2016*

Figure 2 presents seasonally adjusted loan delinquency rates since 1991 relative to commercial loan volumes for agricultural production and farmland loans, based on quarterly call reports filed
with the Federal Reserve. Monitoring of delinquency rates in the agricultural lending sector provides a possible indicator of forthcoming stress. Delinquency rates show growth prior to bankruptcy jumps in the 2000’s. From the fourth quarter of 2000 through the fourth quarter of 2001 and from the third quarter of 2008 through the third quarter of 2010, the moving average of bank delinquency rates grew. These changes predated the jump in bankruptcy rates in 2003 and 2011. Current delinquency rates (Quarter 2, 2016) for production and farmland loans in the commercial bank portfolio are low in comparison to the last two decades.

*Figure 2: Delinquency rates on Commercial Bank Loans, 1991 through second quarter 2016*
Federal Tax Policy and Farmers

Federal tax policies affect the financial well-being of farm families and can also have effects on the number and size of farms, their organizational structure, and their use of land, labor, and capital. Tax policy can also affect farmers’ ability to transfer their farms to the next generation.

Significant changes in Federal income and estate tax policies have occurred over the last decade. Analyses suggest that these changes in Federal tax policies affecting both individual and business income taxes have reduced the tax burden on farm income and investment while changes to estate tax policies have greatly reduced the number of farm estates subject to the tax and the taxes owed. Despite these changes, comprehensive tax reform, especially corporate tax reform as well as other tax policy initiatives continue to be at the center of the public policy debate. These initiatives include various tax reform and other proposals by the administration, both presidential candidates as well as Congress.

Federal Income Tax Policy

The Federal income tax is the most significant tax for most farmers and as a result has the greatest potential impact on investment, management and production decisions. Two areas of Federal income tax policy have major significance to the farm sector. These include the reduced tax rate on capital gains and the accelerated recovery of capital costs through business expensing provisions.

Currently, capital gains are taxed at substantially lower rates than other ordinary income. According to the Internal Revenue Service, in 2010, about 38 percent of all farmers reported some capital gains—more than three times the share for all other taxpayers. The average amount of capital gain reported by farmers was also more than double the average capital gain reported by other taxpayers.

Farming requires large investments in machinery, equipment, and other depreciable capital. Under the present tax system, such costs may be treated as a current expense or depreciated over time, both of which lower taxable income in the year claimed. The amount that can be expensed is subject to a dollar limit, and investments above the limit must be depreciated over a specified recovery period, generally 7 years for most farm machinery and equipment.

Over the last decade, the amount that a farmer can immediately expense has been increased to encourage investment and provide tax relief to small businesses. Currently, farmers and other small businesses are allowed to expense up to $500,000 each year in capital purchases. This increased capital expensing allowance reduces the effective tax rate on farm capital and simplifies the recordkeeping burden associated with the depreciation of capital purchases, with commercial farmers the primary beneficiaries.
Federal Estate and Gift Tax Policy

Under the current Federal estate tax, individuals can transfer up to a specified amount in money and other property without incurring any Federal estate tax liability. Since 2001, the amount exempted from the Federal estate tax has increased from $675,000 to $5.45 million, while the maximum tax rate has declined from 55 percent to 40 percent. As a result, both the number of taxable estates and the amount of taxes owed have dropped dramatically.

While the aggregate importance of Federal estate and gift taxes is relatively small, their potential effect on farmers and other small business owners has been a major concern among both farmers and policymakers. These groups are more likely than the general public to owe estate taxes, and much of the concern focuses on the ability of the next generation to continue operating and investing in these family-owned businesses. For many farms, business assets account for a large share of the owner’s estate.

Over the years, a number of targeted provisions were enacted to reduce the burden of the estate tax on farmers and other small business owners. These include a special provision that allows farm real estate to be valued at its farm use value rather than its fair market value. This provision can reduce the value of a farmer’s estate up to the current limit of $1.1 million. In addition, an installment payment provision allows for the payment of any estate taxes over a period of nearly 15 years. These provisions along with the increase in the exempt amount have increased the ability of the vast majority of farmers and small business owners to transfer their farm or other businesses to the next generation free of any Federal estate tax liability.

For 2015, less than 2% of the estates of farm operators were required to file an estate tax return with only about one third of these estates owing any Federal estate taxes. Total Federal estate tax liabilities on all farm estates was estimated at about $560 million. Historically, both the number of taxable estates and taxes owed have been much higher. Federal estate tax proposals that would affect either the exempt amount or these special provisions would be of special interest to farmers.
Farmland Value Trends

Land accounts for 82% of total asset value as of 2015. Agricultural land values, therefore, serve as a critical barometer in measuring the overall health of the U.S. farm economy. As a result of historically low interest rates and strong farm earnings, farmland values have risen substantially in recent years. Farm real estate values, which include the value of both buildings and land, increased from $1,210 to $3,010 per acre since 2002, with cropland and pastureland experiencing similar gains. However, appreciation has been considerably lower over the past few years. For the first time since the Great Recession, both cropland and farm real estate experienced a modest annual decline in value, decreasing by 0.3% and 1% in nominal terms, respectively, between 2015 and 2016. Average pastureland values remained constant over the past year.

**Average U.S. farmland values, 2002-2016**

![Graph showing farmland values from 2002 to 2016]


Growth in farmland values has slowed due to a shift in expectations of the stream of net returns that owning farmland will yield, which is influenced by factors that affect the economy as a whole as well as those that are specific to the farm sector. The fact that many experts forecast that interest rates will to begin to rise in the next few years can put downward pressure on land values, as the expected future net returns from land would be lower with higher borrowing costs. Expectations of the income stream may also be changing due crop prices, which, as of July 2016, are 16% lower relative to 2011 in terms of the ratio between prices received and production costs. The 2016 USDA 10-year projections suggest that the prices of three major crops (soybeans, corn, and wheat) will all stabilize at, or grow modestly from, their current price levels, which are lower than 2011 prices.

Although national estimates provide a good indication of the overall health of the farm sector, variation in the factors that influence farmland values across the U.S. impact how region-specific
estimates change over time. For example, the highest farmland values are generally found in the Corn Belt ($6,290 in 2016), followed by the Northeast ($5,010). Land values in the Corn Belt are, to a large extent, driven by cash grain commodity prices and growing conditions, while values in the Northeast are largely influenced by non-agricultural factors, such as future development potential. In the past year, farm real estate values in the Pacific region increased by 3.4%, while values in the Northern Plains declined by over 4.3%. For cropland, the largest recent decline again comes from the Northern Plains region (5.4%), while the Delta (3.1%), Southeast (4.0%), and Pacific (2.8%) regions experienced noteworthy gains. Pastureland values in the Lake States declined 8.9% in the past year, while increases of 2.9% and 3.9% occurred in the Southeast and Delta regions, respectively.

**Farm real estate, nominal $/acre, 2016**

Organic Agriculture and Farm Profitability

Organic agriculture is one of the fastest growing segments of U.S. agriculture, with industry estimates of annual retail sales at $43 billion as of 2015. Organic producers tend to be younger and newer to farming, and organic row crop producers tend to enjoy higher net returns. Organic agriculture can also provide environmental benefits, including higher levels of soil carbon sequestration and on-farm biodiversity. ERS provides unique, ongoing analyses of the organic market, including analyses of retail price premiums, economic issues of coexistence between organic and genetically engineered crops, and the profit potential of certified organic field crop production.

ERS also supports other agencies in the development of data collection tools, such as organic certifier surveys, the development of harmonized trade codes for organic products, and the collection of information documenting market losses suffered by organic producers due to the presence of genetically engineered traits in organic products. In 2005, ERS began adding organic samples to the Agricultural Resource Management Survey (ARMS) to enable comparisons of farming practices and profitability in organic and conventional systems—and has published findings on field crop, apple and dairy sectors. ARMS is USDA's primary source of information on the financial conditions, practices and resource use of America's farm businesses.
Timeline of Key Releases January-June 2017

January 2017: Major Land Uses Data
February 2017: Farm Income Forecasts
March 2017: International Macroeconomic and Agricultural Baseline Projections
April 2017: Annual Update to ERS State Fact Sheets
June 2017: International Food Security Assessment Annual Report

Appendix A: Acronyms

FAO – Food and Agriculture Organization of the United Nations
OECD – Organization for Economic Cooperation and Development
REE – Research, Education, and Economics Mission Area within USDA
WHAT WE DO: OUR MISSION

Our mission is to provide timely, accurate, and useful statistics in service to U.S. agriculture. We conduct more than 400 weekly, monthly, quarterly, or annual surveys each year to provide data and reports that others rely on to make farm-level, business, and policy decisions related to agriculture. Every five years, we conduct the Census of Agriculture, a complete count of U.S. farms and ranches, large and small. We also conduct research on relevant cutting edge statistical issues. NASS is the official source of information on the farms, ranches, and people who provide food, feed, and fiber for the United States and the world.

WHO WE ARE: OUR WORKFORCE

- We have a current staff of 953 of which 530 reside in Headquarters units in Washington, D.C. and our National Operations Center in St. Louis, MO.
- An additional 423 staff are located in our 12 regional field offices and 33 state offices.
- Nearly 70 percent of our staff are statisticians.

WHO WE SERVE: OUR CONSTITUENTS

Farmers and ranchers, farm organizations, USDA agencies, state agriculture departments, analysts, news media, academic researchers, businesses, and community-based organizations use NASS data to evaluate, understand, and improve their agriculture-related decisions.

KEY UPCOMING DECISIONS

- Appointment of members to the Advisory Committee on Agriculture Statistics by the Secretary by April 4, 2017. NASS will have approximately 10 vacancies on our 20 member advisory committee.
- Inclusion of a budget increase for the fourth-year (FY18) of the five-year Census of Agriculture cycle. The increase will be used to fund the mailing and processing of approximately 3 million census forms.

BUDGET HIGHLIGHTS FY 2016

Budget Authority (in thousands)

- Discretionary Funds $168,443
  - Agriculture Estimates $126,266
  - Census of Agriculture $42,177

In FY 2018, the Census of Agriculture Discretionary Funds is expected to increase due to improved outreach efforts and administrating cost. NASS cooperates with agricultural stakeholders to supplement the core programs through reimbursable agreements.
I. Organizational Overview

Agency’s Mission/Strategic Plan


NASS strategic goals align with the strategic goals, major program policies, and objectives of both USDA and the Research, Education and Economics mission area. In addition, the plan focuses on developing strategies for managing human capital, financial management, and budget and performance integration, which also align with USDA’s and the REE mission area’s strategic goals.

NASS’s five strategic goals mirror our commitment to provide first-class service, state-of-the-art science, and consistent management excellence. Planning, sound management, and results measurement are an inherent part of achieving the goals and the seven key objectives NASS has identified. Table 1 shows the NASS goals and objectives in relation to USDA strategic goals.
Table 1. NASS Strategic Goals Align with USDA Goals

<table>
<thead>
<tr>
<th>USDA Strategic Goal 1: Assist rural communities to create prosperity so they are self sustaining, repopulating and economically thriving</th>
<th>NASS Strategic Goal 1: Enhance the Competitiveness and Sustainability of Rural and Farm Economies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obj 1.1. Provide statistical data to promote efficient agricultural production and marketing systems</td>
<td>Obj 1.2. Provide statistical data in support of risk management for farmers and ranchers of agriculture</td>
</tr>
<tr>
<td>Obj 1.3. Provide statistical data for emerging agricultural markets</td>
<td>NASS Strategic Goal 2: Create Growth Opportunities in Rural America</td>
</tr>
<tr>
<td>Obj. 2.1. Provide statistically sound information for expanding economic opportunities by conducting the Census of Agriculture</td>
<td>NASS Strategic Goal 3: Help Protect and Enhance the Nation's Natural Resource Base and Environment</td>
</tr>
<tr>
<td>Obj. 3.1. Provide statistical data to support management of productive working cropland</td>
<td>NASS Strategic Goal 4: Support International Economic Development and Trade Capacity Building</td>
</tr>
<tr>
<td>Obj. 4.1. Provide technical assistance to improve agricultural statistics in developing and transitioning countries</td>
<td>NASS Strategic Goal 5: Support a Safe U.S. Food Supply and Agricultural Production</td>
</tr>
<tr>
<td>Obj. 5.1. Provide chemical usage statistics to enable informed decisions using sound science in risk analysis</td>
<td></td>
</tr>
</tbody>
</table>

The NASS strategic plan can be viewed in its entirety at: [https://www.nass.usda.gov/About_NASS/Strategic_Plan/pdf/spnass2015.pdf](https://www.nass.usda.gov/About_NASS/Strategic_Plan/pdf/spnass2015.pdf)
**United States Department of Agriculture**  
**2016 Presidential Transition**  
**National Agricultural Statistics Service (NASS)**

**Key Mission Delivery Performance Measures**

NASS performance measures are based on its mission to provide timely, accurate, and useful agricultural statistics. Census coverage and response rates contribute to accuracy and usefulness. Each NASS objective that relates to the USDA Strategic Plan has a measure for each Investment Criteria: Usefulness (relevance), accuracy (quality), and timeliness (performance). These performance measures can be summarized into four generic measures:

**Measure 1. Usefulness** – The accessibility, relevance, coherence, comparability, and usefulness of NASS official reports and products and services as measured by NASS issuing errata for fewer than 5 percent of Agricultural Statistics Board reports. These performance measures vary by goal, but get to the root of why NASS is considered the federal leading provider of agricultural statistics. Precision of data is necessary for stakeholders to be able to rely on the data to make day-to-day management decisions and eliminate unnecessary chaos in the market.

**Measure 2. Timeliness** - Percent of time official reports are released on the date and time pre-specified to data users. Agricultural statistics are at the core of many decisions made in the agriculture sector. If these data are not timely, the disruption and chaos generated would be immeasurable. This performance measure is the same for all of the goals and is calculated across all NASS reports.

**Measure 3. Census Coverage** – Percent of U.S. farms or ranches covered by the census mail list (CML) every five years. NASS strives to build the CML that covers a maximum number of farms and ranches nationwide. NASS devoted tremendous resources to the 2012 Census of Agriculture (COA) to maximize coverage rates. Online reporting nearly tripled from the 2007 census to the 2012 census, from 100,000 to more than 280,000. NASS will continue to work to improve upon this for the 2017 COA.

**Measure 4. COA Program Response Rates** – Percent of CML respondents returning a usable report. NASS strives to maximize response rates using multiple approaches to data collection. Even though response rates are historically trending downward for federal surveys, NASS strives to improve its response rate for the COA program.
# United States Department of Agriculture
2016 Presidential Transition
National Agricultural Statistics Service (NASS)

## Table 2. NASS Performance Measures, 2010 - 2016

<table>
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<tr>
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</thead>
<tbody>
<tr>
<td>1 Usefulness – The accessibility, relevance, coherence, comparability, and usefulness of NASS official reports, products, and services as measured by NASS issuing errata for fewer than five percent of Agricultural Statistics Board reports.</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1.3%</td>
<td>1.3%</td>
<td>&lt; 1.5%</td>
<td></td>
</tr>
<tr>
<td>2 Timeliness - Percent of time official reports are released on the date and time pre-specified to data users.</td>
<td>99.8%</td>
<td>99.6%</td>
<td>98.7%</td>
<td>98.8%</td>
<td>99.7%</td>
<td>99.7%</td>
<td>&gt; 98%</td>
</tr>
<tr>
<td>3 Coverage - The Quinquennial Census of Agriculture Coverage – Percent of U.S. farms or ranches covered by the Census Mail List (CML) every five years.</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>87.7%</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>4 Response Rate - Census of Agriculture and Follow-on Survey Response Rates – Percent of CML respondents returning a usable report.</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>80.3%</td>
<td>84.0%</td>
<td>84%</td>
<td>&gt; 80%</td>
</tr>
</tbody>
</table>

## Organization's History

The National Agricultural Statistics Service was established by Secretary's Memorandum No. 1446, Supplement 1, of April 3, 1961, under Reorganization Plan No. 2 of 1953 and other authorities. The mission of the agency is to provide timely, accurate, and useful statistics in service to U.S. agriculture.

The statistical data provided by NASS are essential to the public and private sectors for making effective policy, production, and marketing decisions on a wide range of agricultural commodities. Every five years the Census of Agriculture provides comprehensive national, state, and county data as well as selected data for Puerto Rico, Guam, the U.S. Virgin Islands, and Northern Mariana Islands. USDA published its first crop report in 1863. NASS’ responsibilities are authorized under the Agricultural Marketing Act of 1946 (7 U.S.C. 1621-1627) and the Census of Agriculture Act of 1997, Public Law 105-113 (7 U.S.C. 2204g).
United States Department of Agriculture
2016 Presidential Transition
National Agricultural Statistics Service (NASS)

Organizational Chart
Biographies of Career Staff in Key Leadership Positions

Hubert Hamer  
NASS Administrator  
202-720-4333, Hubert.Hamer@nass.usda.gov

Mr. Hamer serves as NASS Administrator. He brings extensive experience in all aspects of the agency’s work. Before becoming administrator, he served as director of the Statistics Division, which produces and releases more than 400 national statistical reports each year covering the agency’s crops, livestock, economic, demographic, environmental, and census programs. He also served as executive director of the NASS Agricultural Statistics Board (ASB) and executive director of the Advisory Committee on Agriculture Statistics.

From 2010 until he became head of the Statistics Division, Hamer was chair of the Agricultural Statistics Board. As ASB chair, he led the preparation and dissemination of market-sensitive ASB reports compiled and issued under special security conditions known as Lockup. He was also responsible for promotion and outreach of the NASS mission to all stakeholders. From May 2000 until April 2010, Hamer was NASS Associate Deputy Administrator for Field Operations, overseeing 24 state field offices as well as the Training and Career Development Office.

Since joining NASS, Hamer has served in a number of capacities both in Washington, D.C., and in the Louisiana, Illinois, and Missouri field offices. While directing the Missouri office, he completed USDA’s Senior Executive Candidate Development Program and was appointed to the Senior Executive Service in 2000. Hamer completed the program for Senior Managers in Government at Harvard University’s John F. Kennedy School of Government in 2004 and completed the Office of Personnel Management (OPM) Executive Potential Program in 1994. As part of the OPM program, he served as a fellow with the Senate Budget Committee and worked on the staff of the Secretary of Agriculture.

Hamer was born on a small livestock and row crop farm in Benton County, Mississippi, and later continued his development in Grand Junction, Tennessee. He is a graduate of Tennessee State University.

Renee Picanso  
Associate Administrator  
202-720-2707, Renee.Picanso@nass.usda.gov

Ms. Picanso began her employment with NASS in January 1979 and was selected as Associate Administrator in July 2014.

Her career with NASS began as a statistician in the Arkansas field office. She then served as a statistician in the Tennessee and Texas field offices, as the deputy director in the Indiana field office and as director in the Colorado office. Her Washington, D.C., headquarters experience includes working as a statistician in the Statistics Division and as an assistant to former NASS Administrator Charles Caudill. Renee also served for two years as special assistant to Administrator Cynthia Clark and was responsible for overseeing strategic planning, performance measurement, continuous process improvement, outreach, and special projects for the agency.
Most recently, she served as director of the Census and Survey Division (CSD). In this role, she oversaw the Census of Agriculture, Survey Administration, Survey Sampling, Data Collection, and List Frame activities.

Renee grew up in North Carolina and Texas, graduated from Texas A&M University with a B.S. degree in agricultural economics, and is a 2004 graduate of USDA’s Senior Executive Service Candidate Development Program.

Joseph Parsons
Chair, Agricultural Statistics Board
Director, Methodology Division
202-690-8141, joe.parsons@nass.usda.gov

Mr. Parsons is chair of USDA’s Agricultural Statistics Board and director of the NASS Methodology Division. As ASB Chair, he leads the preparation and dissemination of market-sensitive agriculture-related forecasts and estimates.

In his 30-year career at NASS, Joe has served in leadership roles throughout the agency. From late 2011 until mid-2016, he was director of the Information Technology Division (ITD) and the agency’s Chief Information Officer. As ITD director, Parsons oversaw projects that transformed the NASS computing environment, promoting database optimization and software development essential to timely and accurate processing and analysis of official agricultural statistics. Parsons was appointed to the Senior Executive Service after completing USDA’s Senior Executive Candidate Development Program and American University’s Key Executive Leadership Certificate Program. As part of his leadership training, he served a detail as visiting executive at Statistics Canada. Earlier work at NASS included serving as director of the Nebraska field office and deputy director of the Washington field office. Parsons has also been active in the agency’s international consulting work, traveling to projects in Afghanistan, Nicaragua, and the People’s Republic of China. For several years, he taught evening mathematics and statistics courses at a local university.

Jay Johnson
Director, Eastern Field Operations
202-720-3638, Jay.Johnson@nass.usda.gov

Mr. Johnson is director of NASS Eastern Field Operations. He served as acting director for the Census and Survey Division of NASS from August 2014 to January 2015. He was certified by the Office of Personnel Management in February 2015, after completing the Senior Executive Service Career Development program.

Jay was the first director of NASS’ Great Lakes Regional Office in East Lansing, Michigan, starting in February 2013. Before that, he was the state director for the agency’s Michigan field office from 2011. Prior to his tour in Michigan, Jay served for nine years as NASS’ chief of staff as the senior advisor to the administrator on budget planning, congressional activities, and decisions that impacted the agency.

Johnson also was the National Cotton Statistician, after completing a brief tour in NASS’ Research and Development Division as a mathematical statistician exploring the use of an area frame to measure undercoverage in the Census of Agriculture. His NASS career started in 1988
as a student assistant in the Pennsylvania field office and with various assignments in the NASS Indiana and North Carolina field offices.

Johnson received his Bachelor of Science degree in Agriculture Business Management from Pennsylvania State University in 1989. He completed the coursework for a master’s degree in statistics at North Carolina State University in 1997.

**Kevin Barnes**  
**Director, Western Field Operations**  
202-720-8220, Kevin.Barnes@nass.usda.gov

Mr. Barnes is director of NASS Western Field Operations, responsible for oversight of personnel, budget, facilities, and overall operations of field offices covering 22 states.

In his 29 years of service at NASS, Barnes has served in leadership roles throughout the agency. Barnes graduated summa cum laude from the North Carolina Agricultural and Technical State University with a degree in agricultural economics and a concentration in agricultural business. Barnes worked as an agricultural statistician in the agency’s South Carolina, North Carolina, Florida, and Illinois field offices. At headquarters in Washington, D.C., he worked as a survey statistician, national commodity analyst, and head of the Commodity Surveys Section responsible for national surveys.

After serving as director of the Virginia field office, he returned to headquarters as chief of the Environmental, Economics and Demographics Branch, where he led a review of the agency’s agricultural prices program, helped lead development of new energy-related programs, and served on several Department committees and teams related to energy initiatives. He also served on the North American Tripartite Committee on Agricultural Statistics and participated in international conferences and training activities in Canada, China, and Ghana.

In 2009, Barnes earned his certification for Senior Executive Service. While detailed to the Office of Human Capital Management he led a team to complete the USDA Workforce Plan and developed the framework for the USDA Human Capital Plan. He served on detail assignments as a special assistant to USDA’s Under Secretary for Research, Economics and Education and as a staff member for former U.S. Representative Eva Clayton, 1st District, North Carolina.

**Barbara Rater**  
**Director, Census and Survey Division**  
202-720-4557, Barbara.Rater@nass.usda.gov

Ms. Rater is director of the NASS Census and Survey Division. Appointed in 2015, Barbara provides leadership and oversight to the agency’s Census Planning, Survey Administration, and Data Collection branches. She is responsible for sustaining the high quality of NASS’ census and survey data collection processes by serving as the central point of contact for operations and support activities.

As part of her 30-year career, she served as chief of the Survey Administration Branch from 2012-2015 and as director of the Maryland field office from 2006 to 2012. She has over 20 years of international development experience and expertise aimed at helping developing countries
measure agricultural productivity. Barbara started her federal government career in service to agriculture as a student trainee at the U.S. Bureau of the Census. Growing up in a military family, she is a native of Fort Leonard Wood, Missouri. Barbara received her bachelor’s degree from the University of Maryland College Park and is a graduate of the Key Executive Leadership Program at American University’s School of Public Administration.

Dr. Linda J. Young  
Chief Mathematical Statistician  
Director, Research and Development Division  
202-720-0027, Linda.Young@nass.usda.gov

Dr. Young is NASS Chief Mathematical Statistician and director of the Research and Development Division. She oversees efforts to continually improve the methodology underpinning the agency’s collection and dissemination of data on every facet of U.S. agriculture.

Prior to joining NASS, Dr. Young served on the faculties of three land grant universities: Oklahoma State University, University of Nebraska, and the University of Florida. She has three books and more than 100 publications in over 50 different journals, constituting a mixture of statistics and subject-matter journals. A major component of her work has been collaborative with researchers in the agricultural, ecological, and environmental sciences. She has been the editor of the *Journal of Agricultural, Biological and Environmental Statistics*. Dr. Young has served in a broad range of offices within professional statistical societies, including president of the Eastern North American Region of the International Biometric Society, vice-president of the American Statistical Association, chair of the Committee of Presidents of Statistical Societies, and member of the National Institute of Statistical Science’s Board of Directors. Dr. Young is a fellow of the American Statistical Association (ASA), a fellow of the American Association for the Advancement of Science (AAAS), and an elected member of the International Statistical Institute (ISI).

Joe Prusacki  
Director, National Operations Division  
314-595-9501, Joe.Prusacki@nass.usda.gov

Mr. Prusacki is director of NASS’ National Operations Division in St. Louis, MO. He grew up on a small crop and hog farm in Perry County, Illinois. He holds B.S. and M.S. degrees in agribusiness-economics from Southern Illinois University–Carbondale, as well as an M.S. in Applied Statistics from Purdue University.

Prusacki began his NASS career in 1984, working in the field office in Tennessee and then Indiana. In 1992, he transferred to Washington, D.C., where he subsequently held several positions at NASS headquarters.

Prusacki is a 2004 graduate of USDA’s Senior Executive Service Candidate Development Program and was detailed to the President’s Council of Economic Advisors from November 2003 to March 2004.
In 2006, Prusacki transferred to Des Moines to become director of NASS’ Iowa field office. He returned to Washington in April 2008 to join NASS’s Senior Executive Service team as director of the Statistics Division. In March 2014, Joe transferred to the St. Louis area to become director of NASS’ National Operations Division.

**Vacant**

**Director, Statistics Division**

202-720-3896

**Vacant**

**Director, Information Technology Division**

202-720-2984

**Biographies of Political Staff in Key Leadership Positions**

NASS has no political appointees.

**Organizational Budget and Financial Management**

**The Agricultural Estimates Program**

The Agricultural Estimates Program provides objective data essential to the public and private sectors of the agriculture industry. NASS conducts scientifically designed surveys of operators of farms, ranches, and agribusinesses who provide information on a confidential basis. These scientifically designed surveys provide estimates for over 400 agricultural statistical reports that:

- Directly impact the market
- Directly contribute to the Principal Federal Economic Indicators of the United States
- Provide the only publicly available objective sources of information
- Support USDA program delivery
- Have specific legislative requirements for release

Commodity and agricultural markets use critical market-sensitive data to operate efficiently, providing a fair and equitable environment for price discovery in the marketplace. Without a federal role in responding to the need for objective data by U.S. and world consumer markets, key market information would be in the hands of a few. Individual producers and ranchers would be at a disadvantage relative to those who have resources to pay for information and could potentially expose markets to manipulation.

NASS lends technical expertise and conducts surveys for other federal agencies, state governments, and private organizations on a reimbursable basis. NASS provides support and assistance with questionnaire and sample design, data collection and editing, analysis of survey results, and training. NASS also provides technical consultation, support, and assistance for international programs under participating agency service agreements.
Census of Agriculture Program

The Census of Agriculture is taken every five years and provides comprehensive data on the agriculture economy, including data on the number of farms, land use, production expenses, value of land and buildings, farm size and characteristics of farm operators, market value of agricultural production sold, acreage of major crops, inventory of livestock and poultry, and farm irrigation practices. During the data collection year, NASS receives a significant funding increase for conducting the Census of Agriculture. Final preparations are underway for the 2017 Census of Agriculture, scheduled to be mailed to the nation’s farmers and ranchers in December 2017.

Fiscal Year 2018 marks the fourth year in the five-year funding cycle for conducting the 2017 COA. The largest portion of the funding will be used for outsourcing all necessary functions associated with mailing and processing the COA. Due to the approximately 3 million forms mailed and processed only once every five years, NASS contracts with NPC in Jeffersonville, Indiana, the same center responsible for the Census Bureau’s handling of the Decennial Census. NPC has the specialized equipment and capacity to handle the questionnaire volume associated with the COA. Outsourcing this function saves significant money for NASS during the four non-production years of the five-year COA cycle. Included in the funding increase request are expenses for outgoing and return postage for the approximately 3 million potential farmers and ranchers on the CML. In order to achieve desired response rates while holding down costs, NASS conducts three separate mailings.

| National Agricultural Statistics Service Budget Authority FY 2009-2016 (Dollars in Thousands) |
|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| Agricultural Estimates                               | $114,085                                           | $123,922                                           | $123,375                                           | $116,977                                           | $108,609                                           | $116,661                                           | $124,566                                           | $126,266                                           |
| Census of Agriculture                                | 37,265                                             | 37,908                                             | 33,073                                             | 41,639                                             | 58,029                                             | 44,545                                             | 47,842                                             | 42,177                                             |
| Discretionary Total                                  | $151,350                                           | $161,830                                           | $156,447                                           | $158,616                                           | $166,637                                           | $161,206                                           | $172,408                                           | $168,443                                           |
| Total                                               | $151,350                                           | $161,830                                           | $156,447                                           | $158,616                                           | $166,637                                           | $161,206                                           | $172,408                                           | $168,443                                           |
Enterprise Workforce Data

![Graph showing USDA/NASS Workforce FY 2009-FY 2016]

![Pie chart showing GS Level Distribution]

*Headquarters includes the NOC, located in St. Louis, MO.*
Location  | Number of Staff | Percentage of Staff
---|---|---
Headquarters Total* | 530 | 56%
Washington, D.C. | 448 | -
National Operations Center (NOC) | 82 | -
Delta Region, Arkansas | 24 | 3%
Pacific Region, California | 35 | 4%
Mountain Region, Colorado | 44 | 5%
Southern Region, Georgia | 35 | 4%
Upper Midwest Region, Iowa | 33 | 3%
Easter Mountain Region, Kentucky | 40 | 4%
Great Lakes Region, Michigan | 34 | 4%
Heartland Region, Missouri | 31 | 3%
Northern Plains Region, Nebraska | 41 | 4%
Northeastern Region, Pennsylvania | 37 | 4%
Southern Plains Region, Texas | 35 | 4%
Northerwest Region, Washington | 34 | 4%
Total Field Offices | 423 | 44%
Total Staff | 953 | 100%

* Headquarters includes the NOC, located in St. Louis, MO.
NASS maintains a central office in Washington, D.C., and a network of 12 regional field offices in addition to 33 state offices, serving all 50 states that operate through cooperative agreements with State Departments of Agriculture or universities. In addition, NASS operates a National Operations Center in St. Louis, MO. As of September 30, 2016, NASS employed 953 staff, including 530 in the Washington, D.C., metropolitan area and National Operations Center, and 423 in field offices.

- NASS employs a workforce of 953 employees (nearly 70 percent statisticians) of which the following are full-time and part-time.
  - Full-time: 943 employees Ex: Agricultural Statistician, Mathematical Statistician, Statistical Assistant, Secretary, and other.
  - Part-time: 5 employees
  - Temporary: 3 employees
  - Intermittent: 2 employees
- NASS employs approximately 40 additional staff during the Census of Agriculture (cycle every five years).
- During the summer, NASS recruits student trainees with the intent to offer them permanent employment.
- NASS employs three temporary employees and two intermittent employees.
- Of our total workforce, 19% are eligible to retire within the next year.
- Our headquarters is located in Washington, D.C., which has 448 employees, with an additional 82 such employees in St. Louis, MO.
- NASS has 12 regional offices, with presence in all of the 33 field offices serving all 50 states, which has 423 employees.
II. Policies and Regulations

Statutory Authorities

NASS has several authorities under Title 7, Title 13, and Title 18 of the U.S. Code that cover conducting the Census of Agriculture, confidentiality of information and data security, collection of agricultural production and price data, and penalties for disclosure and false reports. Additional information can be found on each of these here.

Important Policies and Regulations

The Agricultural Statistics Board (ASB) prepares and disseminates over 400 reports every year providing the official USDA estimates on crops, livestock, and economic indicators for the agricultural industry. Market-sensitive ASB reports are compiled and issued under special security conditions known as Lockup. Additional information on ASB activates can be found in DR 1042-042 Agricultural Statistics Board. The Office of Management and Budget (OMB) has issued guidance on several laws and set forth policy directives that affect Federal principal statistical agencies. Key laws impacting NASS are the Paperwork Reduction Act (PRA) and associated OMB implementation guidance and The Confidential Information Protection and Statistical Efficiency Act of 2002 (CIPSEA) and associated OMB implementation guidance. OMB Statistical Policy Directives identify minimum requirements for Federal principal statistical agencies when they engage in statistical activities. This information can be found on the Statistical Programs and Standards page on OMB’s website.

Overview of the Policy/Regulation Review Process

NASS is not a regulatory agency and therefore does not have any regulatory actions of concern.

GAO and OIG Audits

NASS has no outstanding recommendations from audits completed by OIG or GAO.

OIG Audits:


The Office of Inspector General (OIG) conducted a security review of NASS lockup procedures and presented 17 recommendations to NASS on February 2014. As of May 4, 2015, NASS had received closure from the OCFO on all 17 recommendations.
III. Congressional Relations and Issues

Overview

NASS County Estimates Program
Annually, NASS contacts producers in 44 states to collect county level data on total acres planted and harvested, total yield, and productions of specific commodities. The commodities vary somewhat from state to state but include data on major grains, oilseeds, edible beans, sugar crops, cotton and tobacco. All sectors of the agricultural industry rely on NASS to produce timely and accurate acreage, yield, and production estimates.
For instance:

- USDA agencies use the information to evaluate and administer vital farm commodity, credit, conservation, disaster, insurance and loan programs.
- USDA’s Risk Management Agency uses the data to administer the Federal Crop Insurance Program.
- USDA’s Farm Service Agency uses the estimates to administer disaster assistance programs such as the Agriculture Risk Coverage (ARC) & Price Loss Coverage (PLC).
- Businesses look at the data when determining where to locate processing plants and other facilities.
- Farmers and ranchers use county production data to help them make business decisions.

July Cattle
NASS suspended the July 2016 Cattle report which was slated for release on July 22 due to budget constraints. Before deciding to suspend this report, we reviewed our estimating programs against mission and user-based criteria as well as the amount of time remaining in the fiscal year to meet our budget and program requirements while maintaining the strongest data in service to U.S. agriculture. The decision to suspend this report was not made lightly, but was necessary, given our available fiscal and program resources. We will continue to review our federal agricultural statistical programs using the same criteria to ensure we provide timely, accurate and useful statistics.

Tenure, Ownership, and Transition of Agricultural Land
The 2014 Tenure, Ownership, and Transition of Agricultural Land (TOTAL) survey is a comprehensive study of all landlord owners of agricultural land, including non-farm operators of agricultural land. This survey is a follow-on component of the Census of Agriculture program. NASS conducted the TOTAL survey in collaboration with the Economic Research Service (ERS).

The TOTAL survey collected information about farmers and ranchers who rent agricultural land to other farmers and ranchers, as well as landowners who rent out land for agricultural purposes but do not farm. The survey collected income, expense, debt, and asset information related to land ownership, transition plans, and demographic and other landlord characteristics.
NASS collected data by mail, personal interviews, and online from over 40,000 landowners across the United States. The agency mailed the forms in December 2014. NASS followed-up by phone with landlord owners who did not respond by mail to maximize response. In some special cases, NASS visited the landowners’ operation.

The TOTAL survey is part of the Census of Agriculture program, which is required by United States law (Title 7, U.S. Code). All those who received a questionnaire were required to respond even if they did not operate a farm that year.

IV. Internal and External Stakeholders

Internal Stakeholders

NASS collaborates with and provides data to many other Federal agencies in support of their missions, including:

- Internal Stakeholders
  - Agricultural Marketing Service
  - Animal and Plant Health Inspection Service
  - Agricultural Research Service
  - Economic Research Service
  - Farm Services Agency
  - Food Safety Inspection Service
  - Foreign Agricultural Service
  - Forest Service
  - National Food and Agriculture Council
  - National Institute of Food and Agriculture
  - Natural Resources Conservation Service
  - Office of the Chief Economist
  - Office of the Secretary
  - Rural Development
  - Risk Management Agency

- Stakeholders within United States Government
  - American Association of Public Opinion Research
  - Bureau of Labor Statistics
  - Council of Professional Associations on Federal Statistics
  - Energy Information Administration
  - Office of Energy Efficiency and Renewable Energy
  - Bureau of Land Management
  - Environmental Protection Agency
  - Federal Committee on Statistical Methodology
  - International Statistical Institute
  - National Academies of Science
  - National Institute of Statistical Sciences
  - National Opinion Research Center
  - Office of Management and Budget
Agricultural Marketing Service (AMS) – AMS partners with NASS through an Interagency Agreement on the Pesticide Data Program (PDP). NASS provides the statistical methodology AMS uses to administer the program. In addition, NASS identifies samples of sites where produce will be collected quarterly and analyzed for pesticide residue.

Animal and Plant Health Inspection Service (APHIS) National Animal Health Monitoring System (NAHMS) – APHIS-NAHMS has a long-standing partnership with NASS to assist with the study and monitoring of animal health in dairy cows, beef, swine, bison, equine, captive cervid, and sheep and goats. These types of livestock are surveyed on a rotating schedule from year to year.

APHIS Wildlife Services National Feral Swine Damage Management Program (WS-NFSWDMP) – APHIS-WS-NFSWDMP is a multi-faceted agency with a broad mission area that includes protecting and promoting U.S agriculture health, regulating genetically engineered organisms, administering the Animal Welfare Act, and carrying out the wildlife damage management activities. NASS partners with WS-NFSWDMP to collect data on the impact of and attitudes toward feral swine within agricultural operations.

Economic Research Service (ERS) collaborates with NASS for the collection of data via the Agricultural Resource Management Survey (ARMS). The specific purpose of ARMS is to collect, analyze, and report information on the financial performance and management, economic well-being, farm practices, household characteristics, and demographics of U.S. farms and ranches. This collection of important economic agricultural data series helps to serve the best interest of USDA, the agricultural community, and the nation.

Farm Service Agency (FSA) – NASS partners with FSA through the Agricultural Act of 2014 amendments to the Food Security Act of 1985, as amended (1985 Act). Section 2005 provides for the Secretary, acting through USDA-NASS, to conduct a survey not less frequently than once every other year of per acre estimates of county average market dry land and irrigated cash rental rates on cropland and pasture land. These data assist FSA with administering the Conservation Reserve Program (CRP). CRP is authorized by Title XII of the 1985 ACT, 16 U.S.C. 3831 et seq.

Federal Committee on Statistical Methodology (FCSM) – FCSM was created by the Office of Management and Budget (OMB) to inform and advise OMB and the Interagency Council on Statistical Policy (ICSP) on methodological and statistical issues that affect the quality of federal data. NASS staff sit on committees, contribute papers and presentations, and attend FCSM workshops.

Government Publishing Office (GPO) – GPO is the preferred provider for printing survey forms and survey materials. NASS works with GPO, providing manual and questionnaire proofs for printing. The printed questionnaires are then used to collect survey data; the manuals provide respondents and interviewers with the documentation needed for data collection.
United States Department of Agriculture  
2016 Presidential Transition  
National Agriculture Statistics Service

**General Services Administration (GSA)** – NASS’s National Operations Division (NOD) works closely with the GSA. The NOD is housed in the Charles F. Prevedel Building in Olivette, MO, a facility that is owned and managed by GSA. Building security is provided by the Department of Homeland Security (DHS), Federal Protective Service (FPS, and its contractors). The NOD meets regularly with GSA and FPS to discuss building and security issues.

**National Academies of Science (NAS)** – NASS currently has an agreement with NAS for a panel to review and recommend changes to the NASS county estimates program. A second NAS panel, co-sponsored by NASS and the Economic Research Service (ERS), will review and make recommendations on effective methods for collecting data and reporting information about U.S. agriculture given the changes and increased complexity in farm business structure.

**National Food and Agriculture Council** – In addition to NASS, the council includes other USDA agencies (NRCS, FSA, RD and APHIS, FNS, ERS, and FS) and other federal agencies. Monthly meetings are held to coordinate federal agency activities and share status of agency program updates.

**National Processing Center (NPC)** – NPC is the U.S. Census Bureau’s primary center for printing and mailing surveys. NASS contracts with NPC for complex printing and mailing of the Census of Agriculture and other surveys.

**Natural Resources Conservation Service (NRCS)** – NASS partners with NRCS to collect data for their National Resources Inventory – Conservation Effects Assessment Project. This project was initiated by the USDA in 2003 as a multi-agency effort to quantify the environment effects of conservation practices on agricultural lands. The assessment was initiated in support of the 2002 Farm Bill, which substantially increased funding for conservation programs on agricultural lands. The 2014 Farm Bill also supports the conservation efforts and programs that benefits both agricultural producers and the environment. Activities in 2015 included the enumeration of 22,500 selected points to measure the benefits and/or effects within designated watershed areas of interest.

**OMB Docket Review** – NASS conducts OMB docket reviews for non-statistical agencies within USDA that need to collect data from the public. NASS reviews the docket and makes recommendations to ensure that survey plans follow sound statistical methodology. Over the past year, NASS conducted docket reviews for the Food and Nutrition Service, Forest Service, Agricultural Management Service, and Risk Management Agency.


**Office of the Secretary (OSEC)** – Departmental Regulation DR1042-042 details that the Secretary of Agriculture or the Secretary’s Designate are required to sign NASS Agricultural Statistics Board (ASB) reports. The schedule for these reports is reviewed and approved by the Secretary’s office by September for the next calendar year.
U.S. Department of Labor, Employment and Training Administration (DOLETA) – NASS partners with DOLETA to administer the Agricultural Labor Survey. NASS publishes estimates from the survey in an aggregated manner, consistent with agency policies and past practices. All individually reported data are kept confidential and protected by law. Although NASS no longer derives a benefit from the administration of this survey, DOLETA’s Office of Foreign Labor Certification (OFLC) relies exclusively upon the agricultural wage information provided by the survey in performing its responsibilities under the Immigration and Nationality Act regarding setting an Adverse Effect Wage Rate (AEWR) for the H-2A temporary agricultural program.

USDA Organic Working Group (OWG) – NASS assists in implementing USDA Strategic Plan, Objective 1.2: increase the number of certified organic operations from 17,750 in 2014 to 20,000 by 2018 by providing quality service to certifying and transitioning organic operations. NASS staff routinely interact with inter-agency OWG representatives to determine data user needs and relevant content for its organic surveys; conducting 4 organic surveys between 2011-2017 and providing the first national data point on economic losses due to the presence of genetically engineered material.

USDA Know Your Farmer, Know Your Food (KYF2) Task Force – USDA Know Your Farmer, Know Your Food (KYF2) Task Force – The taskforce is a collaboration among USDA agencies to share information and coordinate efforts in the Department’s effort to expand local and regional food systems. NASS staff collaborated with key stakeholders within KYF2 to determine data user needs and relevant content for its inaugural 2015 Local Foods Marketing Practices Survey. NASS staff are also working with AMS and KYF2 to plan a 2017 Local Food Evaluation Conference and to adapt current farmers’ market directory survey methods for improved methodology.

External Stakeholders

Council of Professional Associations on Federal Statistics (COPAFS) – COPAFS represents individual researchers, educators, public health professionals, civic groups, and businesses that rely on the quality and accessibility of statistics that can only be effectively collected by the federal government.

National Association of State Departments of Agriculture (NASDA) – NASS maintains a cooperative agreement with NASDA for data collection of surveys and censuses. Interviewers contracted through NASDA conduct data collection for NASS. NASS staff collaborate with NASDA to continually improve data collection and management of the enumerative staff.

Relationships with Statistical Organizations – NASS maintains close relationships with many statistical organizations including, the American Statistical Association, International Statistical Institute, American Association of Public Opinion Research. NASS staff frequently contribute papers and organize sessions and presentations at conferences sponsored by these organizations. This promotes NASS’s mission and visibility within the statistical community and provides an opportunity to exchange ideas in order to better statistical practice at NASS.

Other stakeholders –NASS maintains relationships with a wide range of professional partners, including USDA’s New and Beginning Farmers and Ranchers team, National Corn
United States Department of Agriculture  
2016 Presidential Transition  
National Agriculture Statistics Service


Stakeholder group overview

Advisory Committee on Agriculture Statistics (ACAS) – The purpose of the Committee is to advise the Secretary on the conduct of the periodic censuses and surveys of agriculture, other related surveys, and the types of agricultural information to obtain from respondents. The Committee also prepares recommendations regarding the content of agriculture reports, and presents the views and needs for data of major suppliers and users of agriculture statistics. ACAS draws on the experience and expertise of its members to form a collective judgment concerning agriculture data collected and the statistics issued by NASS. This input is vital to keep current with shifting data needs in the rapidly changing agricultural environment and keep NASS informed of emerging developments and issues in the agriculture community that can affect agriculture statistics activities. The committee charter will expire on August 15, 2018. The renewal of this Committee charter is in the public interest in accordance with the duties the law imposes on the Department.

National Association of State Departments of Agriculture (NASDA) – NASDA’s mission and membership information is available at: http://www.nasda.org/About.aspx. USDA-NASS has a cooperative agreement with NASDA to collect NASS survey data. NASS senior leadership representatives meet monthly with the CEO of NASDA and staff members to discuss cooperative activities and manage the ongoing NASS data collection program.

Departments of Agriculture Directors, Commissioners and Secretaries in each State. – NASS currently has a Memorandum of Understanding with each state’s Department of Agriculture. Directors of NASS Western and NASS Eastern Field Operations, along with NASS Field Office staff, interact frequently with leaders and staff in these departments to carry out cooperative activities.

Community-Based Organizations (CBOs) – NASS Regional and State Field Office staff work closely with a number of community-based organizations to promote participation in the Census of Agriculture and ongoing NASS Surveys.

State Universities and Colleges – Through its Regional Field Office structure, NASS partners with many universities and colleges to perform data collection activities to develop survey questionnaires and identify data needs, and to promote agriculture in the various states. NASS currently has Memorandums of Understanding with several universities.

NASS Data Lab – NASS maintains a secure data lab where researchers can access NASS data for specific research projects when published data do not meet the research needs. A request detailing the data needed and analysis plan has to be approved and researchers sign an agreement to maintain confidentiality of the data. In FY16, 61 requests were approved to access data in the NASS Data Lab.

Special Tabulations – NASS accepts requests for special tabulations of data when published reports do not meet a customer’s needs. Frequently these requests involve data from the
Census of Agriculture where a customer would like a tabulation of data based on different demographic breakouts than are part of the standard Census publications. In FY16, NASS completed 49 special tabulations that are available on the NASS’s website.

**Joint Program in Survey Methodology (JPSM)** – Along with other statistical agencies, NASS provides financial support to the Joint Program in Survey Methodology at the University of Maryland. JPSM offers graduate training in the principles and practices of survey research. NASS typically has between 1 and 3 employees enrolled in the program.

**Recent engagements with stakeholder group**

NASS organizes an annual Data Users’ Meeting in cooperation with the World Agricultural Outlook Board, Economic Research Service, Agricultural Marketing Service, Foreign Agricultural Service, Farm Service Agency and the U.S. Census Bureau. The meeting, held in October, is open to the public and its purpose is to update data users on recent and pending changes in the various statistical and information programs important to agriculture, and to seek comments and input on these programs. The 2016 meeting was held on October 18, 2016.

NASS frequently hosts visitors for the release of reports produced under lockup conditions. As an example, NASS hosted several high-level members of Congress and their staff from key committees for the release of the May Crop Production Report on May 10, 2016. Another example, NASS hosted members of the Indiana Farm Bureau, Indiana Corn Marketing Council, and Indiana Soybean Alliance for the release of the August Crop Production Report on August 12, 2016.

NASDA Winter Policy meeting, February 1-3 2016. NASS engaged with leaders from state agriculture departments and federal agencies to discuss ongoing partnerships and gain updates on important policy issues relevant to state and federal agriculture leaders.

Southern Association of State Departments of Agriculture annual meeting, June 5 – 8, 2016. NASS engaged with agriculture leaders from Southern states to discuss partnerships and provide updates on NASS data collection program activities.

Northeastern Association of State Departments of Agriculture annual meeting, June 12– 15, 2016. NASS engaged with agriculture leaders from Northeastern states to discuss partnerships and provide updates on NASS data collection program activities.

Midwestern Association of State Departments of Agriculture annual meeting, June 21– 23, 2016. NASS engaged with agriculture leaders from Midwestern states to discuss partnerships and provide updates on NASS data collection program activities.

Western Association of State Departments of Agriculture annual meeting, July 18– 21, 2016. NASS engaged with agriculture leaders from Western states to discuss partnerships and provide updates on NASS data collection program activities.

NASS staff met with the publicist from the National Corn Grower Association (NCGA) on July 20, 2016. This was a work planning meeting to develop a promotional marketing plan for NCGA to support USDA-NASS in the area of improving survey response rates. We now have
a well-developed survey promotion plan for the fall and winter NASS surveys to highlight the benefits of responding.

NASS held a meeting with the Senior Legislative Director of the National Association of Wheat Growers (NAWG), August 4, 2016. NAWG is interested in partnering with NASS to improve survey response rates among NAWG membership. NAWG was given an update on the promotional efforts under way by other industry groups to promote survey response and was given an overview of several NASS surveys, including the upcoming September Crops Acreage, Production, Stocks (Crops APS) survey and the Small Grains County Agricultural Production Survey (CAPS). NASS worked to develop NAWG public relations materials that promote response to NASS surveys and highlight the benefits of survey results to the respondent.

NASS participated in the National Association of State Departments of Agriculture annual meeting, September 24–25, 2016. NASS engaged with State Departments of Agriculture leaders, federal agency leaders, and representatives from the agriculture industry to discuss ongoing partnerships, gain updates on the state of agriculture in the United States, and discuss policy issues relevant to state and federal agriculture leaders. NASS leadership updated attendees on the status of NASS program activities.

NASS Field Office staff participate in numerous meetings, tradeshows, and special events with federal, state, university, and industry stakeholders on an ongoing basis throughout the year.

V. Top Issues

Hot Topics

Census of Agriculture Program

The Census of Agriculture (COA) is conducted every five years and provides comprehensive data on the agriculture economy, including data on the number of farms, land use, production expenses, value of land and buildings, farm size and characteristics of farm operators, market value of agricultural production sold, acreage of major crops, inventory of livestock and poultry, and farm irrigation practices. During the data collection year (the fourth year of the census cycle), NASS receives a significant funding increase for conducting the Census of Agriculture. Final preparations are underway for the 2017 COA, scheduled to be mailed to the nation's farmers and ranchers in December 2017.

Fiscal Year 2018 marks the fourth year in the five-year funding cycle for conducting the 2017 COA. The largest portion of the increased funding requested for this year will be used for outsourcing all necessary functions associated with mailing and processing the COA. Due to the approximately 3 million forms mailed and processed only once every five years, NASS contracts with NPC in Jeffersonville, Indiana, the same center responsible for handling the Census Bureau’s Decennial Census. NPC has the specialized equipment and capacity to handle
the questionnaire volume associated with the COA. Outsourcing this function saves significant money for NASS during the four non-production years of the five-year COA cycle. Included in the funding increase request are expenses for outgoing and return postage for the approximately 3 million potential farmers and ranchers on the Census Mail List. In order to achieve desired response rates while holding down costs, NASS conducts follow-up mailings only to those who have not responded.

**Timeline**

Reports to be issued by the Agricultural Statistics Board in 2017 requiring signature by the Secretary (or Designee) before release.

<table>
<thead>
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<th>Release Date and Time</th>
<th>Crops Reports</th>
<th>Livestock</th>
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<td></td>
<td>Crop Production</td>
<td>Grain Stocks</td>
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<tr>
<td>March 30</td>
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☐ 12:00 Noon release  ☐ 3:00 p.m. release

1 All Crops  2 Winter Wheat Seedings  3 Prospective Plantings
4 Acreage  5 Small Grains
Appendix A: Acronyms

ACAS Advisory Committee on Agriculture Statistics
AMS Agricultural Marketing Service
APHIS Animal and Plant Health Inspection Service
ASB Agricultural Statistics Board
CBOS Community-Based Organizations
COA Census of Agriculture
COPAFS Council of Professional Associations on Federal Statistics
CML Census Mail List
DOLETA Department of Labor, Employment and Training Administration
ERS Economic Research Service
FCSM Federal Committee on Statistical Methodology
FS Forest Service
FSA Farm Service Agency
GPO Government Publishing Office
GSA General Services Administration
ICSP Interagency Council on Statistical Policy
ITD Information Technology Division
JPSP Joint Program in Survey Methodology (JPSM)
KYF2 Know Your Farmer/Know Your Food
NAHMS National Animal Health Monitoring System
NASDA National Association of State Departments of Agriculture
NASS National Agricultural Statistics Service
NAS National Academies of Science
NRCS Natural Resources Conservation Service
NPC National Processing Center
OCE Office of the Chief Economist
OSEC Office of the Secretary
OMB Office of Management and Budget
OPM Office of Personnel Management
OWG USDA Organic Working Group
PDP Pesticide Data Program
TOTAL Tenure, Ownership, and Transition of Agricultural Land
WS-NFSWDMP Wildlife Services National Feral Swine Damage Management Program
WHAT WE DO: OUR MISSION

The National Institute of Food and Agriculture (NIFA) invests in and advances agricultural research, education, and extension to solve societal challenges, and ensure global nutritional security. We accomplish this by awarding grants that integrate research, education, and extension projects. These projects ensure that groundbreaking discoveries in the food, agricultural, natural resource, and human sciences go beyond the laboratory, and make their way into classrooms to reach people who can put knowledge into practice, and ultimately, improve the lives of all Americans.

WHO WE ARE: OUR WORKFORCE

In FY16, NIFA employed 390 employees. NIFA employees serve in the biological and social sciences, education, grants management, IT, administrative, and technical occupational series. Nearly all NIFA staff are located at the NIFA Waterfront Centre in Washington, D.C., a few blocks from USDA Headquarters.

WHO WE SERVE: OUR CONSTITUENTS

NIFA engages with public and private stakeholders such as land-grant universities, businesses, community groups, federal agencies, and science organizations to address research, education, and extension program needs, and to inform implementation and improvement of our programs.

KEY UPCOMING DECISIONS

- Decide on an approach to increase outreach to minorities and underrepresented groups and institutions to enhance their competitiveness for NIFA funding.
- Decide on the strategies needed to comprehensively identify solutions—through a systems approach—to complex agricultural challenges such as mitigating environmental and climate impacts, ensuring nutritional security, invigorating the bio-economy, improving health, and fostering the agricultural workforce.
- Develop strategies, in response to a comprehensive assessment of capacity funding programs to be completed in January 2017, to support land-grant institutions in maximizing the value of investments and to ensure capacity funds lead to measurable improvements in research and extension activities.

BUDGET HIGHLIGHTS FY 2016

- Total Budget Authority - $1.5 billion
- Agriculture and Food Research Initiative - $350 million
- Research and Education Activities - $836.3 million
- Extension Activities - $475.9 million
- Integrated Activities - $30.9 million
- Farm Bill Programs - $147.9 million (mandatory funds)
- 2013 reductions (i.e., sequestration, others) led to a $94 million loss in funding. 2013 Farm Bill authorization lapse resulted in a reduction of $130 million from 2012 levels.
I. Organizational Overview

Agency’s Mission/Strategic Plan

The mission of the National Institute of Food and Agriculture (NIFA) is to invest in and advance agricultural research, education, and extension to solve societal challenges. NIFA’s unique vision catalyzes transformative discoveries, education and engagement to address these challenges.

NIFA funds domestic extramural research, education, and extension projects and programs, some of which are available to the land-grant university system only and some are open to other organizations and entities.

NIFA’s 2014-2018 Strategic Plan includes four goals that are in alignment with the 2014 Farm Bill, the USDA Strategic Plan, and the Research, Education and Economics (REE) Action Plan (see Appendix B for USDA and REE goal crosswalk):

Goal 1: Science - Catalyze exemplary and relevant research, education, and extension programs.

Goal 2: People - Transform NIFA into a model agency with a highly motivated workforce.

Goal 3: Process - Institutionalize streamlined, effective technologies, policies, and processes.

Goal 4: Communications - Advance America’s global preeminence in food and agricultural sciences.
The number of farmers and ranchers who gained an economic, environmental or quality-of-life benefit from a change in practice learned by participating in a SARE project:

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<tr>
<th>Year</th>
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<th>2014 Actual</th>
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Number of college graduates prepared for the professional and technical workforce in the food and agricultural industry:

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Number of new drought and disease resistant varieties of crops to reach commercialization:

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<th>2013 Actual</th>
<th>2014 Actual</th>
<th>2015 Actual</th>
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<td>4</td>
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Number of new bio-based products successfully patented:

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<th>2013 Actual</th>
<th>2014 Actual</th>
<th>2015 Actual</th>
<th>2016 Estimate</th>
</tr>
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<td>6</td>
<td>5</td>
<td>5</td>
<td>9</td>
<td>6</td>
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Percentage of metric tons of CO₂ equivalents sequestered per hectare per year by U.S. cropping agricultural practices (USDA measure included in NIFA Congressional budget justifications):

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<th>Year</th>
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<th>2013 Actual</th>
<th>2014 Actual</th>
<th>2015 Actual</th>
<th>2016 Estimate</th>
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<tr>
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Percent of EFNEP participants making dietary improvements:

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<thead>
<tr>
<th>Year</th>
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<th>2013 Actual</th>
<th>2014 Actual</th>
<th>2015 Actual</th>
<th>2016 Estimate</th>
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<tr>
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<td>95</td>
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Number of adults participating in EFNEP:

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<tr>
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<td>121,025</td>
<td>121,850</td>
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### Number of youth participating in EFNEP

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<td>2015</td>
<td>376,521</td>
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<td>2016</td>
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### Number of novel, experimental, and systematic approaches for investigating the antimicrobial resistance and/or ecology in soil, air, water, in production agriculture, and in aquaculture farms.

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### The cumulative number of specific animal diseases network diagnostic labs are prepared to detect.

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### Efficiency Measure: Competitive grant proposal review time in days (from receipt of proposal to award)

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Organization’s History

The Food, Conservation, and Energy Act of 2008 (“2008 Farm Bill”) established USDA’s National Institute of Food and Agriculture (NIFA), formally and previously known as the Cooperative State Research, Education and Extension Service (CSREES). On Oct. 1, 2009, all authorities administered by the administrator of CSREES were transferred to the director of NIFA. NIFA is one of four agencies that support the USDA Research, Education, and Economics (REE) Mission Area. The agency coordinates efforts with other REE agencies as well as other science agencies within USDA and across the federal government. Through competitive grant programs, statutory capacity-building funding, and other grants programs, NIFA supports all of the USDA strategic goals.

NIFA’s mission is to invest in and advance agricultural research, education, and extension to solve societal challenges. NIFA provides linkages between the federal and state components of a broad-based, national agricultural research, extension, and higher education system and awards extramural funding for projects conducted in partnership with the state agricultural experiment stations, the state cooperative extension system, land-grant universities, colleges, and other research and education institutions, as well as individual researchers, community organizations, federal agencies, and non-profit organizations.

Federal funds are distributed to universities and institutions by NIFA through both capacity funding and competitive awards. Capacity awards support research and extension activities at land-grant institutions and are distributed through grants to the states on the basis of statutory formulas. Eligibility is limited to the cooperating institutions, most of which are 1862, 1890, and 1994 land-grant institutions.

NIFA administers our nation’s flagship competitive research grants program, the Agriculture and Food Research Initiative (AFRI), which supports investigator-initiated research, education, and extension initiatives that contribute to major breakthroughs in solving agricultural challenges, and helps grow the next generation of scientists. Aligned with the 2014 Farm Bill, NIFA invests AFRI funding to support substantive research, education, and extension efforts in plant health and production and plant products; animal health and production and animal products; food safety, nutrition, and health; bioenergy, natural resources, and environment; agriculture systems and technology; and agriculture economics and rural communities.
United States Department of Agriculture
2016 Presidential Transition
National Institute of Food and Agriculture (NIFA)

Organizational Chart

Supersedes Organization Chart of the Cooperative State Research, Education, and Extension Service Dated January 30, 2002

Date August 18, 2010
Biographies of career staff in key leadership positions

Dr. Meryl Broussard  
Associate Director for Programs, Office of the Director  
202-720-4423, mbroussard@nifa.usda.gov

Dr. Broussard serves as the Associate Director for Programs within the Office of the Director. In coordination with the Director of NIFA and the Associate Director for Operations, he provides leadership and direction for NIFA's $1.5 billion science portfolio and management oversight for NIFA’s four science Institutes, the Center for International Programs, and the Planning, Accountability, and Reporting Staff. As a key member of the Director’s leadership team and together with the Associate Director for Operations, Dr. Broussard serves as advisor, agency expert, and as a senior official in decision-making concerning agency direction and policies. In addition, he provides leadership in the planning, development, implementation, and evaluation of the major research, education, and extension programs supported by NIFA.

Dr. Broussard joined the Office of the Director as the Interim Deputy Director for NIFA in 2009 and provided agency-wide leadership for the planning and implementation of the reorganization and establishment of NIFA as mandated in the 2008 Farm Bill as one of his primary assignments. Prior to joining the Office of the Director, he served as Deputy Administrator for Plant and Animal Systems and Director of the Animal Systems team. Dr. Broussard joined the USDA in 1985 as the first National Program Leader for Aquaculture.

Dr. Broussard holds a B.S. and M.S. He received his a B.S. and M.S. in Vertebrate Zoology from the University of Memphis and his Ph.D. from Texas A&M University in Aquaculture.

Dr. Robert Holland  
Associate Director for Operations, Office of the Director  
202-720-9278, rholland@nifa.usda.gov

Dr. Holland serves as the Associate Director for Operations within the Office of the Director. In coordination with the Director of NIFA and the Associate Director for Programs, he provides leadership and direction for NIFA's $1.5 billion federal assistance programs and management oversight for the Office of Grants and Financial Management, Office of Information and Technology, Communications Staff, and Budget Staff. As a key member of the Director’s leadership team and together with the Associate Director for Programs, Dr. Holland serves as advisor, agency expert, and as a senior official in decision-making concerning NIFA direction and policies. In addition, he provides leadership for effective and efficient management of the NIFA operations including all federal assistance programs and grants management systems.

Dr. Holland began his federal career in 2011 as the Assistant Director of the Institute of Food Safety and Nutrition. Prior to joining NIFA, Dr. Holland served as the Chair of the Department of Large Animal Clinical Sciences and the Director of the Large Animal Veterinary Teaching
Hospital, College of Veterinary Medicine, at the University of Tennessee in Knoxville. Prior to this, he served as the Chair of the Department of Veterinary Diagnostic and Production Animal Medicine at Iowa State University. Dr. Holland has also held positions at Michigan State University and Virginia-Maryland Regional College of Veterinary Medicine. Before assuming university leadership roles, he was extensively engaged in food safety, environmental quality, and dairy production medicine research. Dr. Holland has authored/co-authored more than 110 publications, including 33 scientific and refereed journal publications.

Dr. Holland received a D.V.M. from Tuskegee University, a M.S. in large animal clinical sciences from Michigan State University, and a B.S. from Virginia State University. Dr. Holland also completed a residency and a postdoctoral educational fellowship at Michigan State University.

**Deputy Directors currently reporting to Dr. Meryl Broussard**

**Dr. Parag Chitnis**  
Deputy Director, Institute of Food and Production and Sustainability  
202-401-5024, parag.chitnis@nifa.usda.gov

As one of six Deputy Directors, Dr. Chitnis leads NIFA’s Institute of Food Production and Sustainability, which supports research and extension activities in plant, animal, and agricultural systems.

Prior to joining NIFA in 2014, he was a research administrator at the National Science Foundation (NSF) Division of Molecular and Cellular Biosciences, where he served as a division director, deputy division director, and program director. In addition to leading the division, he managed many inter-directorate programs at NSF, developed collaborations with agencies in other countries, and represented NSF in several interagency activities, such as the National Science Advisory Board on Biosecurity and the Nanoscale Science, Engineering, and Technology Subcommittee of the National Science and Technology Council. Prior to joining NSF, Dr. Chitnis was a professor in the Department of Biochemistry, Biophysics, and Molecular Biology at Iowa State University and an assistant professor in the Division of Biology at Kansas State University. Dr. Chitnis authored over 100 peer-reviewed or invited publications in the areas of plant biochemistry, photosynthesis and proteomics.

Dr. Chitnis has a B.S. in botany/plant breeding from the Konkan Agricultural University in India, an M.S. in genetics/biochemistry from the Indian Agricultural Research Institute, and Ph.D. in biology from the University of California at Los Angeles.
Dr. Luis Tupas  
Deputy Director, Institute of Bioenergy, Climate, and Environment  
202-401-4926, ltupas@nifa.usda.gov

Dr. Louie Tupas is the Deputy Director of the Institute of Bioenergy, Climate, and Environment (IBCE). Dr. Tupas provides leadership for addressing global change and climate issues, bioenergy and bioproducts research and development, and environmental and natural resource systems management through research, education, and extension programs.

Prior to his current position as Deputy Director, Dr. Tupas served as the Division Director and National Program Leader for Global Climate Change at NIFA. He began his federal career in 2002 as a program director in arctic sciences at the National Science Foundation. Dr. Tupas started his professional career as an oceanographer at the University of Hawaii at Manoa in 1991. He also has professional experience in aquaculture, natural products chemistry, and climate modeling. Dr. Tupas is the U.S. representative to the Asia Pacific Network for Global Change Research, and the senior U.S. official to the Global Research Alliance on Agricultural Greenhouse Gases.

Dr. Tupas received his B.S. in Marine Biology from the University of the Philippines and M.S and Ph.D. in Oceanography from the University of Tokyo. Dr. Tupas also completed a postdoctoral fellowship at the Scripps Institution of Oceanography.

Dr. Denise Eblen  
Deputy Director, Institute of Food Safety and Nutrition  
202-720-5004, Denise.r.eblen@nifa.usda.gov

As Deputy Director at Dr. Denise Eblen leads NIFA’s Institute of Food Safety and Nutrition (IFSN), which supports research, education, and extension activities in food safety, food quality, nutrition, and obesity.

Prior to joining NIFA in 2015, she held the position of acting deputy assistant administrator for the Office of Public Health Science at USDA’s Food Safety and Inspection Service (FSIS), working her way up from her introduction to FSIS as the agency’s first Food Safety Fellow in 2001. At FSIS she led the staff responsible for providing the agency with the scientific leadership necessary to support the science-based food safety programs and policies implemented by FSIS to reduce foodborne illnesses and deaths. Prior to joining FSIS she held a research associate position at USDA’s Agricultural Research Service in Wyndmoor, PA., studying the safety of produce.

Dr. Eblen holds a B.S. in Human Nutrition from the University of Ulster at Coleraine in Northern Ireland, an M.S. in Food Science from Queen’s University, Belfast, and a Ph.D. in Food Safety Microbiology from the University of Ulster at Jordanstown, Northern Ireland.
Dr. Muquarrab Qureshi
Deputy Director, Institute of Youth, Family, and Community
202-720-5305, mqureshi@nifa.usda.gov

Dr. Muquarrab Qureshi currently serves as Deputy Director, Institute of Youth, Family, and Community, which support the human and social component of NIFA food and agricultural science through research, education, and extension programs.

Prior to his current position as Deputy Director, Dr. Qureshi served as the Division Director of the Animal Systems Division within NIFA’s Institute of Food Production and Sustainability. In 2003, Dr. Qureshi joined USDA’s Cooperative State, Research, Education, and Extension Service as a National Program Leader for Animal Genetics. Prior to joining USDA, Dr. Qureshi served as a professor of Immunology, the Director of Interdisciplinary Graduate Program of Physiology, Director of Graduate Program of Poultry Science, and the Associate Dean of the Graduate School at North Carolina State University. Dr. Qureshi has received several national outstanding teaching awards, has authored 115 peer-reviewed scientific publications, and is a Fellow of the Poultry Science Association.

Dr. Qureshi has a M.S. and D.V.M. degrees from Pakistan and a Ph.D. in Immunogenetics and Immunotoxicology from Cornell University.

Deputy Directors currently reporting to Dr. Robert Holland

Ms. Cynthia Montgomery
Deputy Director, Office of Grants and Financial Management
202-401-6021, cmontgomery@nifa.usda.gov

Ms. Montgomery serves as the Deputy Director of the Office of Grants and Financial Management, which supports NIFA’s mission by administering grants, cooperative agreements, and other federal financial assistance.

Prior to joining NIFA in 2013, Ms. Montgomery was the Director of Grant Operations of the Grants Program Directorate at the federal Emergency Management Agency. She previously served as the Director of the Division of Grants Management for the Centers for Medicaid and Medicare Services for the Department of Health and Human Services (HHS). She also served as the interim Deputy Director for the Office of Administration and Management. Ms. Montgomery held several positions in the HHS Office of the Assistant Secretary for Preparedness and Response, acting director, division of grants management; acting chief grants management officer; chief of mission support and acquisition and policy; and senior contracting officer. Ms. Montgomery worked at the Department of Education in the Executive Office as a management and program analyst providing grants and contracts management guidance and at the Department of Defense as a contracting officer/specialist. Ms. Montgomery started her federal career at HHS at the Centers for Disease Control and Prevention in Atlanta, GA, where she worked as a biologist, grants management specialist, contracting specialist, and public health analyst.
Ms. Montgomery holds a B.S. degree in Biology from Northeast Louisiana State University and a M.S. in Public Administration from Georgia State University.

**Mr. Michel Desbois**  
**Deputy Director, Office of Information Technology**  
202-690-0003, mdesbois@nifa.usda.gov

As Deputy Director of NIFA’s Office of Information Technology (OIT), Mr. Desbois serves as the chief information officer (CIO) and is responsible for all information technology (IT) resources and applications for the Agency.

Mr. Desbois has served in various information technology roles for over 25 years and in a variety of acting positions while at NIFA to include acting Associate Director of Operations and acting Director of the Communications Staff. Mr. Desbois joined USDA’s Cooperative State Research, Education, and Extension Service in 2001 coming as the Director of Applications. Before coming to USDA, Mr. Desbois served as the CIO for the National Institute of Drug Abuse, at the National Institutes of Health. He also worked for the Department of Defense for 12 years as an information technology project manager. Before entering Government service, he worked as an analyst and engineer for two private companies in the Washington D.C. area.

Mr. Desbois holds a B.S. in Agricultural Engineering from Virginia Polytechnic Institute and State University and a M.S in Information Systems from George Mason University.

**Biographies of political staff in key leadership positions**

**Dr. Sonny Ramaswamy**  
**Director, National Institute of Food and Agriculture**  
202-720-4423, sonny@nifa.usda.gov

On March 9, 2012, Dr. Sonny Ramaswamy was appointed by President Barack Obama to serve as Director of the National Institute of Food and Agriculture. The Director of NIFA serves a six-year term based on legislation and is also subject to reappointment for an additional six-year term.

Prior to starting at NIFA, Dr. Ramaswamy held a number of academic positions, including: Dean of Oregon State University’s College of Agricultural Sciences; Director of Purdue’s Agricultural Research Programs; university distinguished professor and head of Kansas State’s Entomology Department; and professor of entomology at Mississippi State.

Dr. Ramaswamy has been a successful scientist, educator, and administrator. He has received research grants from many federal agencies, including CSREES/NIFA, NSF, NIH, EPA, and USAID, as well as from state agencies, commodity groups, and industry for his research in the area of integrative reproductive biology of insects. He has published over 150 journal articles,
book chapters, and a book. He is an award-winning teacher, and has mentored a number of high school, undergraduate, graduate, and post-doctoral students. He has received a number of awards and honors, including being named Fellow of the American Association for the Advancement of Science and Fellow of the Entomological Society of America.

Dr. Ramaswamy has had excellent success in capital campaigns and fund-raising to create endowments for faculty professorships, student scholarships and fellowships, including creation of the Leadership Academy at Oregon State University, support of research, extension, and outreach, infrastructure improvements, construction of new facilities for research, education, and outreach, including the Kansas State University Insect Zoo.

Dr. Ramaswamy received his B.S. degree in agriculture and M.S. degree in entomology from the University of Agricultural Sciences, Bangalore, India. His doctorate is in entomology from Rutgers University. He is also a graduate of Harvard University’s Management Development Program.

Organizational Budget and Financial Management

NIFA programs are supported by approximately 60 different program lines that provide specific legislative authority and funding amounts. NIFA receives funding through three main accounts: Research and Education Activities, Extension Activities, and Integrated Activities. NIFA appropriations are provided through discretionary funds (through the annual Agriculture Appropriations Act) and other mandatory funds; NIFA received $1.3 billion and $148 million, respectively, in FY 2016. Most mandatory funds are provided through legislation produced by Congressional authorizing committees while discretionary funds are provided through annual appropriations acts.

About 94 percent of NIFA funds are used for program grants that are distributed to science professionals around the country to fund innovative solutions to local and global challenges. Because NIFA does not have a specific appropriation to finance operations, the remaining funds are used to support NIFA operations based on a legislated administration rate that varies based on program authority.

Grant recipients include colleges and universities across the nation, including the 112 1862, 1890 and 1994 Tribal Land-Grant Institutions; Hispanic-serving institutions; non-land grant colleges; and other academic organizations. Approximately 51 percent of funding is distributed to programs at land-grant universities and other colleges based on eight legislated formulas, generally referred to as “capacity” funding. Partnerships with federal agencies and other entities leverage NIFA’s investments. Approximately four percent of the NIFA programs support higher education and youth development-related efforts, including 4-H programs through the Cooperative Extension System.

NIFA administers six mandatory programs that are authorized in the Farm Bill as well as two programs funded through other mandatory funding sources provided by laws other than appropriation acts and the outlays that result from that budget authority. Some of the work
funded through the Research and Education Activities account is integrated. Integrated projects may include a combination of at least two components of research, education, or extension. Capacity and Infrastructure-related programs include almost 58 percent of appropriations, with 5 percent of those awarded on a competitive basis. Competitively-awarded grants make up about 45 percent of funds. About 70 percent of funds are available for only one year, while the balance may be spent over multiple years.

Major changes in funding over the last four years included:

- An overall 7 percent increase in appropriations from 2009 levels;
- Current 2016 funds for the main eight statutory formula-based Capacity programs are 10.5 percent higher than 2009 levels; however funds for such programs have varied over the years;
- AFRI is USDA’s flagship Competitive Grants Program and is currently funded at 74 percent more than in 2009. In 2014, AFRI surpassed the Smith-Lever section 3 (b) and (c) capacity funds to become the largest funding line in the NIFA budget, now accounting for half of the agency’s competitive program funding;
- 2017 President’s Budget requested $700 million for AFRI ($350 million in 2016) to fund it at the fully authorized level;
- Agency funding was significantly impacted by the lapse in funding for Farm Bill programs during 2013 and sequestration reductions to discretionary funds in 2013 as well as to mandatory funds in FYs 2013, 2015, and 2016;
- Elimination of earmarks in 2010 impacted discretionary funding levels. Previously, NIFA managed about $140 million in Congressionally-earmarked projects supporting directed research and extension projects at land-grant universities. These funds were only partially restored by increases—approximately $27.7 million—provided to Capacity programs.
United States Department of Agriculture  
2016 Presidential Transition  
National Institute of Food and Agriculture (NIFA)  

National Institute of Food and Agriculture  
Budget Authority FY 2009-2016  
Available Funds  
(Dollars in Thousands)  

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<td>$1,363,479</td>
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<td>$1,218,977</td>
<td>$1,158,951</td>
<td>$1,294,134</td>
<td>$1,306,526</td>
<td>$1,343,164</td>
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</tr>
</tbody>
</table>

Mandatory:  

| Beginning Farmers and Ranchers Development Program | $18,000 | $19,000 | $19,000 | $19,000 | 0 | 20,000 | 18,540 | 18,640 |          |
| Biomass Research and Development Initiative | $20,000 | $28,000 | $30,000 | $40,000 | 0 | 3,000 | 2,781 | 2,796 |          |
| Organic Agricultural Research and Extension Initiative. | $18,000 | $20,000 | $20,000 | $20,000 | 0 | 20,000 | 18,540 | 18,640 |          |
| Healthy Urban Food Enterprise Development Center | $1,000 | $1,000 | $1,000 | $1,000 | 0 | 0 | 0 | 0 |          |
| Specialty Crop Research Initiative | $50,000 | $50,000 | $50,000 | $50,000 | 0 | 55,000 | 50,985 | 51,260 |          |
| Emergency Citrus Research and Extension Program | 0 | 0 | 0 | 0 | 0 | 25,000 | 23,175 | 23,300 |          |
| Food Insecurity Nutrition Incentive Program | 0 | 0 | 0 | 0 | 0 | 35,000 | 0 | 18,640 |          |
| Outreach and Technical Assistance for Socially Disadvantaged Farmers and Ranchers** | $15,000 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |          |
| Extension Risk Management Education | $5,000 | $5,000 | $5,000 | $5,000 | 4,745 | 4,640 | 4,635 | 4,660 |          |
| Biodiesel Fuel Education Program** | (1,000) | (1,000) | (1,000) | (1,000) | 0 | (1,000) | (927) | (932) |          |
| Community Food Projects Competitive Grants Program** | (10,000) | (5,000) | (5,000) | (5,000) | (5,000) | 0 | (9,000) | (9,000) |          |
| Mandatory Sub-total | $127,000 | $125,000 | $125,000 | $134,000 | $4,745 | $162,640 | $118,836 | $117,936 |          |
| Recovery Act Funds*** | 19,800 | 17,150 | 1,640 | 0 | 0 | 0 | 0 | 0 |          |
| Reimbursements | 43,159 | 68,598 | 60,096 | 36,841 | 39,285 | 48,220 | 36,973 | 29,858 |          |
| Total* | $1,427,788 | $1,572,227 | $1,418,855 | $1,389,818 | $1,202,981 | $1,504,994 | $1,462,155 | $1,510,958 |          |

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* Includes Trade and Biotechnology Activities funding in 2011, provided by the Office of the Secretary.

** Includes Native American Institutions Endowment Funds and transfers from the Office of the Secretary for Congressional Relations activities.

*** Program was merged with other research and extension programs related to pest management and is now part of Crop Protection/Pest Management line.

** Program management was moved to Office of Advocacy and Outreach.

** Funds are managed by NIFA on behalf of other USDA agencies.

*** TAAF funding managed on behalf of Foreign Agricultural Service.
Enterprise Workforce Data

Workforce FY 2009-FY 2016

GS Level Distribution
- GS 13- GS 15, 48%
- GS 8- GS 12, 37%
- GS 5 -GS 7, 13%
- ES/SES, 2%
NIFA employs a total of 390 employees. NIFA employs additional special government employees on an intermittent or temporary basis to assist with the administration of programs. These employees are active, established scientists possessing broad-based knowledge in a specific program area and have experience in research, education, and/or extension as appropriate for the program. During current fiscal year, NIFA hired an average of 57 intermittent, temporary employees for this purpose.

- NIFA employs 18 temporary employees as student trainees.
- Of our total workforce, 21 percent are eligible to retire within the next year.
- Our headquarters is located in Washington, D.C., which houses 100 percent of our workforce.
- 46 percent of the employees are in the Biological Science, Social Science, or Education occupation series and provide national leadership for our programming.
- 19 percent of the employees are in the Grants Management and Financial Administration occupational series and provide support in administering federal financial assistance grants.
- 6 percent of the employees are in the Information Technology occupation series and provide grants management system development and support services.
- The remainder are administrative and technical support staff such as program analysts, assistants, equal opportunity staff, and secretary or public affairs positions.
II. Policies and Regulations

Statutory Authorities

1. A listing of significant legislation authorizing NIFA extramural grant programs, as well as a comprehensive list of all NIFA regulations, is available on NIFA’s website. A list of the key programs is included below in item 2.

2. The following is a partial list of programs that will expire in 2018*.

<table>
<thead>
<tr>
<th>Program</th>
<th>Legislation</th>
</tr>
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<tbody>
<tr>
<td>Emergency Citrus Disease Research and Extension Program</td>
<td>Section 412 of AREERA</td>
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<tr>
<td>under the Specialty Crop Research Initiative**</td>
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<tr>
<td>Biodiesel Fuel Education Program</td>
<td>Section 9006 of FSRIA</td>
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<tr>
<td>Biomass Research and Development (*will expire in 2017)</td>
<td>Section 9008 of FSRIA</td>
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<td>Organic Agriculture Research and Extension Initiative</td>
<td>Section 1672B of FACT</td>
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<tr>
<td>Beginning Farmer and Rancher Development Program</td>
<td>Section 7405 of FSRIA</td>
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<td>Food Insecurity Nutrition Incentive</td>
<td>Section 4405 of FCEA</td>
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<td>Mandatory:</td>
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<tr>
<td>Hatch Act</td>
<td>Hatch Act of 1887</td>
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<tr>
<td>McIntire-Stennis Cooperative Forestry</td>
<td>McIntire-Stennis Cooperative Forestry Act of October 10, 1962</td>
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<tr>
<td>Evans-Allen</td>
<td>Section 1445 of NARETPA</td>
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<td>Animal Health and Disease</td>
<td>Section 1433 of NARETPA</td>
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<tr>
<td>Smith-Lever Formula 3(b)&amp;(c)</td>
<td>Section 3 of Smith-Lever Act</td>
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<td>Extension 1890 Institutions</td>
<td>Section 1444 of NARETPA</td>
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<tr>
<td>Expanded Food and Nutrition Education Program</td>
<td>Section 1425 of NARETPA</td>
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<tr>
<td>Agriculture Food and Research Initiative</td>
<td>Section 2 (b) of CSFRGA</td>
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<tr>
<td>Sustainable Agriculture Research and Education Program</td>
<td>Sections 1621, 1622, 1628, &amp; 1629 of FACT</td>
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<tr>
<td>Discretionary:</td>
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<tr>
<td>Special Grants</td>
<td>Section 2 (c) of CSFRGA</td>
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<tr>
<td>Institution Challenge, Multicultural Scholars and Graduate Fellowship Grants</td>
<td>Section 1417(b)(1,5, &amp;6) of NARETPA</td>
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<tr>
<td>1890 Facilities</td>
<td>Section 1447 of NARETPA</td>
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<tr>
<td>Methyl Bromide Transition Program</td>
<td>Section 406 of AREERA</td>
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<tr>
<td>Food Safety Outreach (*expired in 2015)</td>
<td>Section 405 of AREERA</td>
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<tr>
<td>Organic Transition Program</td>
<td>Section 406 of AREERA</td>
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<tr>
<td>Crop Protection/Pest Management</td>
<td>Section 406 of AREERA</td>
</tr>
<tr>
<td>Food and Agriculture Defense Initiative</td>
<td>Section 1484 of NARETPA</td>
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</table>
**The authority for the mandatory funding for the Specialty Crop Research Initiative does not expire and is funded at $80 million per year. Of that amount, $25,000,000 is reserved annually for the Emergency citrus disease research and extension program through fiscal year 2018.**

AA – Agricultural Act of 2014  
AREERA – Agricultural Research, Extension, and Education Reform Act of 1998  
CSFRGA – Competitive, Special, and Facilities Research Grant Act of 1965  
FACT – Food, Agriculture, Conservation, and Trade Act of 1990  
FCEA - Food, Conservation, and Energy Act of 2008  
FSRIA – Farm Security and Rural Investment Act of 2002  
AREERA – Agricultural Research, Extension, and Education Reform Act of 1998

**Important Policies and Regulations**

**Competitive and Noncompetitive Non-Formula Federal Assistance Programs – General Award Administrative Provisions.** The National Institute of Food and Agriculture (NIFA) issues grants and cooperative agreements to, for example, colleges and universities, other Federal agencies, individuals, in support of agricultural research, education, and extension programs. The Agency's administrative provision, 7 CFR 3430 - Competitive and Noncompetitive Non-formula Federal Assistance Programs, contains, in Subparts A through E, elements common to all competitive and noncompetitive grant programs it administers. Subpart F and thereafter apply to specific grant programs. The administrative provisions specific to grant programs that have been established in 7 CFR 3430 to date and the applicable subpart include:

- Subpart F—Specialty Crop Research Initiative  
- Subpart G—Agriculture and Food Research Initiative  
- Subpart H—Organic Agriculture Research and Extension Initiative  
- Subpart I—Integrated Research, Education, and Extension Competitive Grants Program  
- Subpart J—Beginning Farmer and Rancher Development Program  
- Subpart K—Biomass Research and Development Initiative  
- Subpart L—Capacity Building Grants for Non-Land Grant Colleges of Agriculture Program  
- Subpart M—New Era Rural Technology Competitive Grants Program  
- Subpart O—Sun Grant Program  
- Subpart P—Food Insecurity Nutrition Incentive Program

There are a few modifications of 7 CFR 3430 underway. Further information about the modifications is included below.

1. Modification to Subpart G for Commodity Boards. Section 7404 of the 2014 Farm Bill amended the general administration, special considerations, and eligible entities subsections for the Agriculture and Food Research Initiative (AFRI) program, and added a special contributions requirement making it necessary to modify the program’s
With these changes, NIFA provides that it will solicit research topics from statutorily defined national and state commodity boards for research topics that the commodity boards are willing to co-fund equally with NIFA under the AFRI competitive grant program. If the topics are evaluated and found to be consistent with the AFRI statutory priorities and priorities noted in the President’s budget request related to NIFA, the topics will be incorporated in existing program areas in the relevant AFRI Request for Applications (RFA(s)). (Final Rule with request for comments RIN 0524-AA67).

2. Establishment of a new Subpart for Veterinary Services Grant Program. NIFA will add a new Subpart to 7 CFR 3430 for the Veterinary Services Grant Program (VSGP) authorized by section 7104 of the 2014 Farm Bill. In accordance with 7 USC 3151b(b)(1), NIFA is establishing VSGP for the purpose of developing, implementing, and sustaining veterinary services. The interim final rule for VSGP will include the following key sections: program purpose, definitions, eligible applicants, project types and priorities, preference, and funding restrictions. Specific requirements associated with applying for funds to relieve veterinarian shortage situations and support veterinary services will be provided in annual Requests for Applications.

NIFA has other important program-specific regulations which include:

- **7 CFR 3400**—Special Research Grants Program
- **7 CFR 3401**—Rangeland Research Grants Program
- **7 CFR 3402**—Food and Agricultural Sciences National Needs Graduate and Postgraduate Fellowship Grants Program
- **7 CFR 3403**—Small Business Innovation Research Grants Program
- **7 CFR 3405**—Higher Education Challenge Grants Program
- **7 CFR 3406**—1890 Institution Capacity Building Grants Program
- **7 CFR 3415**—Biotechnology Risk Assessment Research Grants Program
- **7 CFR 3431**—Veterinary Medicine Loan Repayment Program

Other NIFA regulations worthy of mention include:

- **7 CFR 3404**—Public Information
- **7 CFR 3407**—Implementation of the National Environmental Policy Act
- **7 CFR 3418**—Input Requirements for Stakeholder Input Requirements for Recipients of Agricultural Research, Education, and Extension Formula Funds
- **7 CFR 3419**—Matching Funds Requirement Agricultural Requirements and Extension Formula Funds at 1890 Land-Grant Institutions, Including Tuskegee University, and at 1862 Land-Grant Institutions in Areas
- **7 CFR 3434**—Hispanic-Serving Agricultural Colleges and Universities Certification Process
Overview of the policy/regulation review process

While NIFA does not promulgate many regulations, and those are mostly to implement Farm Bill statutory changes, it follows established USDA and OMB regulatory review processes for its regulations.

A list of NIFA’s capacity and schedule of competitive funding opportunities are made available on NIFA’s website, and are announced throughout the year on grants.gov. NIFA reviews requests for grant proposals through peer review process. Specific details on the panel meeting, review format, and evaluation criteria vary among programs.
## GAO and OIG Audits

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<tr>
<th>Review Title</th>
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<th>Lead</th>
<th>Final Report Date/Report #</th>
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III. Congressional Relations and Issues

Overview

The Agricultural Act of 2014 (2014 Farm Bill)

There is interest from Capitol Hill on the following provisions and subsequent programs of the 2014 Farm Bill. These items have been provided as background for a September 2016 Farm Bill hearing before the Senate Committee on Agriculture. Additionally, these provisions below could be discussed and revisited when the next Farm Bill is considered.

Food Insecurity Nutrition Incentive (FINI) Program (Sec. 4208)
This program helps participants in the Supplemental Nutrition Assistance Program (SNAP) increase their purchases of fruits and vegetables. FINI funding is available to local, state, and national organizations to test incentive strategies to help SNAP participants better afford healthy foods. The second year of awards were made in June 2016, with $16.8 million awarded to support this program. A list of grants is available [here](#). The fiscal year (FY) 2017 request for applications (RFA) for FINI projects was [announced](#) on October 20, 2016, with an application deadline of December 12, 2016.

Veterinary Services Grant Program (Sec. 7104)
This program was born out of concerns that long-term maldistributions in the veterinary workforce have left some rural communities with insufficient access to livestock veterinary services. The legislation emphasizes two areas: Education and Rural Practice Enhancement. In FY 2016, applications were accepted for both areas. Initial funding for the program, $2.5 million, was appropriated in FY 2016. Grants will be made available on a competitive basis to qualified entities to develop, implement, and sustain veterinary services through education, training, recruitment, placement, and retention of veterinarians, veterinary technicians, and students of veterinary medicine and veterinary technology. Grants will also be made to establish or expand veterinary practices in rural areas. NIFA released the first RFA for this program on May 4, 2016, which closed on June 17, 2016. Awards totaling $2.3 million were [announced](#) on October 17, 2016, to help relieve shortages of veterinary services through education, extension, training and support for new or existing veterinary practices in designated rural shortage areas.

Organic Research and Extension Initiative (Sec. 7211)
This program focuses on helping producers and processors who have already adopted organic standards to grow and market high quality organic agricultural products. A list of FY 2015 OREI grants, totaling $21.3 million, is available [here](#). NIFA [announced FY 2016 awards](#) totaling $17.6 million at the end of September 2016. The FY 2017 Request for Applications for OREI projects was [announced](#) on October 21, 2016, with an application deadline of January 19, 2017.
Centers of Excellence (Sec. 7214)
In 2015, NIFA established a process for designating Centers of Excellence in the food and agricultural sciences and providing these Centers with priority in the peer review process, in accordance with this section of the Farm Bill. In FYs 2015 and 2016, where competitive grant programs were best suited, NIFA allowed eligible applicants to request consideration for Centers of Excellence designation as part of their grant applications. In its first year of implementing the Centers of Excellence provision, NIFA awarded more than $41.8 million to a total of 34 projects that were qualified as Centers of Excellence. In 2015, applicants who applied for Center of Excellence designation experienced higher funding rates than the overall pool of eligible applicants. The funding rate for applicants requesting the designation was 21 percent, as compared to the funding rate for all Center of Excellence-eligible applicants, which was 16 percent. A Center of Excellence in food and agricultural research, extension, and education is a grantee whose application was not only found to be highly meritorious by a peer panel, but met additional criteria to receive the designation. This designation is specific to a grant application.

Specialty Crop Research Initiative (SCRI) Program (Sec. 7306)
The projects funded through SCRI address research and extension needs for crops that span the entire spectrum of specialty crop production, from researching plant genetics to improving crop characteristics; identifying and addressing threats from pests and diseases; improving production and profitability; developing new production innovations and technologies; and developing methods to respond to food safety hazards. In FY 2015, NIFA made 15 new awards totaling more than $40 million. Additionally, there were seven continuation awards totaling $11.7 million. A list of FY 2015 grants is available here. FY 2016 grants and abstracts are available on the NIFA reporting webpage.

Emergency Citrus Disease Research and Extension (CDRE) Program (under SCRI, Sec. 7306)
This program is intended to discover and develop tools for early detection, control, and eradication of diseases and pests that threaten domestic citrus production and processing, and provides $25 million per year in mandatory funding for the program through the Specialty Crop Research Initiative. Since the SCRI CDRE program’s inception in 2014, NIFA has granted $43.6 million in research dollars to combat the destructive citrus greening disease and other citrus pests and diseases. In FY 2014, NIFA awarded $23.5 million to fight citrus greening through CDRE. A list of FY 2015 grants, totaling $20.1 million, for this program is available here. The deadline for submission of full applications for FY 2016 funding was August 18, 2016. Awardees will be announced the first quarter of FY 2017.
Commodity Boards Provision (Sec. 7404)
This section required that the Secretary (NIFA) “establish procedures, including timelines, under which an entity established under a commodity promotion law or a State commodity board (or other equivalent State entity) may directly submit to the Secretary for consideration proposals for requests for applications that specifically address particular issues related to the AFRI priorities…the Secretary shall require that the grant be matched with an equal contribution of funds from the Commodity Boards. NIFA did not receive dedicated AFRI funds to enact this provision.

NIFA developed the current program in close cooperation with the Agricultural Marketing Service, Office of the General Counsel (including experts in commodity promotion laws), and the Office of Budget and Program Analysis. NIFA published the final rule on August 26, 2016.

NIFA received RFA idea submissions from state and national commodity groups that included a variety of submissions from both animal and plant agriculture. NIFA continues to accept submissions on a rolling basis, to be considered for next year’s RFAs. The deadline for topics proposed for inclusion in FY 2017 RFAs was July 18, 2016. Topics selected for inclusion in AFRI Programs will be included in upcoming FY 2017 RFAs.

Beginning Farmer and Rancher Development Program (Sec. 7409)
This program provides education, mentoring, and technical support for beginning farmers and ranchers across the nation. The 2014 Farm Bill mandated that at least five percent of BFRDP funding must support veterans and socially disadvantaged farmers. In 2015, about 10 percent of the funding supports veterans and farming, while about 50 percent of the funding will serve socially disadvantaged farmers and ranchers. FY 2015 grants available here. FY 2016 grants available here.

Industrial Hemp (Sec. 7606)
USDA has recently received inquiries from Kentucky Senators Mitch McConnell (R) and Rand Paul (R) regarding this section. Sec. 7606 authorized institutions of higher education and state departments of agriculture to establish industrial hemp research pilot programs in states where the production of industrial hemp is legal and subject to certain other conditions. The term “industrial hemp” includes the plant Cannabis sativa L. and any part or derivative of such plant, including seeds of such plant, whether growing or not, that is used exclusively for industrial purposes (fiber and seed) with a tetrahydrocannabinols concentration of not more than 0.3 percent on a dry weight basis. The term “tetrahydrocannabinols” includes all isomers, acids, salts, and salts of isomers of tetrahydrocannabinols. Working with federal interagency colleagues in the Department of Justice (Drug Enforcement Administration) and Department of Health and Human Services (U.S. Food and Drug Administration) to develop a shared interpretation on the parameters of what is, and is not, permissible under Section 7606, USDA announced a Statement of Principles on August 12, 2016.
During the week of September 12, 2016, NIFA issued guidance to stakeholders regarding NIFA funding of industrial hemp research. To be eligible for NIFA funding, research must take place in one of 28 states with certified pilot industrial hemp programs. Eligible applicants are institutions of higher education and state departments of agriculture. NIFA has developed multiple assurances of grantee compliance with state and federal regulations. Detailed information and eligibility requirements are available at https://nifa.usda.gov/industrial-hemp.

**Appropriations**

**1890 Matching (FY 2016 Appropriations Bill)**
The House Report No. 114-205 accompanying the 2016 Appropriations Bill directed USDA to submit a plan of action to cooperatively work with the States to meet matching fund requirements for the historically black 1890 Land-Grant Universities (LGUs). **The letter to Congress accompanying the plan of action was signed by the Secretary on September 2, 2016.** A number of funding deficits were reported by the universities that appeared to affect some 1890 LGUs’ overall budgets, thus influencing the university’s decision to request a waiver, often reflecting an unallowable request. NIFA will ensure timely and comprehensive reviews and documentation of waiver justifications and use of federal and matching funds.

**Budget Request for FY 2018 (FY 2017 Appropriations Bill)**
The House Report No. 114-531 that will accompany the anticipated 2017 Appropriations Bill states: the Committee appreciates NIFA’s efforts to provide additional information in its budget requests over the past three years. For the FY 2018 budget request, the Committee is particularly interested in the request for AFRI, and requests that the agency provide greater detail on the levels proposed to be allocated to and the expected publication date, scope, and allocation level for each request for awards to be published under each priority area specified in section 2(b)(2) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(2)).

**Agriculture and Food Research Initiative (FY 2017 Appropriations Bill)**
The Senate Report No. 114-259 that will accompany the anticipated 2017 Appropriations Bill states: Section 7406 of the Food, Conservation, and Energy Act of 2008 specifies AFRI priority areas, including an emphasis on conventional (classical) plant and animal breeding. The Committee strongly concurs with the intent of this section, and continuing its FY 2016 guidance, encourages the agency to create a distinct funding stream within the AFRI program for development of publically available, regionally adapted cultivars that are bred specifically to meet unique regional soil, climate, and cropping system conditions, for the benefit of U.S. producers, seed companies, processors and consumers. The Committee further directs the agency to report its progress in meeting this requirement.
Numerous Congressional offices have recently inquired about the Small Business Innovation Research (SBIR) grant program, which was established by the Small Business Innovation Development Act in 1982. Coordinated by the Small Business Administration, the program is currently authorized through September 30, 2017. Under the program, all federal agencies with extramural research budgets in excess of $100 million reserve a percentage for contracts or grants (currently 3 percent for FY 2016) to encourage domestic small businesses to engage in high-growth research and development that has the potential for commercialization and could lead to significant public benefit.

NIFA administers the SBIR program for USDA. The program offers competitively awarded grants to qualified small businesses to support high quality, advanced concepts research related to important scientific problems and opportunities in agriculture that could lead to significant public benefits. The program does not make loans nor award grants for the purpose of helping a business get established. In early September, USDA announced $7.4 million in SBIR FY 2016 Phase 1 funding for small businesses. In FY15, SBIR funded $22.63 million for Phase 1 (85 awardees) and Phase 2 (28 awardees) projects.

Food safety has been an issue of intense Congressional interest. The Food Safety Outreach Program, authorized by the Food Safety Modernization Act (FSMA) that was signed into law in January 2011, provides funding for an infrastructure of national and regional centers to extend food safety education, training, and technical assistance to specific audiences affected by new guidelines established under FSMA, specifically small and medium sized farms, beginning farmers, socially disadvantaged farmers, small processors, or small fresh fruit and vegetable merchant wholesalers.

The FY 2016 NIFA budget provided $5 million to support the Food Safety Outreach Program, which will build upon the national infrastructure with the focus on delivery of customized training to target audiences. FY 2016 grant proposals were solicited from local communities, to include those from community-based organizations, non-governmental organizations, food hubs, farm cooperatives, and other local groups. As directed by Congress, NIFA is the lead for this program working with FDA to actively facilitate communication and interaction. On October 19, 2016, NIFA announced more than $4.7 million in Food Safety Outreach Program grants for food safety education, training and technical assistance projects.
Relevant Committees

- House Committee on Agriculture
- House Committee on Agriculture; Subcommittee on Biotechnology, Horticulture, and Research
- House Appropriations Committee; Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
- Senate Committee on Agriculture, Nutrition and Forestry
- Senate Committee on Agriculture, Nutrition and Forestry; Subcommittee on Nutrition, Specialty Crops, and Agricultural Research
- Senate Appropriations Committee; Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies

IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

NIFA’s collaboration with federal departments, academia, and other organizations is the core of the integrated approach NIFA uses to discover and apply groundbreaking solutions to critical issues related to agriculture, food, the environment, and communities. NIFA joins together agencies, non-profit organizations, businesses, foundations, and associations — to drive innovation. Collaboration with land-grant universities and other institutions across the nation ensures that NIFA’s resources extend to all Americans to solve major societal challenges.

Federal organizations

U.S. Department of Commerce
U.S. Department of Defense
U.S. Department of Energy
U.S. Department of Health and Human Services
U.S. Department of Housing and Urban Development
U.S. Department of the Interior
U.S. Department of Education
U.S. Environmental Protection Agency
U.S. Agency for International Development
National Science Foundation
National Institutes of Health
Centers for Disease Control
United States Department of Agriculture
2016 Presidential Transition
National Institute of Food and Agriculture (NIFA)

**USDA Agencies**

Agricultural Marketing Service  
Agricultural Research Service  
Animal and Plant Health Inspection Service  
Economic Research Service  
Food and Nutrition Service  
Food Safety and Inspection Service  
Foreign Agricultural Service  
Forest Service  
Natural Resources Conservation Service  
Rural Development  

NIFA makes extensive use of USDA service centers for human resource, acquisition and information technology support. NIFA leverages the Client Technology Services (CTS) for back office information technology for such things as email, network services and SharePoint. The National Information Technology Center (NITC) provides NIFA hosting support for its servers and applications. The USDA National Finance Center provides support for NIFA’s grant applications processing. The Agricultural Research Service, Administrative and Financial Management division provides services to NIFA in human resources, travel, space, procurement, telecommunications services, and civil rights. NIFA has representatives on USDA’s Know Your Farmer, Know Your Food (KYF2) Taskforce, which coordinates local and regional food systems efforts across USDA. KYF2 conducts outreach to local/regional stakeholders about NIFA grant programs such as Food Safety Outreach Program (FSOP), Beginning Farmer and Rancher Development Program (BFRDP), Community Food Projects (CFP), Food Insecurity Nutrition Initiative (FINI) and others.

**Stakeholder group overview**

NIFA routinely meets with, hears from, and seeks formal and informal input from a wide variety of food and agriculture associations, scientific organizations, representatives from business and industry, think tanks, commodity groups, and academia. Stakeholder engagement is mission-essential to help NIFA make the right decisions on which research, education and extension programs it pursues. While the list of NIFA stakeholders is lengthy, here are a few of stakeholder groups with whom NIFA routinely interacts:

**Association of Public and Land-Grant Universities:** The Association of Public and Land-grant Universities (APLU) is a research, policy, and advocacy organization dedicated to strengthening and advancing the work of public universities in the U.S., Canada, and Mexico. With a membership of 237 public research universities, land-grant institutions, state university systems, and affiliated organizations, APLU’s agenda is built on the three pillars of increasing degree completion and academic success, advancing scientific research, and expanding engagement. The association’s work is furthered by an active and effective advocacy arm that works with Congress and the administration as well as the media to advance federal policies that strengthen public universities and benefit the students they serve. NIFA
collaborates frequently with APLU on issues of importance to make sound program and budgetary planning decisions.

**Foundation for Food and Agriculture Research:** The Foundation for Food and Agriculture Research (FFAR) builds partnerships to support innovative and actionable science addressing today’s food and agriculture challenges. The Foundation was established by the 2014 Farm Bill and charged with complementing and furthering the important work of the U.S. Department of Agriculture. Leveraging public and private resources, FFAR’s mission is to increase the scientific and technological research, innovation, and partnerships critical to enhancing sustainable production of nutritious food for a growing global population. To maximize the Foundation’s impact potential, FFAR is committed to complementing and not duplicating existing research endeavors. Five ex-officio board members, all of whom were designated by Congress, are USDA Secretary Tom Vilsack; Dr. Catherine Woteki, Under Secretary for Research, Education, and Economics and Chief Scientist; Dr. Chavonda Jacobs-Young, Administrator, Agricultural Research Service; Dr. Sonny Ramaswamy, Director, National Institute of Food and Agriculture (NIFA); and Dr. Jim Olds, representing Dr. France A. Córdova, Director of the National Science Foundation.

**National Agricultural Research, Education, Extension and Economics Advisory Board:** The National Agricultural Research, Extension, Education, and Economics Advisory Board (NAREEEAB) provides advice to the Secretary of Agriculture and land-grant colleges and universities on top priorities and policies for food and agricultural research, education, extension and economics. The Board is made up of 25 members, each of which represents a specific category of U.S. agricultural stakeholders, as mandated by Congress. NIFA staff routinely consults with the Board and informs them on a variety of NIFA programs.

**Department-Wide Community Economic Development – Internal Partnerships:** NIFA and Rural Development’s (RD) Community Economic Development (CED) Division have partnered to implement the Stronger Economies Together (SET) over the past 7 years. SET is the only resource across USDA and the federal government that allows field RD CED field staff to jointly work with NIFA’s Regional Rural Development Centers and land grant universities to deliver targeted training and technical assistance on regional planning to select rural communities. Often, geographically isolated or persistently poor rural communities are not completely prioritized or reflected in local and state comprehensive economic development plans. Through SET, USDA empowers and equips small towns to engage, get training and technical assistance on planning process, and immediately understand available partners and financing to resolve their needs and implement their regional economic development objectives.

**Specialty Crops Stakeholders:** The Specialty Crop Research Initiative (SCRI) has a history of stakeholder engagement that goes back to program inception in 2008. That engagement was formalized in the 2014 farm bill with the mandate that NIFA consult annually with the National Agricultural Research, Extension, Education and Economics Advisory Board’s Specialty Crop Committee (SCC) concerning implementation of SCRI and with the SCC
Citrus Disease Subcommittee (CDS) on implementation of the Emergency Citrus Disease Research and Extension program. These consultations occur on an annual basis. The SCC consultation will occur in August of 2017 and the CDS consultation will occur in February of 2017. In addition, there is an industry relevancy review conducted for both SCRI and CDRE as part of the funding recommendation process.

Commodity Board Stakeholders: NIFA is in its second year of implementing the 2014 Farm Bill commodity board initiative. The initiative is intended to enhance collaboration between the Agency and commodity groups as well as leveraging additional funds for critical research into areas of common interest. As part of the program, NIFA solicits eligible national and state commodity boards, and marketing to propose topics for research under a specific priority area of the Agriculture and Food Research Initiative (AFRI) competitive grants program. In FY 2016, the first year of collaboration with commodity boards, seven topics from five commodity boards were integrated into two AFRI RFAs: the Foundational Program RFA and the Food Security Challenge Area RFA. The five boards included the Kansas Wheat Commission, the National Pork Board, the Iowa Corn Promotion Board, the Washington State Potato Commission and the National Peanut Board. Collectively, these five commodity boards offered $1.7 million for research projects to be funded on topics proposed by the boards: novel pre-breeding applications for quality enhancement in hard red winter wheat; breeding for genetic resistance to wheat viruses; evaluation of various compounds as alternatives to antibiotics to treat and prevent disease in pork production; environmental influence on phenomics in crop improvement and production; understanding soil ecology to manage potato soil health; drought tolerance and efficient use of water resources in peanuts; and improved peanut and food allergy diagnostic methods.
Recent engagements with stakeholder group

Sept. 20-22, 2016: Annual Small Farms Conference, Virginia Beach, VA. National conference that addresses the needs, challenges and successes of small farmers across the country. This conference enabled NIFA to learn and listen to these small farm operators on issues and concerns of importance in order to make program and budgetary planning decisions. NIFA also updated the attendees on Agency initiatives.

Sept. 21, 2016: National Extension Directors and Administrators (NEDA) and Cooperative Extension Section (CES) meeting in Grand Teton, WY. This meeting was jointly held with the nation’s Experiment Station Section (ESS). This conference enabled NIFA to learn and listen to attendees on issues and concerns of importance in order to make program and budgetary planning decisions. NIFA also updated the attendees on Agency initiatives.

Sept. 22, 2016: NIFA meeting in Jackson Hole, WY. To enhance collaboration with representatives of the 1994 and 1862 land-grant universities. NIFA listened to concerns and issues involving the 1994s and 1862s, and will work to help build stronger relations between the two.

Sept. 25, 2016: International Congress of Entomology, Orlando, FL. The event brought together the largest delegation of entomologists in the history of the discipline. Dr. Sonny Ramaswamy delivered the keynote address: “Collaboration to Solve Global Challenges.”

Oct. 15-18, 2016: Academy of Nutrition and Dietetics, Food & Nutrition Conference & Exposition, Boston, MA. This conference enabled NIFA to learn and listen to attendees on issues and concerns of importance in order to make sound program and budgetary planning decisions. NIFA also updated the attendees on Agency initiatives.

Oct. 22-30, 2016: American Evaluation Association, Boston, MA. The American Evaluation Association is a professional association of evaluators devoted to the application and exploration of program evaluation, personnel evaluation, technology, and many other forms of evaluation. NIFA is a member of the Extension Education Evaluation Topic Interest Group. NIFA briefed attendees on a variety of topics, and held and participated training workshops and information-sharing opportunities.

Nov. 11-13, 2016: FALCON Conference, Indianapolis, IN. FALCON is a non-profit, professional association, sanctioned by motion of the AIHEC Board of Directors that represents administrators, faculty and staff at 1994 Land-Grant Institutions (Tribal Colleges and Universities). The conference included sessions on the successes in teaching, extension services, and research that benefit Native American students, communities, governments, and lands. The conference focused on research, education, and community programs at 1994 land-grant institutions conducted by students, faculty and staff. NIFA briefed attendees on a variety of topics, and held project director sessions, as well as training workshops and information-sharing opportunities.
Nov. 13-16, 2016: Association of Public and Land-grant Universities (APLU) National Conference, Austin, TX. The APLU is a research, policy, and advocacy organization dedicated to strengthening and advancing the work of public universities in the U.S., Canada, and Mexico. The conference brings together leaders in their field of study who represent all NIFA partner 1862s, 1994s, 1890 land-grant universities, other minority serving institutions, as well as our non-land grant university partners. This conference enabled NIFA to learn and listen to these leaders on issues and concerns of importance in order to make sound program and budgetary planning decisions. NIFA also updated the attendees on Agency initiatives, and honored a number of educators, teachers, researchers, and extension professionals who provided excellence in leadership to the serious societal challenges.

Nov. 16, 2016: 1890s Communicators Conference, Prairie View, TX. Dr. Sonny Ramaswamy educated attendees on the importance of communicating science to better inform Congress, the news media, communities, families, farmers/ranches on research, education and extension programs and successes.

V. Top Issues

Hot Topics

The following topics require further study, and internal and external Agency collaboration before a strategy can be reached.

Outreach to Minority Serving Institutions to Enhance their Competitiveness for NIFA Funding

Minority Serving Institutions (MSIs) have a long history of educating and serving underrepresented communities. These institutions are well positioned to foster career opportunities for minorities in food, agriculture, natural resources, and human science disciplines. They also are engaged in applied research and community-based education to improve the lives of underserved families and communities. NIFA invests approximately $171 million in targeted programs annually to build education, research and extension capacities at MSIs. However, MSIs are experiencing limited success in competing for NIFA’s non-targeted grant funding. In addition, some MSIs need assistance in enhancing grants management capacity. Hence, NIFA has amplified MSI outreach to increase awareness of funding opportunities through webinars, meeting support, informational booths, workshops and conference calls. Outreach activities also are conducted to enhance competitiveness of applications through AFRI program areas. For example, the 1890 Faculty Engagement Project provided an opportunity for 1890 faculty members to strengthen their research skills and expand their professional networks in the area of animal health, animal well-being, and food security. Additionally, a networking meeting between AFRI Food Safety and 1890 Capacity Building Program Directors was held for discussions on grant writing partnerships. The Project Director is defined as the principal from a NIFA-funded organization, who is responsible for
managing a grant project. NIFA is working to improve post-award management through site visits to review grants management practices, provide technical assistance, and share recommendations for improvement based on review findings. As a result, a significant impact of our outreach in FY 2016 is the 100 percent increase in the number of applications for the Grants for Insular Areas Program. NIFA plans to continue stakeholder engagement via targeted grantsmanship workshops, program and funding opportunities webinars, and scheduled visits with the organizational leaderships to ensure that NIFA MSI programs bring the highest value to the entities in line with the authorization and legislative intent.

**Agriculture and Food Research Initiative: Catalyzing Transformation of U.S. Agriculture Systems through a Systems Approach**

Significant increases in domestic and global agricultural production are required to feed and support a population that will exceed 9 billion by 2050. To provide sustainable solutions to addressing this global challenge, sufficient investments in scientific research, education, and extension must be made to catalyze transformation of U.S. agricultural systems. The FY 2017 President’s Budget proposes combined increases of $350 million for the Agriculture and Food Research Initiative (AFRI) Program. This increase is fundamental to supporting systems approaches that will lead to sustainable increases in U.S. agricultural productivity while invigorating the bioeconomy, improving health, and ensuring a talented agricultural workforce. To achieve a transformation that will meet our nation’s future challenges, a paradigm shift is needed in U.S. agricultural research, from focusing on individual components of the agricultural supply chain to the entire system. To realize this systems strategy, large investments must be made to support transdisciplinary teams that will be tasked with advancing conceptual, methodological and translational innovations to solving challenges across the entire agricultural value chain. Availability of sufficient funding for systems-based approaches will result in new technological, management and policy interventions to increase the efficiency of food and agricultural systems, deliver nutritional security and economic prosperity, and minimize the environmental footprint of agriculture. The FY 2017 NIFA **Explanatory Notes** provides further details on systems approaches and NIFA’s strategy for developing solutions to complex agricultural challenges.

**Study to Review NIFA’s Capacity Programs**

NIFA has funded an independent evaluation of six major capacity programs; all of which are distributed via formula. Capacity programs are under scrutiny because of: (a) the length of time they have existed; (b) the consistency of funding they have received; and (c) the breadth of the research and extension activities they cover. The study by TEConomy (http://www.teconomypartners.com) will examine impact, attribution, and outcomes; function and structure; and the role the partnership between NIFA and the land-grant universities has played in achieving goals. NIFA’s National Program Leaders (Ph.D. level scientists) provide oversight of performance measurement at the project and program levels. Grantees submit an annual progress report with updates. This evaluation will provide a summative review of capacity programs. The results will be used to determine the value of the programs to stakeholders and strengthen NIFA’s focus on evidence-based decision making; identify
research and extension gaps, and areas of improvement; and leverage the visibility and accountability of capacity programs by independent review. The results, expected by the end of January 2017, will allow senior leadership to make evidence-based program and budget decisions on the capacity grant programs.

**Addressing Threats to U.S. Ag Production**

NIFA is in the early stages to engage relevant stakeholders to 1) identify current and anticipated challenges to protect U.S. plant and animal production systems against pests, diseases and other sources of contamination; 2) describe programmatic and infrastructure requirements to effectively address these challenges; and 3) provide input on possible strategies for re-aligning and/or re-inventing the current NIFA scientific tactical sciences framework.

NIFA’s current investments consist of multiple small programs distributed across administrative and disciplinary areas:
- Food and Agriculture Defense Initiative (FADI)
  - National Plant Diagnostic Network (NPDN)
  - National Animal Health Laboratory Network (NAHLN)
  - Extension Disaster Education Network (EDEN)
- Crop Protection and Pest Management (CPPM)
- Minor Crop Pest Management (IR4)
- Food Animal Residue Analysis Database (FARAD)

NIFA intends to work with stakeholders to build a much stronger, and more integrated and coordinated infrastructure that will facilitate enhanced cooperation, leveraging of investments, protection for producers and consumers, and export trade in global markets. To this end, the University of Maryland is cooperating with NIFA to host a workshop on the College Park campus the week of February 13th.

**Infrastructure Task Force**

The research needed to catalyze transformative advancements in US agriculture requires modern spaces conducive for interdisciplinary teamwork and industry-university partnerships. Based on a recent report, a grave threat to U.S. agricultural research is posed by outdated facilities and buildings in the Land Grant University system to facilitate such research.

The October 2015 APLU-funded “Sightlines” study of our nation’s schools of agriculture found “a collective total of $8.4 billion in deferred maintenance at the buildings and supporting facilities at schools of agriculture authorized to receive U.S. Department of Agriculture (USDA) funding”. The report argues that failure to aggressively and systematically address the challenge of outdated, often unsafe, and inadequate infrastructure puts the entire system of public research and education in food, agriculture and the environment at risk. Continued neglect will lead to a reduction in the number of institutions involved in conducting such research, a reduction in the sophistication of the research that is undertaken, and a risk to
private enterprise in not having access to fundamental research findings that can fuel their innovation and translation of research into commercial application. The report further articulates that the infrastructure investments will have a direct impact on the quality of science, ensure safety in the classroom and experiment stations, and attract the best and brightest to our universities.

An APLU Infrastructure Task Force responding to the Sightlines study has identified the need for improved stewardship of facilities through adequate planning and funding of ongoing maintenance, and for investments in major renovations or new construction to replace aging and ineffective, unsafe, or inadequate research facilities. Several funding strategies have been proposed. NIFA, together with ARS, will continue to work with APLU to develop a balanced and achievable approach through both the Farm Bill and the appropriations process.

**Positive Youth Development**

USDA has a long history with Positive Youth Development (PYD) through the Cooperative Extension’s 4-H program. 4-H as a model of PYD translates the sciences of engagement, learning, and change with youth and adults who work to create sustainable community change.

Cooperative Extension, which is partially funded by NIFA, is an effective existing network that includes 500,000 volunteers and 3,500 4-H professionals. 4-H National Headquarters is housed at NIFA. The ten-year longitudinal Tufts University Positive Youth Development study, (http://4-h.org/about/research/) demonstrates that compared with their peers, youth involved in 4-H programs are:

- Nearly four times more likely to make contributions to their communities;
- Are about two times more likely to be civically active;
- Are nearly two times more likely to participate in Science, Engineering, and Computer Technology programs, and 4-H girls are two to three times more likely to take part in science programs compared with girls in other out-of-school time activities;
- 4-H’ers are nearly two times more likely to make healthier choices.

Addressing the education, employability, health, and well-being needs of underserved and underrepresented youth is an ongoing aspirational goal of the agency.

**Expanded Food and Nutrition Education Program and Formula Calculations**

NIFA’s Expanded Food and Nutrition Education Program (EFNEP) assists low-income families in acquiring the knowledge, skills, attitudes, and changed behavior necessary for nutritionally sound diets, and to contribute to their personal development and the improvement of the total family diet and nutritional well-being. For more than 45 years, EFNEP has successfully addressed critical societal concerns by employing paraprofessional staff, and influencing nutrition and physical activity behaviors of low-income families, particularly those with young children. Through a community-based, relationship-driven, hands-on educational approach, EFNEP has directly impacted economic, obesity, and food insecurity challenges that hinder the
health and well-being of this nation. NIFA is undertaking an analysis, to be completed in early 2017, to update the current EFNEP formula, developed in 1981, to better reach targeted populations—particularly underserved minorities, such as Native American populations—given changes in national demographics, poverty rates, and levels of obesity within these populations.

**Climate Change, Insect Biology, and Opportunities for the Bioeconomy**

Changes in insect and pathogen lifecycles due to changing climate patterns can have widespread effects on the environment and touch many of NIFA’s programs, including water resources, soil health, nutrient cycling, and bioenergy. The effects of introduced species are well-documented, but some endemic species are also flourishing due to changing climatic conditions. One example is the expansion of pine and spruce bark beetle infestations in the Rocky Mountains in the last two decades, leading to widespread tree mortality. By killing trees, bark beetle outbreaks can significantly influence forest carbon storage and cycling. Intense droughts and mild winters under a changing climate cause explosions of the insect populations, while the warmer temperatures have allowed beetles to move to higher elevations where trees are unusually susceptible to infestations. One NIFA-funded Coordinated Agricultural Project, the Colorado State-led Bioenergy Alliance Network of the Rockies (BANR), is quantifying the availability and feasibility of harvesting the beetle-killed biomass and converting it into low-carbon fuels and bioproducts, as well as the economic, social, and environmental consequences of utilizing such a resource. A key finding from the project is that the economics of harvesting depend heavily on the time since infestation. Older stands with more downed trees take longer to harvest, require specialized equipment, and increase the effective price of the biomass delivered to the conversion facility. Technologies such as remote sensing can help identify the timing of infestations which help inform optimum harvest windows. This project has demonstrated that availability of biomass can be quite different from availability for economical processing and conversion. Looking to the future, climate-related impacts on a range of cellulosic biomass resources are expected to become more widespread. Future projects similar to BANR will be critical in assessing the opportunity and identifying resilient approaches to contribute to the US bioeconomy in a meaningful, sustainable manner.

**AFRI Administrative Funds**

NIFA does not have a “salaries and expenses” appropriations account like other Federal agencies to cover agency operation costs. NIFA’s operating budget comes from two sources: (1) Federal Administration, a Congressional appropriation subject to the uncertainties of the appropriations process, which represents approximately 40 percent of the agency’s operating budget and (2) legislated overhead rates, which are applied to NIFA Program Appropriations, and represent approximately 60 percent of the agency’s operating budget. Three years ago, NIFA embarked on a path to:

- Enhance our national program leadership role as a science agency;
- Increase data transparency and ease of use of reporting systems; and
- Modernize our grants systems and processes.
Together with focused funding that supports the Grants Modernization Initiative, funds are needed for grants oversight activities and improvements to grants management processes and award reporting systems. Enhanced engagement with our partners is also needed for NIFA to continue the activities that most efficiently and effectively provide outstanding national program leadership for capacity building and competitive programs.

During formulation of the 2014 Farm Bill, the administrative rate for competitive programs was discussed, particularly the Agriculture and Food Research Initiative (AFRI). The administrative rate for AFRI was not increased in the 2014 Farm Bill but subsequent legislation in the Agriculture Appropriations Act increased this rate from 4 percent to 5 percent. This increase has helped support the much needed process and systems improvements that the agency needs to move to more efficient data collection and reporting processes and systems. Exploring options for greater certainty of operations funding would be helpful, to ensure NIFA continues to receive funds needed to operate with a more stable source of operating funds and that NIFA will be able to enhance the level of service provided to its customers and stakeholders.

**Grants Modernization**

NIFA is partnering with the USDA OCFO to implement ezFedGrants, a USDA enterprise-wide automated system for managing grants. The current systems and processes NIFA uses to announce, review, process, and award grants rely on antiquated legacy systems that do not fully support the entire grant administration life cycle. NIFA seeks to replace the current system with a paperless, automated technology solution that improves workflow, reduces error rates, reduces staff workload, and improves grantee customer satisfaction. The budget has included increases in funding for the past four years to support this initiative. Partial funding was received through the appropriations process. In addition to receiving systems funds, NIFA has legislative authority to use between 0 and 5 percent of funds for administrative costs, depending upon the individual program. NIFA will begin using the system for processing FY 2017 Capacity awards in the fall of 2016. External customers will have access to a portal which will provide status updates on their application/award. The portal will also allow them to submit required reports, such as the SF-425 Federal Financial Report (previously done through email). This solution will allow NIFA staff, applicants, and grantees to track grant proposals and awards throughout the grant life cycle. The Departmental solution will assist USDA and NIFA in eliminating improper payments and waste, as the solution is fully integrated with the Departments financial management system. In FY 2017, NIFA expects to automate the process for making capacity calculations and begin making competitive awards in FY 2018.

**NIFA Lease Expiration at Waterfront Centre**

The NIFA lease in the 800 9th St SW, Washington, DC – Waterfront building, expires in January of 2020. NIFA leases commercial space in the Waterfront building, not owned by GSA. We are required to submit a lease prospectus package that includes our space needs to
the Office of Management and Budget for approval March 2017. The NIFA lease will be competitively awarded. Given the construction on the area near the Waterfront building, it is likely that NIFA staff will occupy a new location in 2020. Most of NIFA’s staff is located in the Waterfront building. NIFA maintains a handful of offices for Office of the Director in the Whitten Building. One NIFA contractor is housed in the South Building. We are partnering with GSA to develop the lease prospectus package which includes our Program of Requirements for our needs in 2020. GSA manages the lease renewal process and monitors Government wide standards for allowable space based on agency employment data. GSA has contracted with an architecture and design firm known as Metropolitan Architect and Planners (MAP) to assist us with that process. GSA, USDA Office of Operations and MAP and have been actively collecting space requirements.

**Timeline**

**October 2016**

**Food Insecurity Nutrition Incentive (FINI) Request for Application (RFA)** – This competitive grant program support projects to increase the purchase of fruits and vegetables among low-income consumers participating in the Supplemental Nutrition Assistance Program (SNAP) by providing incentives at the point of purchase. Release: October 2016.

**December 2016**

**AFRI Education and Literacy Initiative Request for Application (RFA)** – The AFRI Food, Agriculture, Natural Resources, and Human Sciences Education and Literacy Initiative (formerly the AFRI Fellowships Program) focuses on developing the next generation of research, education, and extension professionals in the food and agricultural sciences. The Initiative educates professionals to lead agriculture into the future by solving current and future challenges facing our society. Release: December 2016.

**January 2017**

**AFRI Water for Food Production Systems RFA.** – The AFRI Water for Food Production Systems Challenge Area RFA is a combination of the former AFRI Water and AFRI Food Security Challenge Area RFAs. Additional information to be provided after approval by NIFA’s Office of the Director. Release: January 2017.

**Smith-Lever Special Needs Competitive Grant Program RFA.** – This competitive grant program is to address the severity of natural and human made disasters, including but not limited to, earthquakes, tornadoes, wildfires, floods, hurricanes, drought, contagious diseases, invasive mosquito-borne diseases (i.e. Zika virus), avian influenza and terrorist events. Applicants are required to provide 100 percent matching funds from non-federal sources. Applications are limited to 1862 Land-grant Institutions in the 50 states, American Samoa, Guam, Micronesia, Northern Marianas, Puerto Rico, and the U.S. Virgin Islands. Award recipients may subcontract to organizations not eligible to apply if they are necessary to
conduct the project. NIFA encourages collaboration with the 1890 and 1994 Land-grant Institutions within and across state lines. Release: January 2017.

**Grants for Insular Areas Program RFA.** – The Grants for Insular Areas Program strengthens the ability of the institutions of higher education in the insular areas (American Samoa, Guam, Micronesia, Marshall Islands, Northern Marianas, Palau, Puerto Rico & Virgin Islands) to carry out resident instruction and distance education in the food and agricultural sciences. This capacity building program demonstrates USDA’s commitment of ensuring food and agricultural sciences education in identified U.S. Pacific Island Territories. Release: January 2017.

**Food and Agriculture Defense Initiative also known as Homeland Security Program.** – This grant program supports three multi-institutional homeland security networks and is non-competitively awarded through cooperative agreements: The National Plant Diagnostic Network, the National Animal Health Laboratory Network, the Pest Information Platform for Education and Extension, and the Extension Disaster Education Network. The purpose of these homeland security networks is to provide funding to protect the food supply and agricultural production. Release: TBD.

**Agriculture Risk Management Education RFA.** – This competitive grant program funds four regional centers nationwide and a Risk Management Education Electronic Support Center to carry out regionally based programs that address agricultural risk management needs. These Centers are located in land-grant institutions in their respective regions where they conduct regional competitive programs open to Extension and farm management education professionals. Release: Winter 2017.

**NIFA Federal Assistance Policy Guide.** – The NIFA Federal Assistance Policy Guide is an agency guidance document that identifies the statutory and regulatory responsibilities of recipients of federal funds distributed by NIFA, including capacity grants, competitive grants, and grants supported by endowment interest. This Policy Statement compiles, clarifies, and updates the statutory, regulatory, and policy guidance previously distributed to capacity grant recipients as Administrative Manuals. The Policy Guide serves as a resource internally and externally and is available to the public through the NIFA web site. NIFA views the Policy Guide as a “living document.” The first version was released in October 2014. It will continue to be revised to incorporate legislation changes, clarify policies and procedures, address stakeholder concerns, and improve usability. A summary of revisions will be included in the document to help users identify any significant changes. NIFA continues to revise the Guide to implement the Agricultural Act of 2014 and USDA’s implementation of the 2 CFR part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.” Next update: Winter 2017.
February 2017

Forestry Research Advisory Council (FRAC) Meeting – FRAC meets in February (2017) to hold listening sessions with experts and talks about current and emerging issues affecting forests and forestry. The Council starts framing potential recommendations for its Annual Report to the Secretary. This will be held in February at the Forest Service (Yates Building).

APLU ESCOP Social Science Subcommittee (SSSC) – Annual Meeting – The SSSC recommends specific actions to help the Land-Grant system address high priority research and education issues leading to outcomes that deal with social issues in a significant, measurable way and that will generate sustained financial support. The SSSC membership is comprised of representatives from the five traditional social science disciplines within Land-grant Colleges of Agriculture in each of the four regions, Northeast, North Central, South, and West. Each discipline is also represented by the 1890 institutions, as well as by at-large members. A number of Ad Hoc and Ex Officio organizations relevant to the social sciences comprise non-voting members of the SSSC, including: the four Regional Rural Development Centers; the Farm Foundation; the Rural Policy Research Institute (RUPRI); the Board on Human Sciences; the Consortium of Social Science Associations; the Council on Food, Agricultural and Resource Economics (C-FARE); and the National Coalition for Food and Agricultural Research (National C-FAR). The SSSC answers to the ESCOP Science and Technology Committee. NIFA liaison to this group will share NIFA initiatives/opportunities that SSSC can assist with. Meeting: February 2017, Washington, D.C.

Agricultural Safety and Health Council of America (ASHCA) Federal Agency Roundtable - Annual Meeting – ASHCA proactively addresses ongoing and emerging occupational safety and health issues affecting U.S. agriculture. Federal Agency Roundtable brings together approximately 20 individuals representing 10 federal agencies/programs, to provide updates on their agency/program plans for improving safety and health issues affecting agricultural business and workers; discuss current gaps between publicly funded programs and the actual or predicted safety concerns experienced in production agriculture; and identify next steps for maintaining outcome-driven discussions between agencies and agricultural leaders committed to safety and health of agricultural workers and their families. NIFA serves as a USDA liaison to this group and will provide status on farm safety programs at NIFA. February 2017, Washington, D.C.

Addressing Threats to U.S. Ag Production Meeting – The University of Maryland is cooperating with NIFA to host a workshop on the week of February 13th in College Park, MD to discuss federal funding for addressing threats to U.S. agriculture production. The goal of the conference is to bring together stakeholders to discuss potential improvements to the current university programmatic infrastructure and funding, which will facilitate enhanced cooperation, leveraging of investments, protection for producers and consumers, and export trade in global markets. February 2017, College Park, MD.

National 4-H Leadership Conference – This conference provides a valuable professional development experience for both State 4-H Program Leaders and State 4-H Fund Development Professionals (Foundation Executive Directors). NIFA will be represented at key sessions and
will provide an update from 4-H National Headquarters related to program and policy accomplishments and upcoming initiatives. February 27 – March 2, 2017, Atlanta, GA.

**Tri-State Diversity Conference** –The 13th Annual Tri-State Diversity Conference, hosted by the land-grant universities in Kentucky, Indiana, and Ohio, will be held February 16-17 in Hebron, KY. The goal of the conference is to network and link resources to help integrate diversity into programs, policies, and practices for creating community well-being. The 2017 theme is “Breaking Down the Walls: Building Inclusive Communities.” This conference is open to all to the LGU system and includes a peer-reviewed poster and presentation component.


**AFRI Food Safety RFA.** –The AFRI Food Safety Challenge Area focuses on the societal challenge of ensuring a safe and nutritious food supply while maintaining American agriculture competitiveness. Release: February 2017.

**Tribal Colleges Research Grants Program RFA.** –This program was designed to assist 1994 land-grant institutions (tribal colleges) in building institutional research capacity through applied projects that address student education needs and solve community, reservation or regional problems. This program will continue to promote scientific research at the Tribal Colleges. Release: February 2017.

**Renewable Resources Extension Act – National Focus Funds RFA.** –This program supports innovative extension programs in forest and rangeland resources that are conducted at a multi-state, regional, or national scale. Successful applications are those that involve new and non-traditional audiences, deliver programs using new and innovate approaches, and high-risk-high payoff programs on cutting edge issues facing private forest and rangeland owners. Release: February 2017.

**Children Youth and Families At-Risk (CYFAR) Sustainable Community Projects RFA.** – CYFAR is a competitive extension grant program. Sustainable Communities Projects serve as the NIFA mechanism for funding community-based projects and expanding statewide capacity for supporting and sustaining programming for at risk-youth and families. Release: Winter 2017.

**March 2017**

**Council for Agricultural Research, Extension, and Teaching (CARET) Meeting** – CARET is a national grassroots organization created in 1982 by Association of Public and Land-grant Universities’ Division of Agriculture. CARET is composed of representatives, often land-grant university stakeholders, from the 50 states, the U.S. territories, and the District of Columbia. Its mission is to advocate for greater national support and understanding of the Land-Grant
University System's food and agricultural research, extension, and teaching programs that enhance the quality of life for all people. CARET also works with national agricultural organizations to discuss agricultural issues. CARET will hold a joint meeting with the Administrative Heads Section to discuss the FY 2018 budget recommendations of the Board on Agriculture Assembly in Alexandria, VA, March 5-8, 2017.

**Board on Human Sciences Spring Conference (BoHS)** – BoHS is an association of administrators of higher education units responsible for research/discovery, extension/outreach, and teaching/learning programs in the Human Sciences at universities across the country. Their members are committed to a national agenda that unifies disciplines within and beyond the Human Sciences to enrich people’s lives. Their annual spring conference in the Washington, DC area draws administrators from across the U.S. Alexandria, VA, March 7-10, 2016.

**National 4-H Conference** – Since 1927, National 4-H Conference administered by 4-H National Headquarters, USDA NIFA, brings together approximately 325 4-H youth members in grades 10-12 (15-19 years old), Extension Educators and 4-H Adult Volunteers from across the nation, as well as U.S. Territories. This annual event is the premier professional, civic engagement and leadership development experience of 4-H and 1) engages 4-H youth in personal development experiences that will increase knowledge, resources, and skills; 2) discusses topics affecting youth and 4-H programming nationwide; and 3) empowers and mobilizes 4-H youth to create positive social change in their communities in a meaningful and genuine way. Briefings are conducted within 15 federal agencies and the House Ag Committee to ensure youth voice on critical issues. March 25-30, 2017 – briefings to be conducted on March 28.


**AFRI Sustainable Bioenergy RFA**. – This program supports regional sustainable biofuel systems and research that addresses the impacts of bioenergy feedstock production on water resources including water quality, quantity, and conservation/reuse practices. Release: March 2017.

**Women and Minorities in Science, Technology, Engineering and Mathematics Fields Program (WAMS) RFA**. – WAMS supports research and extension activities that increase the number of women and underrepresented minorities from rural areas who pursue and complete a postsecondary degree in science, technology, engineering, or mathematics (STEM) disciplines. This capacity building program contributes to USDA’s mission of providing a diverse professional workforce in the food and agricultural sciences and STEM fields and disciplines. Release: Spring 2017.

**Healthy Homes Partnership Interagency Agreement** – The goal of the Healthy Homes Partnership is to link resources of NIFA and the state land-grant universities with the U.S. Department of Housing and Urban Development’s Office of Lead Hazard Control and Healthy
Homes for a public outreach education program that reduces housing deficiencies and risks associated with childhood diseases and injuries. This agreement support grant funding, which is administered through the Cooperative Extension System by a Coordinating Institution selected from the Land-Grant University System; administered in eight states through participating land-grant universities; and delivered locally through regional/county extension educators in those states. Release: May 2017.

**Project Director’s Meeting:** AFRI Water for Agriculture Challenge Area, AFRI Foundational Program of Bioenergy, Natural Resources and Environment (BENRE) and the National Integrated Water Quality Program (NIWQP) – AFRI and NIWQP programs will bring scientific and conservation professionals together to share learned concepts, innovative methodologies, and project successes. The principal goal is to foster the science and communication among project directors, co-project directors, collaborators and graduate students to learn and engage in discussions that will improve understanding of water, soil and agroecosystem issues in the evolving world of agriculture. At the same time it is intended to help NIFA staff interact with awardees and identify success stories and impacts resulting from funded research and help with challenges that face other project directors as they complete their project. Awardees will benefit by the sharing of new information, resources and the possible development of future collaboration that will help in the progress and successful completion of the NIFA award.

**Expanded Food and Nutrition Education Program (EFNEP) Annual Conference** – This annual conference brings together EFNEP program coordinators from every state, territory and Washington DC, along with national leadership, to discuss program successes, challenges and opportunities. Obesity, poor health, and limited physical activity are major public health concerns and EFNEP consistently demonstrates strong results by improving the health and well-being of limited resource families and youth. Additionally, EFNEP leads to financial savings for participants. NIFA representatives are presenting at the meeting and planning the event with University of Florida contractors. Date: March 2017 TBD.

**April 2017**

**Public Issues Leadership Development Conference** – Sponsored by Joint Council of Extension Professionals. This is an annual professional development meeting conducted by and for Cooperative Extension professionals. Through speakers, workshops and meetings, participants learn how to engage in U.S. public policy and the legislative process, and are presented with the opportunity to connect with their Congressional representatives to discuss Extension programs and issues. NIFA staff will be presenters at key sessions and provide updates on current and upcoming funding opportunities of interest to Cooperative Extension professionals. April 2-5, 2017, Arlington, VA.

**AgrAbility National Training Workshop** – This is an annual professional development training workshop for all current and prospective future AgrAbility grantees, partner institutions, farmers with disabilities, and farmer veterans. NIFA will be represented at key sessions, provide federal update on current and upcoming initiatives and opportunities, and
give presentations/meet with AgrAbility project directors, new staff, non-profit organization partners, and farmers receiving AgrAbility services. NTW is planned by the National AgrAbility Project (NIFA grantee). April 2017, location TBD.

4-H Military Partnership Meeting –This is an annual meeting with 4-H Extension professionals from 50 land-grant universities and Military partners (Department of Defense, Army, Air Force, Navy), Coast Guard, and National Guard and Reserve representatives. Attendance will be approximately 100 participants. Goals of the meeting are twofold: 1) 4-H and Military will strengthen their partnerships in states/communities to provide quality programs for military connected youth and families; 2) Participants will gain knowledge and skills from 4-H and Military Partner programs and resources that will enhance local support for military connected youth and families. NIFA representatives are presenting at the meeting and planning the event with lead extension institution to be determined. Mid-Spring 2017 TBD.

National Extension Energy Initiative (NEEI) Meeting –NEEI provides Extension educators professional development opportunities through sharing experiences and information, learning from successes and challenges, and building new partnerships for energy education from all program areas: Agriculture and Natural Resources; Family and Consumer Sciences; 4-H Youth Development; and Community Development. The meeting will bring together this expertise from the Cooperative Extension System supporting: sustainable and renewable energy, home and farm energy efficiency, biomass energy programs, and other energy areas. This initiative supports the federal interagency efforts of the State Energy Extension Partnership. NIFA’s liaison will participate in the meeting.

Extension Risk Management Education National Conference –This is an annual event intended for extension risk management education professionals, county educators, policy makers, and others working in the areas of risk management. The conference encourages attendees to work across systems locally, regionally and nationally to address current and future community and risk management outreach needs. NIFA provides liaisons to the conference planning committee. NIFA staff attending the conference provide an update on NIFA’s grants programs and initiatives addressing community and economic development. April 27-28, 2017, Cincinnati, OH.

AFRI Agriculture and Natural Resources Science for Climate Variability and Change RFA. –This program focuses on building a foundation of knowledge in fundamental and applied food and agricultural sciences critical for adaptive management to climate variability and change. Release: April 2017.

Rural Health and Safety Education (RHSE) Competitive Grant Program RFA. –This competitive grant program addresses the needs of rural Americans by providing individuals and families in the rural U.S. with health and safety education programs. RHSE funds health education projects from the land-grant university system that provide individuals and families living in rural areas with information as to the value of good health at any age; information to increase individual or family’s motivation to take more responsibility for their own health;
information regarding rural environmental health issues that directly impact on human health; information about and access to health promotion and educational activities; and training for volunteers and health services providers concerning health promotion and health care services for individuals and families in cooperation with state, local and community partners. Projects can focus substance abuse prevention, as well as nutrition and physical activity, healthy and safe homes, aging in place, as well as other behavioral health and human health issues. Release: April 2017.

National Extension and Research Administrative Officers Conference (NERAOC) – Sponsored by NIFA and hosted by Texas A&M AgriLife and Prairie View University. This is an annual professional development meeting conducted by and for administrative officer professionals. Through speakers, workshops and meetings, participants learn top industry practices in budget, finance, grants management, human resource management, civil rights, diversity, evaluation, accountability, and reporting. NIFA staff will be presenters at key sessions and provide updates on current and upcoming opportunities of interest to participants which include USDA-NIFA, 1862 and 1890 Land-Grant Universities, 1994 Tribal Land-Grant Colleges and Universities, and other non-Land-Grant grantee institutions. April 23-27, 2017, San Antonio, TX.

**May 2017**

National Health Outreach Conference – This is an annual event intended for health professionals, health educators, health policy makers, and others working in the areas of individual, family, and community health and wellness. The conference encourages attendees to work across systems locally, regionally and nationally to address current and future health and wellness research, education, and outreach needs. NIFA provides liaisons to the conference planning committee. NIFA staff attending the conference will provide an update on NIFA’s grants programs and initiatives addressing health and wellness. May 2-4, 2017, Annapolis, MD.

Agricultural Safety Research and Extension (North Central Education/Extension Research Activity-197 (NCERA-197)) Annual Meeting – This is a multi-state research group supported by NIFA. Members of NCERA-197 meet annually at NIFA to discuss to-date individual and joint research progress and to share recent and upcoming national-level joint reports in the areas of agricultural safety research and outreach. NIFA liaison to the group will attend. May 2017, Washington, D.C.

Children, Youth, and Families At-Risk (CYFAR) Professional Development Event for CYFAR Grantees – An annual two-day learning event with experts of multi-disciplinary blend of sessions. The speakers and presentations focus on maximizing the success of the 40+ CYFAR programs, enhancing knowledge, and presenting innovative ideas to make a positive impact in the lives of children, youth, and families at-risk. Late spring 2017 TBD.
National Urban Extension Conference – The University of Minnesota Extension is hosting the biennial National Urban Extension Conference. The conference theme is “Engaging in Collective Purpose.” The conference will provide opportunities for Extension professionals from all program areas to share their research and innovative educational strategies that address the needs of urban, suburban, and peri-urban populations as well as urban-rural interdependencies. The program planning committee plans for participants to learn about cutting edge research and to see innovative outreach efforts that successfully transfer research-based information to various urban clientele. A team from NIFA will be meeting with and briefing urban Extension colleagues. Bloomington, Minnesota, May 7-11, 2017.

Continuity of Operations Plan (COOP) National Level Exercise – COOP, as defined in the National Continuity Policy Implementation Plan and the National Security Presidential Directive-51/Homeland Security Presidential Directive-20, is an effort within individual executive departments and agencies to ensure that Primary Mission Essential Functions (PMEF) continue to be performed during a wide range of emergencies, including localized acts of nature, accidents and technological or attack-related emergencies. NIFA participates with other federal agencies in a two-day simulation to practice actions necessary to address a wide range of emergencies and to plan for ensuring that PMEF can be continued throughout, or resumed rapidly after a disruption of normal activities.

June 2017

Joint Conference between National Association of Community Development Extension Professionals and Community Development Society – This is an annual event intended for community development professionals, county educators, community development policy makers, and others working in the areas of community and economic development. The conference encourages attendees to work across systems locally, regionally and nationally to address current and future community and economic development research, education, and outreach needs. NIFA provides liaisons to the conference planning committee. NIFA staff attending the conference provide an update on NIFA’s grants programs and initiatives addressing community and economic development. June 9-11, 2017, Big Sky, MT.

American Association of Family and Consumer Sciences (AAFCS) Annual Conference and Annual Meeting of the Alliance for Family and Consumer Sciences (representing 24 organizations, agencies, and industry in FCS) – For more than 100 years, AAFCS has offered an on-site Annual Conference and Expo that includes numerous content-rich sessions and networking opportunities for FCS students and professionals across multiple practice settings and content areas. As the Association moves forward in its second century, it is committed to providing an outstanding array of research-based sessions through on-site conferences. Conferences capitalize on the best practices of past conferences, while incorporating new ideas and directions that reflect the evolution of the Association and the FCS profession. Dallas, TX, June 25-28, 2017.
Appendix A: Acronyms

The following list is some of the most frequently used acronyms.

AA – Agricultural Act of 2014
AFRI - Agriculture and Food Research Initiative
AES – Agricultural Experiment Stations
APHIS - Animal and Plant Health Inspection Service
AREERA – Agricultural Research, Extension, and Education Reform Act of 1998
ARS - Agriculture Research Service
ASAP – Automated Standard Application for Payments
AR – Authorized Representative
EDEN – Extension Disaster Education Network
EFNEP - Expanded Food and Nutrition Education Program
FACT – Food, Agriculture, Conservation, and Trade Act of 1990
GAO - General Accounting Office
HBCU – 1890 Historically Black Colleges and Universities
HLB – Huanglongbing
HSI – Hispanic Serving Institutions
IPM – Integrated Pest Management
LGU – Land-Grant Colleges and Universities
MSI – Minority-Serving Institutions
NPL – National Program Leader
NAHLN – National Animal Health Laboratory Network
NPDN – National Plant Diagnostic Network
OIG – Office of Inspector General
PPV – Plum Pox Virus
REE – Research, Education and Economics
RFA – Request for Applicants
SARE – Sustainable Agriculture Research and Education
SCRI – Specialty Crop Research Initiative
SOD – Sudden Oak Death
STEM – Science, Technology, Engineering, and Mathematics
VMLRP – Veterinary Medicine Loan Repayment Program
VSGP – Veterinary Services Grant Program
### Appendix B: Crosswalk of NIFA, USDA, and REE goals

<table>
<thead>
<tr>
<th>NIFA Strategic Goals</th>
<th>USDA Goal</th>
<th>REE Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal 1: Science</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Catalyze exemplary and relevant research, education, and extension programs</td>
<td>1,2,3,4,5</td>
<td>1,2,3,4,5,6,7</td>
</tr>
<tr>
<td>Sub-Goal 1.1: Advance our Nation’s ability to achieve global food security and fight hunger.</td>
<td>1, 3</td>
<td>1A, 1B, 1C</td>
</tr>
<tr>
<td>Sub-Goal 1.2: Advance the development and delivery of science for agricultural, forest, and range systems adapted to climate variability and to mitigate climate impacts.</td>
<td>1, 2</td>
<td>2A</td>
</tr>
<tr>
<td>Sub-Goal 1.3: Optimize the production of goods and services from working lands while protecting the Nation’s natural resource base and environment.</td>
<td>1, 2, 3</td>
<td>2A, 3A, 3B</td>
</tr>
<tr>
<td>Sub-Goal 1.4: Contribute to U.S. energy independence and enhance other agricultural systems through the development of regional systems for the sustainable production of optimal biomass (forests and crops) for the production of bioenergy and value-added bio-based industrial products.</td>
<td>1</td>
<td>2B</td>
</tr>
<tr>
<td>Sub-Goal 1.5: Combat childhood obesity by ensuring the availability of affordable, nutritious food and providing individuals and families science-based nutritional guidance.</td>
<td>4</td>
<td>4, 6</td>
</tr>
<tr>
<td>Sub-Goal 1.6: Reduce the incidence of food-borne illness and provide a safer food supply.</td>
<td>3, 4</td>
<td>5</td>
</tr>
<tr>
<td>Sub-Goal 1.7: Ensure the development of human capital, communities, and a diverse workforce through research, education, extension and engagement programs in food and agricultural sciences to support a sustainable agriculture system.</td>
<td>5</td>
<td>6, 7</td>
</tr>
<tr>
<td><strong>Goal 2: People</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transform NIFA into a model agency with a highly motivated workforce</td>
<td>USDA Management Initiative</td>
<td>IV</td>
</tr>
<tr>
<td>Sub-Goal 2.1: Enhance accountability by providing the infrastructure and oversight necessary to achieve high-performance human capital management and extend human capital responsibility and accountability to all levels of the NIFA organization.</td>
<td>IV</td>
<td></td>
</tr>
</tbody>
</table>
Sub-Goal 2.2: Establish a world class workforce through innovative talent management, targeted at attracting, selecting, engaging, developing and retaining talented individuals with the right technical and professional skills needed to meet our mission.

Sub-Goal 2.3: Build a high-performing, results-oriented performance culture.

Sub-Goal 2.4: Cultivate effective leadership practices that permeate the organization, promote continuous learning and innovation, and develop the next generation of food and agricultural scientists.

Goal 3: Process
Institutionalize streamlined, effective technologies, policies, and processes

Goal 4: Communications
Advance America’s global preeminence in food and agricultural sciences
WHAT WE DO: OUR MISSION

The Office of the Chief Scientist (OCS) provides strategic coordination of the science that informs the Department’s and the Federal government's decisions, policies and regulations that impact all aspects of U.S. food and agriculture and related landscapes and communities. OCS advises USDA’s Chief Scientist (also the Under Secretary for Research, Education, and Economics) and the Secretary in: Agricultural Systems and Technology, Animal Health/Production/Products; Plant Health/Production/Products; Renewable Energy, Natural Resources, and Environment; Food Safety, Nutrition, and Health; Agricultural Economics and Rural Communities. As part of our core function, we coordinate Department-wide agricultural science, research, education, and economics needs, convene the USDA Science Council, ensure work of the Department is upheld to the highest degree of intellectual rigor and scientific integrity, and support and pursue international scientific engagements.

WHO WE ARE: OUR WORKFORCE

OCS employs: 7 permanent staff. Additionally:

- 6-10 Senior Advisors annually on rotation from USDA agencies and other organizations
- 4-6 Fellows that annually serve as experts on topical areas

OCS is a Headquarters office with no field offices.

WHO WE SERVE: OUR CONSTITUENTS

Our advisors assist the Chief Scientist in carrying out Farm Bill-mandated responsibilities of coordinating agricultural research, science, extension, and education across the Department. Through the Chief Scientist we also advise the Secretary, assure integrity of science, and manage the USDA Science Council.

KEY UPCOMING DECISIONS

- Scientific Integrity: New Department Regulation (Nov. 2016). Unless this is approved under current leadership, a decision to approve will be needed.
- REE Activity Report to Congress: Due at same time as budget (Feb. 2017).

BUDGET HIGHLIGHTS FY 2016

- As authorized in the 2008 Farm Bill, agencies in the Research, Education, and Economics mission area fund the cost of the OCS. (FY2016 Operating Budget: $3.1 M)
- In accordance with the 2008 Farm Bill, the majority of OCS scientific staff supporting strategic science coordination are not permanent staff but rather on rotational assignments of up to 4 years. Historically, these staff appointments have been limited to 1 year.

FY 2016 Budget

- Science Coordination: 77%
- Strategic Planning: 11%
- Scientific Integrity: 6%
- Administrative Costs (Department Central Costs (e.g. IT, HR, Facilities); Secretarial Support): 6%
United States Department of Agriculture
2016 Presidential Transition
Office of the Chief Scientist (OCS)

I. Organizational Overview

Agency’s Mission/Strategic Plan

Mission Statement:
The Office of the Chief Scientist (OCS) assists USDA’s Chief Scientist (the Under Secretary for Research, Education, and Economics) in providing strategic coordination of the science that informs the Department’s decisions, policies and regulations that affect all aspects of U.S. food and agriculture and related landscapes and communities. OCS also ensures that research supported by and scientific advice provided to the Department and its stakeholders is held to the highest standards of intellectual rigor and scientific integrity.

Goals and Objectives for OCS: Listed below are some of the Goals and Objectives for the Office. OCS strategic goals are cross-cutting in support of the science undergirding all of the Department’s strategic goals. The OCS performance framework guides coordination through two strategic goals and seven focus areas that align with the USDA mission and vision and all 2014-2018 USDA strategic goals. The strategic goals of the Office as outlined in the legislation that created the Office include:

OCS Strategic Goal 1: Ensure that research supported by and scientific advice provided to USDA and external stakeholders are held to the highest standards of intellectual rigor and scientific integrity

- Objective 1.1 Provide leadership for the Department on Intellectual Rigor and Scientific Integrity as delineated in USDA regulations and as delegated by the Chief Scientist

OCS Strategic Goal 2: Coordinate the agricultural and natural resources research, education, and education activities of the Department

- Objective 2.1 Identify, prioritize and address emerging agricultural and natural resources research, education, and economic research needs by incorporating public and private-sector input into the Department’s science agenda
- Objective 2.2 Understand, communicate and promote the benefits of agricultural science research and how USDA components work together to advance science and to address needs and opportunities of agriculture nationally and internationally

OCS Strategic Goal 3: Achieve Operational Excellence

- Objective 3.1 Build and maintain a high-performing workforce through effective recruitment, training, and management
- Objective 3.2 Establish and follow effective and innovative processes that promote efficiency

These strategic goals provide the framework under which the Office operates and are applied across all seven specific subject matter areas of expertise including renewable energy, natural resources, and environment; food safety, nutrition, and health; plant health and production and plant products; animal health and production and animal products; agricultural systems and technology; agricultural
United States Department of Agriculture  
2016 Presidential Transition  
Office of the Chief Scientist (OCS)

economics and rural communities; and international affairs, scientific integrity, and program coordination.

**Strategic Plan:** As the Office of the Chief Scientist is a smaller and newly established (2015) USDA Staff Office, rather than an agency, it has not, to date, prepared a Strategic Plan. As such no link to a web page for a strategic Plan is provided here. However, here is the link to the Office’s website:


**Key mission delivery performance measures**

The following performance measures and strategies were developed in 2016. Baselines are currently being established.

<table>
<thead>
<tr>
<th>Objective 1.1</th>
<th>Measure: Develop, update, and publish Department-wide policies and regulations to promote and ensure scientific integrity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Measure: Develop, update, and deploy scientific integrity training, and conduct outreach activities to broaden familiarity and understanding of USDA scientific integrity policies</td>
</tr>
<tr>
<td></td>
<td>Measure: Receive, process, assign, and provide oversight of responses to allegations of scientific integrity-related misconduct</td>
</tr>
<tr>
<td></td>
<td>Measure: Convene Departmental Scientific Integrity Review Panels to resolve scientific integrity issues that cannot be resolved at the agency level</td>
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<tr>
<td></td>
<td>Measure: Convene periodic meetings of Agency Scientific Integrity Officers (ASIOs) to keep agencies abreast of scientific integrity-related updates and to provide a forum for discussion of scientific integrity issues and best practices</td>
</tr>
<tr>
<td></td>
<td>Measure: Provide Department-wide consultation and technical assistance to agency/staff office personnel who are responding to scientific integrity-related misconduct issues</td>
</tr>
</tbody>
</table>

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2
| Objective 2.1 | Identify, prioritize and coordinate emerging agricultural and natural resources research, education, and economic research needs by incorporating public and private-sector input into the Department’s science agenda | **Measure:** Number of high level engagements with international partners, state and federal agencies, universities, and members of the scientific community sharing and coordinating on USDA position/science research to ensure the broadest possible evaluation of a subject for each research area (for Senior Advisors) |
| Objective 2.2 | Understand, communicate and promote the benefits of agricultural science and research and how USDA components work together to advance science and to address needs and opportunities of agriculture nationally and internationally | **Measure:** Successfully plan and implement the Science Council, including quarterly meetings, informative presentations and intradepartmental voting on critical science issues. **Measure:** Produce the REE Action Plan Progress Report. **Measure:** Number of Departmental communications products and other external publications produced. |
| Objective 3.1 | Build and maintain a high-performing workforce through effective recruitment, training, and management | **Measure:** Remain adequately staffed in order to be able to support leadership needs (Target: staffing level should remain at 67% or more (4 of 6 Senior Advisors)) **Measure:** Ensure Diversity of staff. |
| Objective 3.2 | Establish and follow effective and innovative processes that promote efficiency | **Measure:** Maintain and increase knowledge of HR policies and practices to expedite hiring and other administrative practices. |
Organization’s History

The position of USDA Chief Scientist was established by section 7511 of the Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246 (June 18, 2008; the 2008 Farm Bill), which amended section 251 of the 1994 Department of Agriculture Reorganization Act. The 2008 Farm Bill specifies that the Chief Scientist be USDA’s Under Secretary for Research, Education, and Economics (REE).

The 2008 Farm Bill also required the Chief Scientist/Under Secretary to establish within the office of the Under Secretary six (6) divisions, to “be known collectively as the Research, Education, and Extension Office.” The Farm Bill provided for the Office to be staffed with up to, but not to exceed, 30 full-time equivalent positions. The bill further specified that the Office be headed by and led by USDA’s Chief Scientist.

As outlined in the 2008 Farm Bill, the Research, Education, and Extension Office (REEO)—since renamed to be the Office of the Chief Scientist-- was established to coordinate science and statistics activities of the (USDA) Department of Agriculture.

By Secretary’s Memorandum 1066-001, dated March 16, 2010, the Secretary established in the executive operations of the Department the office now known as the OCS (Enclosure 3). The Memorandum specified the responsibilities of the Office of the Chief Scientist and authorized the Under Secretary for REE and the Chief Financial Officer of USDA to approve such transfers of funds, personnel, employment authority, space, records, property, and incidentals as may be necessary to implement the provisions of the Memorandum.

On February 28, 2011, the provisions of the Secretary’s Memorandum were incorporated into Delegations of Authority from the REE Under Secretary to a Director of the OCS that reports to the Chief Scientist/Under Secretary for REE (7 C.F.R. § 2.69).
United States Department of Agriculture  
2016 Presidential Transition  
Office of the Chief Scientist (OCS)  

Organizational Chart  

Office of the Chief Scientist  
USDA Staff Office  

Permanent Positions  
USDA Chief Scientist  
Director  
Office of the Chief Scientist  
Deputy Director  
Secretary  
Strategic Planning and Program Evaluation Officer  
Departmental Scientific Integrity Officer  
Senior Advisor for International Affairs  
Veterinary Science Policy Advisor  

Term (Rotating) Positions  
Senior Advisors  
Animal Health and Production  
Plant Health and Production  
Agricultural Systems  
Food Safety & Nutrition  
Ag Economics & Rural Comm.  
Biographies of career staff in key leadership positions

Kim Green
Director of the Office of the Chief Scientist
202-720-3444, kim.green@osec.usda.gov

Ms. Kim Green was selected to be the Director of the Office of the Chief Scientist in 2014, after eight years of service to USDA as a senior leader within the Food Safety and Inspection Service (FSIS). She held several positions with FSIS, including Acting Deputy Assistant Administrator, Director of the Food Defense and Assessment Staff, and Director of the Data Analysis and Integration Staff. She served as Acting District Manager for the Denver District of the Office of Field Operations, responsible for public health and food safety for the Agency's largest operational region, stretching from Nebraska to Guam. She is recognized both domestically and internationally as a leader in U.S. government efforts to establish food defense concepts and strategies for protecting the food supply from acts of intentional contamination. She was instrumental in establishing and then leading the first dedicated team of data analysts, statisticians, and scientists at FSIS. It is the work of that team that provides the research foundation for setting Agency policies. Ms. Green was on detail with the Natural Resources Conservation Service in 2014. As Acting National Leader for World Soil Resources, she led capacity-building efforts, and provided technical and research assistance on soil identification, erosion, and health on an international scale. Before joining USDA, Ms. Green was Vice President for Research, Science, and Technical Affairs for the International Bottled Water Association. She spent more than 15 years as a science consultant on a wide range of issues related to health, environmental risk assessment, natural resource protection, and food safety. Ms. Green is in the Senior Executive Service of USDA. She holds a Bachelor of Science Degree in Chemistry and a Master of Science in Geochemistry, both from The Colorado School of Mines. She was appointed to the U.S. Army Science Board and served from 1991-1997. Ms. Green is the author or co-author of more than 30 peer-reviewed scientific publications.

Biographies of political staff in key leadership positions

Dr. Cathie Woteki, Chief Scientist
202-720-5923, catherine.woteki@osec.usda.gov

Dr. Catherine Woteki is the Department's Chief Scientist, as well as Under Secretary for United States Department of Agriculture's (USDA) Research, Education, and Economics (REE) mission area. Her responsibilities include oversight of the four agencies that comprise REE, the Agricultural Research Service (ARS), National Institute for Food and Agriculture (NIFA), Economic Research Service (ERS), and National Agricultural Statistics Service (NASS). The National Agriculture Library and National Arboretum also fall under this mission area.

Since returning to USDA, Dr. Woteki has followed the direction established by Congress, developing the Office of the Chief Scientist, the USDA Science Council, and other coordinating programs. She has been called upon to lead scientific delegations to China and the first Meeting of Agricultural Chief Scientists held under the auspices of the G-20 leader, Mexico. Dr. Woteki is an advocate for building the platforms necessary to enhance domestic and international research for building the platforms necessary to enhance domestic and international agricultural research that include open...
access to scholarly publications, open access to germplasm collections and genetic and genomic data; accelerated innovation and technology transfer in the agricultural arena; and improved agricultural statistics.

Before joining USDA, Dr. Woteki served as Global Director of Scientific Affairs for Mars, Incorporated, where she managed the company's scientific policy and research on matters of health, nutrition, and food safety. From 2002 to 2005, she was Dean of Agriculture and Professor of Human Nutrition at Iowa State University, where she was also the head of the Agriculture Experiment Station. Dr. Woteki served as the first Under Secretary for Food Safety at USDA from 1997 to 2001, where she oversaw U.S. Government food safety policy development and USDA's continuity of operations planning. Dr. Woteki also served as the Deputy Under Secretary for REE at USDA in 1996.

Prior to going to USDA, Dr. Woteki served in the White House Office of Science and Technology Policy as Deputy Associate Director for Science from 1994 to 1996. During that time she co-authored the Clinton Administration's policy statement, "Science in the National Interest." Dr. Woteki has also held positions in the National Center for Health Statistics of the U.S. Department of Health and Human Services (1983 to 1990), the Human Nutrition Information Service at USDA (1981 to 1983), and as Director of the Food and Nutrition Board of the Institute of Medicine at the National Academy of Sciences (1990 to 1993). During her tenure as Director of the Food and Nutrition Board she had direct responsibility for twenty-seven studies and co-authored a nutrition book entitled Eat for Life which became a Book of the Month Club selection. Dr. Woteki's research interests include nutrition, food safety policy, risk assessment, and health survey design and analysis. She is the author of over sixty refereed scientific articles and twelve books and technical reports.

In 1999, Dr. Woteki was elected to the Institute of Medicine of the National Academy of Sciences, where she has chaired the Food and Nutrition Board (2003 to 2005). She received her M.S. and Ph.D. in Human Nutrition from Virginia Polytechnic Institute and State University (1974). Dr. Woteki received her B.S. in Biology and Chemistry from Mary Washington College (1969).
Organizational Budget and Financial Management

The 2008 Farm Bill authorizes funding for OCS’ operation through the transfer of funds from agencies within REE. To date, OCS’ funding was not a separate line item in the USDA budget. For FY 2015, OCS expended $2,349,525; for FY 2016, OCS expects to expend $3,146,225. The increase in operating expenses occurred because in FY 2016 OCS was able to fill more of its legislated Senior Advisor positions that were left unfilled in FY2015. In addition, services for items such as IT, HR, and Maintenance support were covered and paid out of the REE mission area office, rather than OCS. In FY2016, those charges came to OCS.

<table>
<thead>
<tr>
<th>Program Area</th>
<th>2015 Actual</th>
<th>2016 Enacted</th>
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</thead>
<tbody>
<tr>
<td>Science Coordination</td>
<td>$1,929,637</td>
<td>$2,422,593</td>
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<tr>
<td>Strategic Planning</td>
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<td>Scientific Integrity</td>
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<td>$188,774</td>
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<tr>
<td>Administration Costs</td>
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<td>$346,085</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$ 2,327,030</strong></td>
<td><strong>$ 3,146,225</strong></td>
</tr>
</tbody>
</table>

NOTE: OCS was stood up as a USDA Staff Office in January of 2015. Previous years operating costs were included in REE office costs.

Enterprise Workforce Data
• The Office of the Chief Scientist employs a workforce of 18 employees of which all are full-time.
• The Office of the Chief Scientist employs no additional seasonal employees to provide support during busier months.
• The Office of the Chief Scientist employs no temporary employees.
• Of our total workforce, 0% are eligible to retire within the next year
• Our headquarters is located in Washington, D.C., which houses 100% of our workforce
• The Office of the Chief Scientist has no regional offices/no offices in each state, county, etc. to work directly with our constituents
• 39% of the employees of the Office of the Chief Scientist are permanent employees. The remaining staff are either on detail (rotating) appointments, AAAS fellow (contractor), fellows in the USDA Fellow Experience Program, or Intergovernmental Personnel Act (IPA) Detailees.

II. Policies and Regulations

Statutory Authorities

OCS was initially established in March 2010 in accordance with the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill; Public Law Number 110-246, June 18, 2008), to assist USDA’s Chief Scientist in providing strategic coordination of the science that informs USDA’s and the Federal government’s decisions, policies, and regulations that affect all aspects of U.S. food and agriculture and related landscapes and communities. In accordance with the same legislation, the Under Secretary for USDA’s Research, Education, and Economics serves as USDA’s Chief Scientist. None of OCS’ legislation has expired or will expire within the next year.

Important Policies and Regulations

Departmental Regulation (DR) 2401-001 – USDA Intramural Research Misconduct Policies and Guidelines; issued June 18, 2008¹

Departmental Regulation (DR) 1074-001 – Scientific Integrity; issued May 10, 2013². The DR is currently under revision. The new regulation will include the DR as well as a Department Manual (DM) which will better define USDA’s policies and procedures related to scientific integrity and research misconduct. As of September 22, 2016, a revised version of the DR was in the USDA Directives clearance system. The revised DR, together with an accompanying procedural DM that is also awaiting clearance, will: clarify and strengthen existing policy provisions to promote and ensure scientific integrity throughout the Department; implement more robust and well-defined procedures

¹ NOTE: As of September 1, 2016, a substantially revised version of DR 1074-001, which incorporates DR 2401-001 into one harmonized policy document, was awaiting formal clearance for issuance through the USDA Directives System

² NOTE: As of September 1, 2016, a substantially revised version of DR 1074-001, which incorporates DR 2401-001 into one harmonized policy document, was awaiting formal clearance for issuance through the USDA Directives System
for responding to scientific integrity concerns; and clarify the roles of key USDA personnel in overseeing responses to scientific integrity concerns.

Departmental Regulation (DR) 1043-055 - Permanent Establishment of the U.S. Department of Agriculture Science Council; Issued November 19, 2015

Title 2 CFR Part 422 – Research Institutions Conducting USDA-Funded Extramural Research; Research Misconduct; initially issued as Title 7 Part 3022 on August 13, 2010, and re-issued without change as Title 2 CFR Part 422 on December 19, 2014

Departmental Regulation (DR) – Guidance on the Use of Crowdsourcing and Citizen Science – Pending

Overview of the policy/regulation review process

OCS is not a regulatory agency or office, however it does contribute to the interagency regulatory review process, as needed.

GAO and OIG Audits

Listed below are significant reports from the last 4 years issued by external groups that may denote critical issues, challenges, or opportunities for OCS.

USDA’s Controls over Prioritizing and Funding Research. Beginning in 2014, OIG conducted fieldwork in support of an audit (Audit No. 50601-0002-22) to review internal controls designed to ensure agricultural research is prioritized and funded in accordance with approved priorities, Congressional mandates, and the Department’s strategic goals and objectives. OIG’s Official Report did not identify any significant deficiencies in how USDA’s Chief Scientist and her supporting office, OCS, are ensuring that research priorities across USDA are properly identified, addressed, and coordinated. OIG’s report also found that adequate internal controls exist within the principal USDA agencies to ensure agricultural research is prioritized and funded in line with Congressional mandates and the Department’s strategic goals and objectives. https://www.usda.gov/oig/webdocs/50601-0002-22.pdf

Scientific Integrity. On March 17, 2016, the USDA Office of the Inspector General (OIG) initiated an audit (Audit No. 50601-0006-31) to assess whether USDA scientists perceive they have the ability to perform and communicate research without inappropriate influence or political interference, and to assess whether the Department’s 2013 Scientific Integrity Policy (Departmental Regulation 1074-001) has sufficient controls to ensure that USDA scientific research results are published and communicated based on the actual research performed and without undue interference. As of September 1, 2016, this audit was still ongoing.
United States Department of Agriculture  
2016 Presidential Transition  
Office of the Chief Scientist

Antimicrobial Resistance (AMR). OCS is coordinating USDA efforts related to the use of antibiotics in animal production. Significant reports related to this effort include:


Research Duplication. GAO conducted the subject study to determine the extent to which USDA’s principal research agencies (ARS and NIFA) may be duplicating each other’s research efforts so as not to achieve the most efficient use of federal research dollars. In April, 2013, the GAO released the final report, “Agricultural Research: Two USDA Agencies Can Enhance Safeguards against Project Duplication and Strengthen Collaborative Planning” (GAO-13-255) with recommendations to help further reduce the risk of duplicative research within and between ARS and NIFA and to improve the agencies’ collaborative planning. GAO recommended, among other things, that ARS issue guidance that project information be provided to CRIS on a quarterly basis and that ARS and NIFA enhance collaborative planning. USDA generally agreed with GAO’s findings, and cited benefits for three of the four recommendations. http://www.gao.gov/products/GAO-13-255

III. Congressional Relations and Issues

Overview: OCS often serves in an expert capacity providing scientific, policy, and technical advice on various agricultural science and technology research and innovation issues that are of interest and importance to the U.S. Congress. Examples of several important issues recently covered by OCS are presented below.

Scientific Integrity: In 2015, Public Employees for Environmental Responsibility (PEER), an environmentally-focused national non-profit, filed a lawsuit against USDA for: (1) refusing to consider PEER’s previously filed petition to change the USDA Scientific Integrity Policy (SIP); (2) purportedly failing to follow appropriate procedures in promulgating the SIP; and (3) implementing a provision in the SIP that PEER contends is unconstitutional because the provision purportedly infringes on the First Amendment rights of USDA scientists by restricting their communications in their capacities as citizens. During 2015, PEER also publicized a scientific integrity case involving a USDA scientist, who filed a scientific integrity complaint that was subsequently deemed to lack merit. The scientific integrity case received national media attention and triggered Congressional interest. At the request of Congressional staff, OCS provided briefings on the case to Investigative Counsel for the U.S. Senate Agriculture, Nutrition and Forestry Committee on December 3, 2015, and to staff for the House Natural Resources Committee on June 1, 2016. OCS successfully addressed the questions and concerns raised at the briefings.

REE Annual Activities Report to Congress: Congress requires the Secretary of Agriculture to submit an annual report containing a description of the agricultural research, extension, and education activities carried out by the Federal Government. The Research, Education, and Economics Mission
area, USDA Activities Report provides a comprehensive overview of the Nation’s investment in food and agricultural research, education, and economics. The report addresses various activities across the enterprise, describing how organizations—including other Federal agencies, States, institutions of higher education, and the private sector—coordinate and cooperate to ensure activities are complementary and not duplicative with those pursued and supported by USDA. The report is due each year with the budget request.

IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

OCS provides strategic coordination of the science that informs the Department’s and the Federal government's decisions, policies and regulations that impact all aspects of U.S. food and agriculture and related landscapes and communities. OCS advises USDA's Chief Scientist and the Secretary of Agriculture. OCS collaborates on approaches and policies to ensure unified and informed decision-making. OCS is also responsible for the coordination of USDA’s international agricultural science and technology activities. As such, OCS frequently collaborates with all USDA agencies and offices, including:

- **Research, Education and Economics Mission Area Office (REE) and Agencies:**
  - Agricultural Research Service (ARS)
  - Economic Research Service (ERS)
  - National Institute of Food and Agriculture (NIFA)
  - National Agricultural Statistics Service (NASS)

- **Natural Resources and Environment Mission Area Office (NRE) and Agencies:**
  - Forest Service (FS)
  - Natural Resources Conservation Service (NRCS)

- **Rural Development Mission Area Office (RD)**

- **Marketing and Regulatory Program Mission Area Office (MRP) and Agencies:**
  - Animal and Plant Health Inspection Service (APHIS)
  - Agricultural Marketing Service (AMS)

- **Farm and Foreign Agricultural Services Mission Area Office (FFAS) and Agencies:**
  - Foreign Agricultural Service (FAS)

- **Office of Food Safety**
  - Food Safety and Inspection Service (FSIS)

- **Office of the Chief Economist (OCE)**

- **Office of the General Council (OGC)**

OCS also leads and/or participates in various USDA cross-cutting organizational bodies, including:

- **Bioeconomy Coordinating Council Committee (BCCC):** OCS participates in the OCE-chaired BCCC, which shares information among agencies and networks activities on bioeconomy within USDA. The Bioeconomy Council promotes coordination and collaboration across the Department to help ensure that the Department’s numerous energy-related programs support the Department’s strategic plan, priorities, and initiatives.
• **Science Council**: OCS coordinates and provides support to USDA’s Science Council which facilitates cross-Department coordination and collaboration among all USDA agencies to ensure that science informs policy and program decisions as well as to advance the scientific discovery, technological breakthroughs and innovation required to achieve the Secretary's science and technology priorities. The Science Council members represent all USDA Mission Areas, Agencies, and Staff Offices. Chartered committees under the Science Council include: Statistics; Education Coordination; Emerging Technologies; Biorisk Management Policy; and International Agricultural Science, Technology, and Innovation. The Crowdsourcing and Citizen Science Working Group (CCS WG) is a working group under the Education Coordination Committee.

• **Agency Scientific/Research Integrity Officers**: OCS provides direction, oversight, training, and technical assistance to all USDA agencies/staff offices on scientific integrity and research misconduct issues. In addition, OCS is responsible for soliciting input on scientific integrity activities from the agency representatives on the USDA Science Council, and convening quarterly meetings of the Agency Scientific/Research Integrity Officers.

• **Antimicrobial Resistance Coordination**: OCS serves as USDA coordinator and point of contact for Federal offices on AMR and as such provides numerous regularly scheduled, and other as needed, briefings in addition to advising on the issue. OCS coordinates USDA input into the implementation of the USG National Action Plan for Combating Antibiotic-Resistant Bacteria (CARB).

• **Biotechnology Coordinating Group (BCG)**: BCG meets bi-weekly to share information about events and issues pertaining to biotechnology.

OCS frequently collaborates with, serves as experts on, and advises on USDA policy to Federal Departments and Agencies, including:

- **Department of Health and Human Services (HHS)**
  - Centers for Disease Control and Prevention (CDC)
  - Food and Drug Administration (FDA)
  - National Institutes for Health (NIH)

- **Department of Defense (DOD)**

- **Department of Commerce (DOC)**
  - National Institute for Standards and Technology (NIST)
  - National Oceanic and Atmospheric Administration (NOAA)
  - Patent and Trademark Office (PTO)

- **Department of Transportation (DOT)**
- **Environmental Protection Agency (EPA)**
- **Department of the Interior (DOI)**
- **Department of Energy (DOE)**
- **National Science Foundation (NSF)**

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Falling within the scope of Departmental Regulation (DR) 1074-001 (“Scientific Integrity”), DR 2401-001 (“USDA Intramural Research Misconduct Policies and Guidelines”), and Title 2 CFR Part 422 (“Research Institutions Conducting USDA-Funded Extramural Research; Research Misconduct”).
United States Department of Agriculture  
2016 Presidential Transition  
Office of the Chief Scientist

- **Executive Office of the President (EOP):** OCS frequently engages on numerous international and domestic agricultural science and technology issues with entities within the EOP, including:
  - National Security Council (NSC)
  - Office of the United States Trade Representative (USTR)
  - Office of Science and Technology Policy (OSTP)
    - President's Council of Advisors on Science and Technology (PCAST)
    - National Science and Technology Council (NSTC)

- **U.S. CODEX Office**
- **General Services Administration (GSA)** – primarily data.gov
- **National Aeronautics and Space Administration (NASA)**
- **Department of State (DOS)**
  - Office of the Science and Technology Advisor (STAS), Economic and Business Affairs (EB), Bureau of Oceans and International Environmental and Scientific Affairs (OES), Bureau of International Organization Affairs (IO), Office of Global Food Security (GFS) and various country desks as necessary
- **U.S. Agency for International Development (USAID)**
  - Bureau for Food Security (BFS), Bureau for Policy, Planning and Learning (PPL), Global Development Lab (GDL), and other various bureaus as necessary
- **Millennium Challenge Corporation (MCC)**

Stakeholder group overview

- **The National Agricultural Research, Extension, Education, and Economics Advisory Board (NAREEEAB):** NAREEEAB provides advice to the Secretary of Agriculture and land-grant colleges and universities on top priorities and policies for food and agricultural research, education, extension and economics. The Board is made up of 25 members, each of which represents a specific category of U.S. agricultural stakeholders, as mandated by Congress. OCS is the conduit to the Relevance & Adequacy (R&A) Committee which evaluates the relevance and adequacy of REE research as specified in the REE Action Plan. OCS serves as experts, and advises on USDA policy to the NAREEEAB, as requested.
- **Biomass Research and Development Board (BRDB):** BRDB is an interagency collaborative composed of senior decision-makers from federal agencies and the White House, co-chaired by USDA and DOE. USDA and DOE annually implement the Biomass Research and Development Initiative (BRDi).
  - Biomass Research and Development Initiative Technical Advisory Committee (BRDi TAC): TAC is an independent body that provides input to agencies regarding the technical focus and direction of the Biomass Research and Development Initiative. The TAC is made up of approximately 30 volunteers from industry, academia, nonprofits, and local government. TAC advises DOE, USDA, others concerning the technical focus and direction of requests for proposals issued under the Initiative, procedures for reviewing and evaluating the proposals, and facilitates consultations and partnerships among federal and state agencies, agricultural producers, industry, consumers, the research community, and other interested groups to carry out program activities.
relating to the Initiative. OCS, as co-chair of the Biomass Research and Development Board, works closely with the BRDi TAC to set annual priorities.

- **Presidential Advisory Council on Combating Antibiotic Resistant Bacteria (PACCARB):** Executive Order 13676 required that the HHS Secretary, in consultation with the Secretaries of Agriculture and Defense, establish the PACCARB, which was stood up in September 2015. The PACCARB [charter](#) describes its role to provide advice, information, and recommendations regarding programs and policies intended to support and evaluate the implementation of the CARB Executive Order 13676, including the CARB National Strategy and the CARB National Action Plan. OCS works with HHS, DoD and the PACCARB co-chairs supporting interagency meetings, coordinating USDA participation and inputs to PACCARB, and serving as Alternate Ex-Officio.

- **U.S. Group on Earth Observations Global Agricultural Monitoring Initiative (US GEOGLAM):** GEOGLAM provides coordinated crop monitoring information from all G20 countries using satellites. OCS coordinates the US component.

- **Keep Antibiotics Working (KAW), Pew, Infectious Disease Society of America, Consumers Union, Consumer Federation of America, Center for Food Safety, Food and Water Watch, George Washington University Antibiotic Resistance Action Center, Center for Science in the Public Interest, U.S. Public Interest Research Groups:** These groups have a strong interest in contributing to USDA priorities for research, surveillance, and education and outreach activities regarding AMR. OCS meets with these groups, or arranges meetings with appropriate USDA experts, several times per year to inform them on USDA activities and receive their input on their priorities.

- **National Pork Producers Council, National Pork Board, National Cattlemen’s Beef Association, National Turkey Federation, National Chicken Council, National American Meat Institute, Animal Health Institute:** These groups have an interest in contributing to USDA priorities for research, surveillance, and education and outreach activities regarding animal health issues including AMR. OCS meets with these groups along with other USDA technical experts several times a year to understand their positions and help inform science-based strategies.

- **Foundation for Food and Agricultural Research (FFAR):** The Foundation for Food and Agriculture Research brings together leading experts to identify and investigate the researchable questions whose answers have the potential to enhance the economic and environmental resilience of our food supply. OCS and REE leaders and scientists work with FFAR to identify areas of research that would be of benefit to solving the world’s food and natural resource challenges.

- **Association of Public and Land-grant Universities (APLU):** OCS collaborates with APLU and many universities directly on various agricultural science and technology issues including open data and AMR. Academic organizations are interested in coordinating with USDA.

- **Global Open Data for Agriculture and Nutrition (GODAN):** GODAN is a partnership of over 370 organizations from national governments and nongovernmental, international, and private sector organizations seeking to make data on agriculture and nutrition open: available, useable, and accessible for unrestricted use worldwide. The USG was a founding partner of the GODAN initiative. OCS coordinates USG participation in the GODAN initiative.
OCS coordinates with numerous stakeholder groups on international agricultural science and technology activities. The primary stakeholder categories include: foreign governments and organizations thereof (bilateral and multilateral) and consortia of governments, non-governments and non-profits.

- The primary multilateral engagement entities are: the Group of 7 (G7); the Group of Twenty (G20) (note: OCS is lead for the USG on the annual meeting of the G20 Meeting of Agricultural Chief Scientists (G20 MACS)); the United Nations and relevant offices thereof, including: the Food and Agriculture Organization (FAO), the World Food Programme (WFP), the Global Pulse; the World Bank; and the European Union (EU, via European Commission).
- Bilateral engagement occurs through two primary mechanisms: directly between the USDA and foreign government ministries and via Joint Commission Meetings (JCMs) facilitated by State Department and/or the Office of Science and Technology Policy. Primary USDA bilateral S&T engagement countries: Canada, Mexico, China, India, and Brazil. State Department manages over 50 binding bilateral and multilateral Science and Technology Agreements and many have Joint Commission Meetings that serve as the coordination mechanism of the agreements. JCMs rotate on annual and/or biannual basis and therefore the bilateral meetings that occur from year to year vary. USDA is involved in numerous JCMs and OCS coordinates USDA participation in the JCMs.

Recent engagements with stakeholder groups

- **NAREEEAB:** OCS meets with NAREEEAB at least twice a year formally. OCS and other REE Mission Area agency representatives met with the board in October 2016.
- **GODAN Summit 2016:** The GODAN Summit 2016 was held September 15-16, 2016 in New York City. GODAN Summit 2016 has been hailed by many as a great success with over 800 registered attendees representing over 45 countries, 40 exhibitors, over 100 speakers, 12 concurrent sessions, a Hackathon, the GODAN High-Level Forum at the United Nations, delivery of the GODAN Petition and 140 global publications reaching over 2.7 billion online readers. GODAN Summit 2016 was the largest event ever planned for open data in agriculture and nutrition. The goals of the Summit were to illustrate the opening, the use, and the importance of agriculture and nutrition data. The USG was one of five visionaries responsible for planning the event. OCS led the USG participation in planning the Summit and chaired the GODAN Summit Executive Planning Committee comprised of the visionaries and other GODAN partner organizations.
- **AMR-related Engagements:**
  - June 1: OCS hosted a meeting to discuss AMR issues with several advocacy groups at the request of Keep Antibiotics Working (KAW). USDA representatives discussed antibiotic use data collection and alternatives to antibiotics research with attendees. Attendees generally were supportive of USDA’s planned work, and USDA requested input for a Federal Register Notice request for information from the Combating Antibiotic Resistant Bacteria Presidential Advisory Council and to contribute their thoughts on priorities for AMR research for an upcoming USDA stakeholder webinar.
  - June 21-22; September 20-OCS helped plan and participated in Presidential Advisory Council on Combating Antibiotic Resistant Bacteria public meetings regarding
incentivizing antibiotics and alternatives to antibiotics, environmental aspects to AMR, and antibiotic stewardship.

- July 22 and September 9: OCS participated in meetings with the National Pork Producers Council, National Cattlemen’s Beef Association, National Turkey Federation, and National Chicken Council to consider development of metrics for antibiotic stewardship. Two working groups were formed (quantitative metrics and qualitative metrics) to consider pros and cons of different approaches and to consider development of metrics for antibiotic stewardship.

- September 21: OCS participated in the Elanco Animal Health Antibiotic Stewardship Summit. The Summit is follow-up to the White House Stewardship Forum held in 2015 to engage the industry to come together in addressing challenges in implementing new antibiotic use policies.

- September 23: OCS to hold a call for interested internal USG and external (industry and advocacy) stakeholders to inform the USG position for the upcoming Codex Physical Working Group on AMR November 2016.

- **Bioenergy-related Engagements:**
  - August 23-24: OCS coordinated and attended the First annual National Laboratory/Research Center Collaboration meeting. The meeting was attended the National Laboratories funded by DOE and the Research Centers and Stations funded by USDA to baseline core competencies and learn more about the successes from each lab. The meeting initiated discussions on better collaboration between these research entities in overcoming barriers to the Bioeconomy.

- September 16, 29 and October 3, 18: OCS coordinated USDA and DOE participation in the Agricultural Technology Innovation Partnership (ATIP) Regional Bioeconomy Forums, including the South East, Texas, Pacific North West, and East forums. Discussions also included regional, state and local stakeholders and focused on developing bioeconomies within those regions.

- **Water-related Engagements:**
  - June 28-30, 2016: OCS served on the planning committee and represented USDA at the International Groundwater Conference entitled “Toward Sustainable Groundwater in Agriculture – 2nd International Conference Linking Science and Policy”. The conference was organized by the University of California Davis and the Water Education Foundation and brought together scientists and policymakers from across the United States and many other countries.

- July 12-14, 2016: USDA Led Discussions on new opportunities for water data integration and accessibility. With 70% of U.S. water consumption relating to agriculture, USDA participation in discussions addressing water-related issues is vital. OCS, together with OCE, served on the planning committee for the “National Conversation on Integrated Water Information for the 21st Century” sponsored by National Oceanic and Atmospheric Administration (NOAA), Department of Interior (DOI), and U.S. Water Partnership. The event brought more than 250 leaders and experts from across the public and private sectors to discuss challenges and opportunities to transform how various water data can be integrated and accessed. Dr. Ann Bartuska, Deputy Under Secretary, REE, participated in the Roundtable Panel on Actionable Analytics to Address Water-Energy-Food Nexus. USDA will participate
in follow up efforts to the meeting to advance and integrate USDA efforts related to water.
  o August 9, 2016: OCS engaged with the Soil and Water Conservation Society providing a featured speaker at the National Capital Chapter of the Soil and Water Conservation Society meeting on Drought, Climate Change, and Food Security. The presentation addressed variations in water supply geographically and over time, the importance of the water supply to the agricultural sector, and actual U.S. conditions through July 2016.

V. Top Issues

Hot Topics

Antimicrobial Resistance: Antimicrobial resistance (AMR) has been an area of focus during the past two decades as USDA\(^4\) plays a dual role in protecting animal agriculture and public health. The USG has been working to address AMR domestically and internationally in support of implementation of the World Health Organization (WHO) Global Action Plan to promote judicious use and adoption of equivalent standards throughout the world. USDA has been limited in its ability to implement a comprehensive AMR strategy due to limited funding. Congress did not appropriate FY16 funding USDA requested to measure changes in antibiotic use, understand impacts for public health, and identify measures to foster stewardship activities identified in the CARB NAP. For FY17, USDA requested an increase of $35M to seek answers to key questions regarding the relationships among microbes, livestock, the environment and human health and finding effective alternatives to antibiotics including vaccines and alternate therapies and an increase of $10M to monitor antimicrobial use and resistance among livestock. USDA intends to provide science-based, quantitative information about antibiotic drug use and resistance in food animals and their relationship to livestock management practices through a voluntary, comprehensive, systems approach for surveillance, research, education, and outreach. USDA will further refine plans for on-farm antibiotic use data collection by working with federal partners and stakeholders. Full funding of USDA’s CARB initiatives would allow the Department to comprehensive address the threat antimicrobial resistant bacteria pose to animal and human health.

Global Open Data for Agriculture and Nutrition Initiative (GODAN): The GODAN initiative is a partnership of over 370 partners from national governments and nongovernmental, international, and private sector organizations seeking to make data on agriculture and nutrition open: available, useable, and accessible for unrestricted use worldwide. GODAN advocates for adoption of open data policies and once adopted, focus by the adopting organizations on opening agriculture and nutrition data first. By building high-level public and private support for open data, GODAN brings together all stakeholders to solve longstanding global food security and nutrition problems utilizing open data. The USG was a founding partner of the GODAN initiative, launched at the Open Government Partnership meeting in 2013. GODAN related commitments have been included in the USG Open Government National Action Plans 1.0-3.0 and OCS has served as the coordinator and responsible entity for the commitments. It is anticipated that both the chairs of the 2017 G7 and the G20, Italy

and Germany respectively, will take up the open data for agriculture and nutrition topic as a priority for their terms.

**Zika:** Since May 2015, when locally acquired Zika virus detection was reported in Brazil, Zika activity has spread steadily to additional countries throughout the region. Vectors for Zika include mosquitoes that are endemic in the southern United States. The U.S. Centers for Disease Control and Prevention (CDC) expected and confirmed localized Zika transmission in the continental United States in 2016. USDA has been actively involved in discussions surrounding vector control due to research and surveillance activities concerning integrated vector management surveillance and control technology. Through aircraft and maritime disinsection (spraying of insecticide), USDA supports the CDC statement that an infected person is the most common source for imported mosquito-borne viruses with a human-mosquito-human transmission cycle, not by mosquitoes stowed away on aircrafts or ships. USDA also supports efforts pertaining to rural community outreach plans, the USG response plan, and requests from CDC for additional assistance as needed.

**Group of 20 (G20) Meeting of Agricultural Chief Scientists (MACS):** In 2012, Mexico as the then G20 Chair, launched the annual G20 MACS. The G20 MACS was a commitment endorsed by G20 Leaders: “[We support] meetings of G20 Agricultural Chief Scientists (MACS) or high-level agricultural research officials from G20 member countries, other interested countries, and International Research Organizations such as CGIAR, with the goal of identifying global research priorities and targets, facilitating collaboration between public and private sector organizations in the key areas, most likely to drive sustainable productivity gains, and tracking progress on established goals over time.” G20 MACS has met annually, hosted by the G20 Chair, since its launch and is attended by G20 Agricultural Chief Scientists. The USDA Chief Scientist has traditionally led the USG delegation to the G20 MACS and the USG delegation is typically comprised of USDA and USAID delegates. Over the last few years, the G20 MACS has adopted the concept of establishing MACS Global Research Collaboration Platforms (GRCPs) to promote global collective action involving national agricultural research for global development strategies and capacities. In 2016, China as G20 Chair, launched two working groups under MACS, one focused on defining the parameters and qualifications to enable future establishment of MACS GRCPs and a second to evaluate the merit of a proposal from the Chinese to establish the first GRCP on Agricultural Technology Sharing (ATS). OCS leads USG participation in the G20 MACS and subsequent working groups. In 2017, Germany will chair the G20. Preliminary schedule from the Germans has identified January 22, 2017, as the tentative date for the G20 Agricultural Ministers Meeting. Traditionally, the G20 MACS is held before the Ministers meeting to enable priorities identified by the MACS to be adopted, as appropriate, by the Ministers.

**Bioeconomy Initiative:** The Renewable Fuel Standard (RFS) is a national policy passed into law in 2005 that requires a certain volume of renewable fuel to replace or reduce the quantity of petroleum-based transportation fuel, heating oil, or jet fuel. To help meet the mandates, OCS has assisted with the design of the Bioeconomy Initiative with a goal of utilizing a billion tons of sustainably produced biomass to produce biofuels, bioproducts and biopower, helping to reduce greenhouse gases while improving water and soil quality, and creating jobs while reducing the need for imported petroleum.
In late 2013, the seven agencies and the Office of the President that constitute the Biomass Research and Development Board (BDB), began development of a vision to promote the expansion of the bioeconomy. With the projection that this nation, by 2030, will sustainably produce a billion tons of biomass annually, the “Vision” was published as the "Federal Activities Report on the Bioeconomy," released by USDA in 2016. The goal of the Billion Ton Bioeconomy Vision is to develop and implement innovative approaches to remove barriers to expanding the sustainable use of America’s abundant biomass resources. Expanding the bioeconomy in a sustainable manner will increase energy diversity and long-term security. In 2015, President Obama along with leaders from 20 other countries announced “Mission Innovation” for clean energy which is an initiative to dramatically accelerate public and private global clean energy innovation to address global climate change, provide affordable clean energy to consumers, including in the developing world, and create additional commercial opportunities in clean energy. This announcement indicates a sustained commitment to unlock clean energy R&D funding and call on the private sector to do its part. USDA along with other agencies engaged in clean energy research and development are working to find innovative ways to accelerate results. It is anticipated that the Interagency Billion Ton Bioeconomy Implementation Strategy will be released on or before March 31, 2017. The BRDi board meets quarterly and is attended by Senate-confirmed members from Federal Agencies and is co-chaired by the Secretaries of USDA and DOE. In recent history, the Secretary has delegated this responsibility to the REE Under Secretary/Chief Scientist.

Pollinators/Honey Bee Populations: In 2014, President Obama issued a Presidential Memorandum on Pollinator Health. The memorandum noted that “Over the past few decades, there has been a significant loss of pollinators, including honey bees, native bees, birds, bats, and butterflies, from the environment. The problem is serious and requires immediate attention to ensure the sustainability of our food production systems, avoid additional economic impact on the agricultural sector, and protect the health of the environment.” The Memorandum established a Pollinator Health Task Force, directed the development of a National Pollinator Health Strategy and Pollinator Research Action Plan. The National Strategy to Promote the Health of Honey Bees and Other Pollinators (strategy) and Pollinator Research Action Plan (PRAP) were prepared and released in May 2015. The Strategy identified 3 goals: reduce honey bee overwintering mortality to no more than 15 percent within 10 years, increase the eastern population of the monarch butterfly to 225 million butterflies, and restore or enhance 7 million acres of land for pollinators over the next 5 years. USDA will be releasing the Honey Report in March 2017, which will provide the first estimate of the number of 2016 colonies producing honey. This report is generated from data collected by the NASS Honey Bee Inquiry Survey. In May 2017 Bee Informed Partnership will release the Partnership’s National Survey of Managed Honey Bee 2015-2016 Annual Colony Losses Report. In May-June 2017 NASS will release Honey Bee Colonies Report. This report is generated from data collected by the NASS Bee and Honey Inquiry. The Chief Scientist will be expected to respond to the honey bee mortality estimate following releases of these reports.

Foundation for Food and Agriculture Research (FFAR): Authorized by Congress as part of the 2014 Farm Bill, the Foundation for Food and Agriculture Research (FFAR) operates as a non-profit corporation leveraging public and private resources to increase the scientific and technological research, innovation, and partnerships critical to boosting America’s agricultural economy. Congress provided $200 million for FFAR which must be matched by non-federal funds as FFAR identifies and approves projects. The Farm Bill indicated that the funds
Congress appropriated remain available until expended. Despite early delays in identifying agricultural research activities to support, FFAR intends to accelerate allocation of funds to ensure all $200 million are obligated by 2018. Such expenditures present significant challenges including management of funds and oversight of spending. FFAR leadership is pursuing support for an infusion of additional funding in the next Farm Bill expected in 2019.

Legislatively mandated, non-voting, ex officio, USDA members of the Board of Directors include: Secretary, Under Secretary of Agriculture for Research, Education, and Economics (REE), Administrator of the Agricultural Research Service (ARS), and the Director of the National Institute of Food and Agriculture (NIFA). The 2014 Farm Bill requires FFAR to consult with the Secretary and other ex officio members of the Board when establishing priorities and evaluating proposed projects to assure that they are complementary and supplementary and not duplicative, advance the research mission of the USDA, foster collaboration, and consider USDA priorities as identified in the Roadmap for Science and mission area and agency strategic plans. The REE Under Secretary, with the support of the Office of the Chief Scientist, is delegated by the Secretary to lead the USDA review of proposed FFAR activities to ensure that the Foundation’s work complements USDA activities.

**Gene Editing:** Gene editing, or genome editing, is a new breeding method that uses biological processes to permit precise changes of DNA of plant or animal species. There has been growing interest in gene editing across academia, industry, the federal government, as well as within Congress. In agriculture, gene editing has the potential to be used with crops and livestock for research and for breeding to improve food availability, through pest resistance or tolerances to other environmental stresses, and food nutritional value. USDA intramural and extramural research projects utilizing gene editing methods are based on objectives for productivity, health, and value to farmers and consumers, of food animals and field crops.

Emerging biotechnology approaches, such as gene editing using CRISPR-CAS9, have the potential to impact nearly every aspect of biological research within the Department, including the development of new gene-edited crops and livestock with improved performance for food, fiber, and fuel production. Alternatively, these approaches could be used in the development of insects, pathogens, and microbes with reduced fitness as a means to control the spread of disease in animals, plants, and humans. The Chief Scientist plays a leadership role in building scientific consensus, generating awareness, and establishing positions along with the Secretary on these issue.
Timeline

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
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<tbody>
<tr>
<td>CARB Advisory Council</td>
<td>Jan 25-27</td>
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<td></td>
<td>May 3-4</td>
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<tr>
<td>BRDB</td>
<td>Q2 Meeting TBD</td>
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<tr>
<td>REE Activities Report to Congress</td>
<td>Date TBD</td>
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<tr>
<td>REE Action Plan Progress Report</td>
<td>Date TBD</td>
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<tr>
<td>FFAR Board Meeting</td>
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<tr>
<td>G20 Meetings</td>
<td>Jan 22</td>
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<tr>
<td>Jan 22 Agricultural Ministers Meeting</td>
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# Appendix A: Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AC21</td>
<td>Advisory Committee on <strong>Biotechnology &amp; 21st Century Agriculture</strong></td>
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<tr>
<td>AMR</td>
<td>Antimicrobial resistance</td>
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<tr>
<td>AMS</td>
<td>Agricultural Marketing Service (USDA)</td>
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<tr>
<td>APHIS</td>
<td>Animal and Plant Health Inspection Service (USDA)</td>
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<tr>
<td>APLU</td>
<td>Association of Public and Land-grant Universities</td>
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<tr>
<td>ARS</td>
<td>Agricultural Research Service (USDA)</td>
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<tr>
<td>BCCC</td>
<td>Bioeconomy Coordinating Council Committee</td>
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<tr>
<td>BCG</td>
<td>Biotechnology Coordinating Group (USDA)</td>
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<tr>
<td>BRDB</td>
<td><strong>Biomass Research and Development Board</strong></td>
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<tr>
<td>BRDi</td>
<td><strong>Biomass Research and Development Initiative</strong></td>
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<tr>
<td>CARB</td>
<td>Combating Antibiotic Resistant Bacteria</td>
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<tr>
<td>CRISPR-CAS9</td>
<td>Clustered regularly-interspaced short palindromic repeats (CAS stands for “CRISPR-associated proteins”)</td>
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<tr>
<td>ERS</td>
<td>Economic Research Service (USDA)</td>
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<tr>
<td>FAS</td>
<td>Foreign Agricultural Service (USDA)</td>
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<tr>
<td>FFAR</td>
<td>Foundation for Food and Agricultural Research</td>
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<tr>
<td>FFAS</td>
<td>Farm and Foreign Agricultural Services (USDA)</td>
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<tr>
<td>FS</td>
<td>Forest Service (USDA)</td>
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<tr>
<td>FSIS</td>
<td>Food Safety and Inspection Service (USDA)</td>
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<tr>
<td>GODAN</td>
<td><a href="https://www.godan.eu">Global Open Data for Agriculture and Nutrition</a></td>
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<tr>
<td>IWGPG</td>
<td>Interagency Working Group on Plant Genomics</td>
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<tr>
<td>MRP</td>
<td>Marketing and Regulatory Program</td>
</tr>
<tr>
<td>NAREEEAB</td>
<td>National Agricultural Research, Economics, Education, and Extension Advisory Board</td>
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<tr>
<td>NASS</td>
<td>National Agricultural Statistics Service (USDA)</td>
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<tr>
<td>NGRAC</td>
<td>National Genetic Resources Advisory Council</td>
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<tr>
<td>NIFA</td>
<td>National Institute for Food and Agriculture (USDA)</td>
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<tr>
<td>NOP</td>
<td>National Organic Program</td>
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<tr>
<td>NRCS</td>
<td>Natural Resource Conservation Service (USDA)</td>
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<tr>
<td>NRE</td>
<td>Natural Resources and Environment (USDA)</td>
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<tr>
<td>OCE</td>
<td>Office of the Chief Economist (USDA)</td>
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<td>OCS</td>
<td>Office of the Chief Scientist (USDA)</td>
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<tr>
<td>OGC</td>
<td>Office of the General Council (USDA)</td>
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<td>OSTP</td>
<td>Office of Science and Technology Policy (White House)</td>
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<tr>
<td>PACCARB</td>
<td>President’s Advisory Council on Combating Antibiotic Resistant Bacteria</td>
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<tr>
<td>RD</td>
<td>Rural Development (USDA)</td>
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<tr>
<td>REE</td>
<td>Research, Education, and Economics Mission Area (USDA)</td>
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<tr>
<td>TAC</td>
<td>Technical Advisory Committee</td>
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<tr>
<td>USG</td>
<td>United States Government</td>
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<tr>
<td>US GEOGLAM</td>
<td>U.S. Group on Earth Observations Global Agricultural Monitoring Initiative</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Tab</th>
</tr>
</thead>
<tbody>
<tr>
<td>RURAL DEVELOPMENT</td>
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AGENCY BRIEFING MATERIAL

The Agency template contains the following sections:

I. **Organizational Overview**
   - Mission Area Fact Sheet
   - Agency Fact Sheets
   - Agency’s Mission/Strategic Plan
   - Overview of Agency Programs and Operations
   - Key Mission Delivery Performance Measures
   - Organization’s History
   - Organizational Chart
   - Biographies of Career Staff in Key Leadership Positions
   - Biographies of Political Staff in Key Leadership Positions
   - Organizational Budget and Financial Management
   - Enterprise Workforce Data

II. **Policies and Regulations**
   - Statutory Authorities
   - Important Policies and Regulations
   - Overview of the Policy/Regulation Review Process
   - GAO and OIG Audits

III. **Congressional Relations and Issues**
    - Overview

IV. **Internal and External Stakeholders**
    - Important Relationships with Other Federal Departments or Organizations
    - Stakeholder Group Overview
    - Recent Engagements with Stakeholder Groups

V. **Top Issues**
   - Hot Topics
   - Timeline

Appendix A: Acronyms
Appendix B: State Fact Sheets
WHAT WE DO: OUR MISSION

USDA Rural Development provides both direct financial assistance and public-private financial partnership opportunities with more than 40 programs focused on rural economic growth, to assist rural communities in creating the prosperity they need to become self-sustaining, re-populating, and economically thriving. USDA Rural Development provides grants, loan guarantees, and affordable direct credit, when private loans are unavailable or impractical, creating opportunities in housing, business, and infrastructure and serving as a catalyst to improve conditions in rural America by offering technical assistance and increasing the flow of capital through leveraged partnerships.

WHO WE ARE: OUR WORKFORCE

Rural Development employs over 4,700 people across the country with offices located in every state, the Customer Service Center (CSC), the Chief Information Office, and the National Finance Accounting and Operations Center (NFAOC) in St. Louis, MO, and Headquarters in Washington, DC.

WHO WE SERVE: OUR CONSTITUENTS

Rural Development provides direct service to individuals, businesses, and other public and private entities, that reside in rural areas through a network of more than 400 offices nationwide allowing RD to connect to and provide services to constituents at a local level, serving communities where they live.

KEY UPCOMING DECISIONS

- Implementation of Comprehensive Loan Program technology system enhancements
- Rural Housing Service
- Upcoming funds management decisions for oversubscribed programs including Section 502 Direct Loans, MPR Section 515, and Community Facilities Direct Loans.
- Rural Business Cooperative Service
- Rural Energy for America program rule adjustments to include New Market Tax Credits and update definition of small business.
- Business and Industry loan guarantee program fee change in Fiscal Year 2018.
- Rural Utilities Service
- Strategic plan for FCC Broadband rule compliance.
- Resolution of issues with Puerto Rico Aqueduct and Sewer Authority (PRASA) water loan portfolio

BUDGET HIGHLIGHTS FY 2016

FY 2016 RD budget authority of $3.25 billion (2.95 billion in discretionary and $118 million in mandatory funds) supporting a program level of $39.5 billion and $489 million respectively, for a total of $40 billion in available resources for both accounts.

As of FY 2016-Q3 the RD portfolio totals 1.3 million loans valued at over $216 billion.

Discretionary budget growth in the last 2-4 years has been generally flat at the agency level with some variation at the program level:

FY 2013 $2.4 billion/$38 billion
FY 2014 $2.6 billion/$38 billion
FY 2015 $2.6 billion/$38 billion
WHAT WE DO: OUR MISSION

USDA’s Rural Business-Cooperative Service (RBS) administers programs to support business development and job training opportunities for rural residents, supporting business growth and development, facilitating sustainable renewable energy development, and developing regional food systems. RBS also leads cooperative development and capacity building in high-poverty rural communities through regional planning and place-based initiatives. Our programs help provide the capital, technical support, educational opportunities and entrepreneurial skills that can help rural residents start and grow businesses or access jobs in agricultural markets and in the bio-based economy.

WHO WE ARE: OUR WORKFORCE

Rural Business-Cooperative Service employs 99 staff at Headquarters in Washington D.C.

WHO WE SERVE: OUR CONSTITUENTS

Rural Business-Cooperative Service provides direct service to individuals, municipalities, rural businesses, agricultural producers and other public and private entities that reside in rural areas delivering most programs through RD’s large nationwide field network and guaranteed products through partner financial institutions nationwide.

KEY UPCOMING DECISIONS

- Rural Energy for America program rule adjustments to include New Market Tax Credits and update definition of small business.
- Business and Industry loan guarantee program fee change in Fiscal Year 2018.

BUDGET HIGHLIGHTS FY 2016

In FY 2016 RBS budget authority was $90.45 million in discretionary program funding, $133.3 million in mandatory program funding and $4.46 million for Salaries and Expenses, supporting a program level of $1.35 billion.

As of FY 2015-Q4 the RBS loan portfolio totaled $6.73 billion of which $635 million is held directly and $6 billion represents outstanding loan guarantees.

RBS budget growth in the last 2-4 years has had a moderate downward trend with a spike in 2014 due primarily to an increase in mandatory program funding authorized in the 2014 Farm Bill:

FY 2013 $274 million/$1.09 billion
FY 2014 $385 million/$1.37 billion
FY 2015 $234 million/$1.20 billion
WHAT WE DO: OUR MISSION

USDA’s Rural Housing Service (RHS) offers a variety of programs to build or improve housing and essential community facilities in rural areas. RHS provides loans, grants and loan guarantees for single- and multifamily housing, housing for farm laborers, and community facilities such as: child care centers, fire and police stations, hospitals, libraries, nursing homes, schools, first responder vehicles and equipment, and more. RHS also provides technical assistance loans and grants in partnership with non-profit organizations, Indian tribes, state and federal government agencies, and local communities.

WHO WE ARE: OUR WORKFORCE

Rural Housing Service employs 108 staff at Headquarters in Washington D.C. and 478 staff at the Customer Service Center (CSC) in St. Louis MO. Many other headquarters staff that serve all of RD’s headquarters and field staff are funded through the RHS Salaries and Expenses (S&E), which contributes to RHS’ artificially high S&E to program fund ratio compared to other agencies in RD.

WHO WE SERVE: OUR CONSTITUENTS

Rural Housing Service provides direct service to individuals, municipalities, and other public and private entities residing in rural areas. The Agency delivers most programs through RD’s large nationwide field network and its guaranteed products through partner financial institutions nationwide. Some larger projects are approved in the National Office, and direct mortgage loan servicing is handled at the CSC one year after origination.

KEY UPCOMING DECISIONS

- Upcoming funds management decisions for oversubscribed programs including Section 502 Direct Loans, MPR Section 515, and Community Facilities Direct Loans.
- Single Family Direct loan origination system (UniFi) replacement: The replacement system is scheduled to deploy October 2017. The key decision to be made is on the best approach to replace UniFi.

BUDGET HIGHLIGHTS FY 2016

In FY 2016 RHS budget authority was $1.62 billion in discretionary program funding and $417.8 million for Salaries and Expenses, supporting a program level of $27.5 billion.

As of FY 2015 Q4 the RHS loan portfolio totaled $145.8 billion of which $331 billion is held directly and $114 billion represents outstanding loan guarantees.

RHS budget growth in the last 2-4 years has had a slight upward trend with the growth in program funds outpacing S&E funds by more than double and a generally flat program level:

FY 2013 $1.41 billion/$27.3 billion
FY 2014 $1.69 billion/$27.3 billion
FY 2015 $1.73 billion/$27.4 billion

The S&E budget for RHS includes support for the other RD agencies.
WHAT WE DO: OUR MISSION

USDA’s Rural Utilities Service (RUS) administers programs designed to provide new or improved infrastructure to rural communities by increasing access to broadband and 21st century telecommunications services; funding sustainable renewable energy development and conservation; financing reliable and affordable electric systems; working to integrate electric smart grid technologies; and developing reliable and affordable rural water and wastewater systems.

WHO WE ARE: OUR WORKFORCE

Rural Utilities Service employs a combined 271 staff at Headquarters in Washington D.C., and field offices throughout the US.

WHO WE SERVE: OUR CONSTITUENTS

RUS’ three program areas offer a range of products tailored to meet the diverse financing needs of rural America. As a result, our eligible borrowers and grantees vary depending on the program. They include rural electric cooperatives, rural telecommunications cooperatives, and rural water districts; utility producers, suppliers and distributors; not-for-profit utilities and for-profit investor-owned utilities; state and local governments and tribal communities; and more.

KEY UPCOMING DECISIONS

- Strategic plan for FCC Broadband rule compliance.
- Full implementation of Rural Energy Savings Program (RESP)
- Resolution of issues with Puerto Rico Aqueduct and Sewer Authority (PRASA) water loan portfolio

BUDGET HIGHLIGHTS FY 2016

In FY 2016 RUS budget authority was $567 million in discretionary program funding and $34 million for Salaries and Expenses, supporting a program level of $8.21 billion.

As of FY 2015-Q4 the RUS loan portfolio totaled $60.36 billion of which $60.03 billion is held directly and $327 million represents outstanding loan guarantees.

RUS budget growth in the last 2-4 years has had a slight upward trend with a spike in 2014 due primarily to an increase in mandatory program funding authorized in the 2014 Farm Bill:

FY 2013 $554 million/$7.2 billion
FY 2014 $686 million/$7.51 billion
FY 2015 $556 million/$7.46 billion
I. **Organizational Overview**

**Mission**

Rural Development’s (RD) mission is to increase economic opportunity and improve the quality of life for all rural Americans. That mission touches every facet of Rural America throughout the country, and through our three agencies and State and local offices of Rural Development we provide financial and technical assistance to rural residents, businesses, and private and public entities. RD uses more than 40 loan and grant programs to create opportunities in housing, business, and infrastructure and serves as a catalyst to improve conditions in rural America by offering technical assistance and increasing the flow of capital through leveraged partnerships that help make prosperity and better living a reality in Rural America.

Rural Development’s programs are grouped within its three agencies: (1) the Rural Business-Cooperative Service (RBS), which implements regional planning and place-based approaches with technical assistance and financing tools to develop and expand cooperatives, business, and industry, including small businesses, and renewable energy and value added agriculture projects; (2) the Rural Utilities Service (RUS), which provides assistance for water and waste disposal, rural electric and telecommunications, including broadband access; and (3) the Rural Housing Service (RHS), which provides assistance for home ownership, multi-family housing, and essential community facilities such as health and public safety infrastructure.

The type of assistance offered includes direct and guaranteed loans, grants, cooperative agreements, technical assistance, and other payments. Some programs provide assistance to intermediaries that make loans or provide technical assistance to the ultimate beneficiaries. Several programs require or encourage recipients to contribute their own resources or obtain third-party financing to support the total cost of projects, thereby leveraging Government support with private sector financing.

RD delivers these programs through a network of more than 400 area offices and 47 State offices, a customer service center and finance office in St. Louis, Missouri, and a headquarters in Washington, DC. RD’s Operations and Management Division, located in Washington, DC and St. Louis, MO, manages all administrative areas for RD, including human resources, civil rights, legislative and public affairs, Information Technology (IT), and procurement.
**United States Department of Agriculture**

2016 Presidential Transition

Rural Development (RD)

**Strategic Plan**

The following objectives guide the investment strategy of Rural Development, supporting the USDA goal to: Assist Rural Communities to Create Prosperity so They Are Self-sustaining, Repopulating, and Economically Thriving (Strategic Goal 1):

**Objective:** Enhance Rural Prosperity, Including Leveraging Capital Markets to Increase Government’s Investment in Rural America

Number of Jobs created or Saved through investments in business entrepreneurship, cooperatives, and industry. (2009 baseline: 68,000) (2018: 53,000)¹

Percentage of targeted RD investments in high-poverty areas that leverage private-sector funding. (2013 baseline: 4.5%) (2018: 10.0%)

Percentage of rural residents who are provided access to new or improved services resulting from RD investments. (2013 baseline: 46.7%) (2018: 51.4%)

**Objective:** Increase Agricultural Opportunities by ensuring a robust safety net, creating new markets, and supporting a competitive agricultural system

Percentage of beginning; racial and ethnic minority; and women farmers financed by USDA. (2012 baseline: 36%) (2018: 41%)

Number of local and regional food systems supported annually through USDA investment. (2013 baseline: 170) (2018: 423)

**Objective:** Contribute to the Expansion of the Bioeconomy by Supporting Development, Production, and Consumption of Renewable Energy and Biobased Products

Millions of kilowatt hours (mkWh) generated in rural America from alternative energy sources. (2009 baseline: 2,304 mkWh) (2018: 1,070 mkWh)²

Number of jobs created and/or retained through USDA investments supporting production of renewable energy and Biobased products, and renewable energy measures. (2012 baseline: 1,300 jobs) (2018: 1,500 jobs)

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¹ Reduction in target due to current services budget restrictions

² Reduction in target due to current services budget restrictions
Overview of Agency Programs and Operations


**Rural Housing Service (RHS)** administers Housing and Community Facilities Programs. RHS provides funding for single family housing, apartments for low-income persons or the elderly, housing for farm laborers, childcare centers, fire and police stations, hospitals, libraries, nursing homes, schools, and much more. In partnership with non-profits, Indian tribes, state and federal government agencies, and local communities, RHS creates packages of technical assistance and loan and grant funds to assist rural communities, and individuals with access to these programs.

*Click on a link below for more detailed RHS Housing and Community Facilities Loan and Grant information and contacts or visit [http://www.rd.usda.gov/programs-services/all-programs](http://www.rd.usda.gov/programs-services/all-programs):*

- **Single Family Housing Direct Home Loans**
  Single Family Housing provides direct, means tested loans for the purpose of purchasing a home in an eligible area, with an interest rate based on the borrower’s income and fluctuates with the current Treasury rate and may be subsidized down to one percent interest. Direct loans are limited to families with incomes less than 80 percent of area median income.

- **Single Family Housing Home Loan Guarantees**
  Single Family Housing provides guarantees on home loans in eligible areas though a network of approved lenders that are means tested limited to families with incomes less than 115 percent of area median income.

- **Mutual Self-Help Housing Technical Assistance Grants**
  Provides grants to qualified organizations to help them carry out local self-help housing construction projects. Grant recipients supervise groups of very-low- and low-income individuals and families as they construct their own homes in rural areas. The group members provide most of the construction labor on each other’s homes, with technical assistance from the organization overseeing the project.

- **Rural Housing Site Loans**
  Rural Housing site loans provide two types of loans to purchase and develop housing sites for low- and moderate-income families:
  - Section 523 loans are used to acquire and develop sites only for housing to be constructed by the “Self-Help” method.
  - Section 524 loans are made to acquire and develop sites for low- or moderate-income families, with no restriction as to the method of construction.
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

- **Farm Labor Direct Loans & Grants**
  Provides affordable financing to develop housing for year-round and migrant or seasonal domestic farm laborers.

- **Housing Preservation & Revitalization Demonstration Loans & Grants**
  Restructures loans for existing Rural Rental Housing and Off-Farm Labor Housing projects to help improve and preserve the availability of safe affordable rental housing for low income residents.

- **Housing Preservation Grants**
  Provides grants to sponsoring organizations for the repair or rehabilitation of housing occupied by low and very low-income individuals.

- **Multi-Family Housing Direct Loans**
  Assists qualified applicants that cannot obtain commercial credit on terms that will allow them to charge rents that are affordable to low-income tenants.

- **Multi-Family Housing Loan Guarantees**
  Works with qualified private-sector lenders to provide financing to qualified borrowers to increase the supply of affordable rental housing for low and moderate-income individuals and families in eligible rural areas and towns.

- **Multi-Family Housing Rental Assistance**
  Provides payments to owners of USDA-financed Rural Rental Housing or Farm Labor Housing projects on behalf of low-income tenants unable to pay their full rent.

- **Community Facilities Direct Loans & Grants**
  Provides affordable funding to develop essential community facilities in rural areas. An essential community facility is defined as a facility that provides an essential service to the local community for the orderly development of the community in a primarily rural area, and does not include private, commercial or business undertakings.

- **Community Facilities Loan Guarantees**
  Provides loan guarantees to eligible private lenders to help build essential community facilities in rural areas.

- **Community Facilities Technical Assistance and Training Grant**
  Provides grants to public bodies and private nonprofit corporations, to provide associations Technical Assistance and/or training to identify and plan for community facility needs that exist in their area.

- **Economic Impact Initiative Grants**
  Provides funding to assist in the development of essential community facilities in rural communities with extreme unemployment and severe economic depression.
United States Department of Agriculture  
2016 Presidential Transition  
Rural Development (RD)

- **Rural Community Development Initiative Grants**
  Provides funding to help non-profit housing and community development organizations support housing, community facilities, and community and economic development projects in rural areas.

- **Tribal College Initiative Grants**
  Provides funding to [1994 Land Grant Institutions](#) (Tribal Colleges) to make capital improvements to their educational facilities and to purchase equipment.
United States Department of Agriculture  
2016 Presidential Transition  
Rural Development (RD)

*Rural Business-Cooperative Service (RBS)* administers job training, energy, and business development programs, including cooperative and business development, community economic development, regional planning and financing, rural and Tribal place-based approaches and other self-help initiatives. RBS also offers programs to provide the educational opportunities, training, technical support, and tools for rural residents to start small businesses and to access jobs in agricultural markets, the green economy, and other emerging markets, as well as acquire training in vocational and entrepreneurship skills they can use in the marketplace and business sector.

RBS also leads the coordination and implementation of community economic development-related activities in high poverty rural communities such as regional planning, place-based initiatives, local and regional food systems, and cooperative development. These activities enable high poverty rural areas to increase local capacity, increase their readiness for accessing RD’s financing tools, and capitalize greater access to partners and other federal resources to improve conditions and opportunities for historically unserved and underserved groups.

*Click on a link below for more detailed RBS Business and Cooperative Loan and Grant information and contacts or visit* [http://www.rd.usda.gov/programs-services/all-programs](http://www.rd.usda.gov/programs-services/all-programs):

- **Business and Industry Loan Guarantees (B&I)**
  Provides protection against loan losses so that lenders are willing to extend credit to establish, expand, or modernize rural businesses through loan guarantees for rural businesses, allowing private lenders to extend more credit to eligible entities.

- **Intermediary Relending Program (IRP)**
  Provides 1% interest direct loans to local intermediaries that relend to businesses for community development projects in rural communities at a higher interest rate and use their interest earnings to pay for their administrative expenses and develop capital reserves.

- **Rural Business Investment Program (RBIP)**
  This program provides loan guarantees to establish equity funds to support business development in rural areas. This funding provides additional access to venture capital type funding. These for-profit investment fund entities use equity raised in capitalizing their funds to make equity investments in small enterprises located in rural areas.

- **Rural Business Development Grants (RBDG)**
  RBDG is a competitive grant designed to fund training, technical assistance, construction, land development, equipment, and capitalization of revolving loan funds leading to the development or expansion of small and emerging private businesses in rural areas that have fewer than 50 employees and less than $1 million in gross revenues. Programmatic activities are separated into enterprise or opportunity type grant activities.
• **Rural Economic Development Loan and Grant (REDLG)**
  This program provides zero interest loans to local utilities which, in turn, pass through to local businesses for projects that will create and retain employment in rural areas. The utility is responsible for repayment to the agency. Grant funds are provided to local utility organizations which use the funding to establish revolving loan funds. Loans are made from the revolving loan fund to projects that will create or retain rural jobs. When the revolving loan fund is terminated, the grant is repaid to the Agency.

• **Rural Microentrepreneur Assistance Program (RMAP)**
  This program provides one percent direct loans and grants to microenterprise development organizations (MDOs). The loans will be used to establish reserves for relending to microentrepreneurs, and the grants are made to the MDOs which may relend a portion to provide training, operational support, business planning, and market development assistance to microloan borrowers and micro entrepreneurs.

• **Value Added Producer Grants (VAPG)**
  The VAPG program provides grants to help agricultural producers enter into value-added activities related to the processing and/or marketing of bio-based, value-added products with an emphasis on generating new products, creating and expanding marketing opportunities, and increasing producer income.

• **Advanced Biofuel Payment Program**
  Supports expanding production of advanced biofuels by paying advanced biofuel producers for finished advanced biofuel products.

• **Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program**
  Provides loan guarantees to assist in the development, construction, and retrofitting of new and emerging technologies for the development of Advanced Biofuels, Renewable Chemicals, and Biobased Product Manufacturing.

• **Repowering Assistance Program**
  Provides funding for up to 50% of the total eligible project costs for bio refineries to install renewable biomass systems for heating and power at their facilities; or, to produce new energy from renewable biomass.

• **Rural Energy for America Program Energy Audits & Renewable Energy Development Grants**
  Provides grants to assist rural small businesses and agricultural producers by conducting and promoting energy audits, and providing renewable energy development assistance.
• **Community Economic Development**
  Leads USDA’s cooperative development research, training, and technical assistance; provides capacity building, training, and technical assistance to high poverty rural communities; manages rural and Tribal place-based and local and regional food systems initiatives; and implements cross-cutting 2014 Farm Bill requirements such as Strategic Economic and Community Development, Healthy Food Financing Initiative, and Performance Impact Evaluation.

• **Cooperative Grants**
  Provides competitive grants to eligible individuals and organizations, producers, and other businesses to support cooperatives and cooperative development.

• **Rural Energy for America Program Renewable Energy Systems & Energy Efficiency Improvement Loans & Grants**
  Provides guaranteed loan financing and grant funding to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements.

• **Cooperative Programs**
  Provides information on financial assistance opportunities to assist rural businesses, including cooperatives, and agricultural producers in conjunction with other Rural Development program areas as well as educational reports and programs that promote the understanding of cooperative principles and practices, research and statistics.


United States Department of Agriculture  
2016 Presidential Transition  
Rural Development (RD)

**Rural Utilities Service (RUS)** provides funding opportunities in the form of grants, loans, and loan guarantees, for the development and commercialization of Electric, Telecommunications, and Water and Waste utility services.

*Click on a link below for more detailed RUS Loan and Grant information and contacts or visit* [http://www.rd.usda.gov/programs-services/all-programs](http://www.rd.usda.gov/programs-services/all-programs):

- **Community Connect Grants**
  Provides grants to help fund broadband deployment into rural communities where it is not yet economically viable for private sector providers to deliver service.

- **Broadband Loan Program**
  Furnishes loans and loan guarantees to provide funds for the costs of construction, improvement, or acquisition of facilities and equipment needed to provide service at the broadband lending speed in eligible rural areas.

- **Distance Learning and Telemedicine Loan and Grant Program**
  Provides grant funds to help rural communities use the unique capabilities of telecommunications to connect to each other and to the world, overcoming the effects of remoteness and low population density. For example, this program can link teachers and medical service providers in one area to students and patients in another.

- **Electric Loan and Loan Guarantee Program**
  Provides insured loans and loan guarantees to nonprofit and cooperative associations, public bodies, and other utilities. Insured loans primarily finance the construction of electric distribution facilities in rural areas. The guaranteed loan program has been expanded and is now available to finance generation, transmission, and distribution facilities. The loans and loan guarantees finance the construction of electric distribution, transmission, and generation facilities, including system improvements and replacement required to furnish and improve electric service in rural areas, as well as demand side management, energy conservation programs, and on-grid and off-grid renewable energy systems.

- **Telecommunications Loan Program**
  Provides financing for the construction, maintenance, improvement and expansion of telephone service and broadband in rural areas.

- **Circuit Rider Program**
  Provides technical assistance to rural water systems having day-to-day operation, financial or management issues.

- **Emergency Community Water Assistance Grants**
  Provides grant funds to help eligible communities prepare for, or recover from, an emergency that threatens the availability of safe, reliable drinking water for households and businesses.
• **Grants for Rural and Native Alaskan Villages**
  Provides grant funds to help remote Alaskan Villages provide safe, reliable drinking water and waste disposal systems for households and businesses.

• **Household Water Well System Grants**
  Provides grant funds to help qualified non-profits and Tribes create a revolving loan fund to extend access to clean, reliable water to households in eligible rural areas.

• **Individual Water & Wastewater Grants**
  Provides grant funds to households residing in an area recognized as a Colonia before October 1, 1989, to connect service lines to a residence, pay utility hook-up fees, install plumbing and related fixtures, i.e. bathroom sink, bathtub or shower, commode, kitchen sink, water heater, outside spigot, or bathroom.

• **SEARCH - Special Evaluation Assistance for Rural Communities and Households**
  Provides funding to help very small, financially distressed rural communities with predevelopment feasibility studies, design assistance, and technical assistance on proposed water and waste disposal projects.

• **Solid Waste Management Grants**
  Provides funding for organizations that provide technical assistance or training to improve the planning and management of solid waste sites.

• **Water & Waste Disposal Grants to Alleviate Health Risks on Tribal Lands and Colonias**
  Provides funding to facilitate access to safe reliable drinking water and waste disposal facilities and services to low-income communities that face significant health risks.

• **Water & Waste Disposal Loans & Grants**
  Provides funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage to households and businesses in eligible rural areas.

• **Water & Waste Disposal Loan Guarantees**
  Provides up to a 90% guarantee on loans from private lenders that provide affordable financing to qualified borrowers to improve access to clean, reliable water and waste disposal systems for households and businesses in rural areas.

• **Water & Waste Disposal Predevelopment Planning Grants**
  Provides funding to assist low-income communities with the initial planning and development of an application for USDA Rural Development Water and Waste Disposal direct loan, grant, and loan guarantee programs.
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

- **Water & Waste Disposal Revolving Loan Funds**
  Provides grant funding to help qualified non-profits create a revolving loan fund that can provide financing for the extension and improvement of water and waste disposal systems in rural areas.

- **Water & Waste Disposal Technical Assistance & Training Grants**
  Provides funding to qualified, private non-profits that provide technical assistance and training to (a) identify and evaluate solutions to water and waste problems; (b) assist applicants in preparing applications for water and waste disposal loans and grants; and (c) assist associations in improving operation and maintenance of existing water and waste facilities in eligible rural areas.

- **Rural Energy Savings Program (RESP)**
  RESP was established to help rural families and small businesses achieve cost savings by providing loans to qualified consumers to implement durable cost-effective energy efficiency measures. RESP authorizes the RUS Administrator to make loans to utilities, and similar entities, that agree to use the loan funds to relend those funds to their consumers for the purpose of implementing energy efficiency measures.
Office of Operations and Management (O&M) performs numerous administrative services for the three agencies (RHS, RBS, and RUS), the Department, Congress, and other agencies. This shared services model makes RD unique within USDA and helps RD function more like one cohesive agency. In some cases portions of these services have been outsourced by agreement to the Department such as Schedule C and SES HR support to the Office of Human Resources Management, and certain aspects of IT support to the USDA CIO. In those instances O&M staff may either provide direct support or act as liaison to contracted service providers. In other cases O&M directorates complement Departmental functions, providing support to RD at the agency level in areas like civil rights, procurement, and Legislative and Public Affairs. Find contact information here for services provided in the following areas:

- Alternative Dispute Resolution
- Chief Information Officer
- Civil Rights
- Cultural Transformation
- Emergency Preparedness
- Human Resources
- Legislative and Public Affairs (LAPAS)
- Native American Coordination
- Outreach & Community Engagement
- Procurement and Administrative Services

Office of the Chief Financial Officer (CFO) is responsible for the full cycle of financial operations from formulation to execution, associated with Rural Development direct and guaranteed loan, grant, and administrative activities through the Budget Division, and oversees the mission area’s financial and program performance through the Financial Management, and the Policy and Analysis Divisions.

National Financial and Accounting Operations Center (NFAOC) is organized under the RD Office of the Chief Financial Officer and provides expert financial management, accounting, and portfolio management for Direct and Guaranteed Credit Reform Loans and Grants for both Farm Service Agency (FSA) and RD. The NFAOC is divided into two main operational units: Portfolio Management, which oversees all loan and grant servicing functions of both RD and FSA; and Financial Management, which oversees all financial operations and reporting functions related to the Chief Financial Officer Act, as well as the reporting requirements imposed by the Office of Management and Budget (OMB) and U.S. Department of Treasury.

Customer Service Center (CSC), formerly known as the Centralized Servicing Center, is organized under the Rural Housing Service and provides a complete servicing solution for all Single Family Housing Direct loans as well as processing services for Single Family Housing Guaranteed loan loss claims, Multi-Family Housing loan payments, and management of the foreclosure process and Real Estate Owned (REO) property. Assistance is available for both external customers and RD employees.
### Key mission delivery performance measures

**Rural Housing Service**

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<tbody>
<tr>
<td>Homeownership opportunities provided</td>
<td>153,027</td>
<td>170,055</td>
<td>146,388</td>
<td>141,314</td>
<td>173,150</td>
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**Rural Housing Service**

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Actual</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of customers who are provided access to new and/or improved essential community facilities</td>
<td>7.3%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Health Facilities</td>
<td>7.3%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Safety Facilities</td>
<td>3.7%</td>
<td>3.4%</td>
</tr>
<tr>
<td>Educational Facilities</td>
<td>6.4%</td>
<td>9.3%</td>
</tr>
</tbody>
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**Rural Business Cooperative Service**

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Actual</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of jobs created or saved through USDA financing of businesses</td>
<td>52,468</td>
<td>44,419</td>
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</tbody>
</table>

**Rural Business Cooperative Service**

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Actual</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase the percentage of Value Added Producer Grants awarded to New and Beginning Farmers and Ranchers</td>
<td>Combined 21%</td>
<td>16.2%</td>
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</tbody>
</table>

**Rural Utilities Service**

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Actual</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of borrowers/subscribers receiving new and/or improved electric facilities (millions)</td>
<td>8.3</td>
<td>8.7</td>
</tr>
</tbody>
</table>

**Rural Utilities Service**

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Actual</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of borrowers/subscribers receiving new or improved telecommunication services (thousands)</td>
<td>64</td>
<td>119</td>
</tr>
</tbody>
</table>

**Rural Utilities Service**

<table>
<thead>
<tr>
<th>Key Performance Indicator</th>
<th>Actual</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population receiving new or improved service from agency funded water facility (millions)</td>
<td>2.5</td>
<td>1.8</td>
</tr>
</tbody>
</table>
Organizational History

The official lineage of Rural Development goes back to 1935, when President Franklin D. Roosevelt signed Executive Orders 7027 and 7037 as part of his “New Deal.” These orders established the Resettlement Administration and Rural Electrification Administration (REA) (respectively), in order to relocate destitute families stricken by the Depression, restore soil-eroded areas, and provide modest emergency loans to farmers for land and equipment and electricity to rural areas.

Over time, Congress has expanded REA’s role to oversee a rural telephone program (in 1949), authorized the Rural Telephone Bank and use of revolving loan funds to finance the agency’s telecommunications programs (in the 1970’s), and most recently tasked the agency with delivery of Internet-based telecommunication programs, including distance learning and broadband.

Meanwhile, the Resettlement Administration was transferred to the U.S. Department of Agriculture in 1937 and renamed the Farm Security Administration, expanding its role beyond short-term resettlement loans to farm land ownership supervised credit programs. In 1946, Resettlement programs were eliminated and the organization was again renamed as Farmers Home Administration (FmHA). In 1949, rural housing programs were added. In 1954, clean drinking water programs were added. In 1961, the housing programs were expanded to include all rural residential communities with populations less than 2,500. In 1965, grants became available through the agency to finance water and sewer projects. Population limits continued to rise through the years for eligibility of RD programs and in 1968, a revision to the Housing Act of 1949 established the Interest-Credit program.

In October, 1994, President Clinton signed the Department of Agriculture Reorganization Act of 1994. That law split the programs administered by the FmHA among several new agencies. Farm loan programs moved to the Farm Service Agency, which had formerly been known as the Agricultural Stabilization and Conservation Service. FmHA’s housing and community facilities programs were moved to the Rural Housing Service. FmHA’s water and sewer loans were moved to the Rural Utilities Service, which also took on the rural electric and telephone programs that had formerly been administered by the Rural Electrification Administration. FmHA’s business and industry programs were moved to the Rural Business and Cooperative Service, which also incorporated the cooperative education, statistics, and technical assistance programs which had formerly been administered by the Agricultural Cooperative Service. The Rural Housing Service, Rural Utilities Service and the Rural Business and Cooperative Service were all organized under a “mission area,” which soon became known as Rural Development, the financier for rural America -- built on the legacy of these Depression-era agencies begun over 79 years ago.
Organizational Chart

The Office of the Under Secretary

The Office of the Under Secretary for the Rural Development Mission Area, located in the Whitten Building in Washington, DC, consists of the Under Secretary, Deputy Under Secretary for Policy and Planning, Deputy Under Secretary for Operations and Management, and the Chief of Staff, Senior Advisor, and Confidential Assistant to the Under Secretary, supported by career staff consisting of one advisor, Special Project Manager, and NFAC Liaison, one Administrative Office Manager, and three Administrative Specialists, along with one contracted Policy Advisor and the Office of the Chief Risk Officer.

Agency leadership report directly to the Under Secretary, while the Chief Financial Officer, Deputy Administrator for Operations and Management, and all State Directors report to the Deputy Under Secretary for Operations and Management, with exceptions for the Offices of Civil Rights and Legislative and Public Affairs who also report directly to the Under Secretary on select issues.
United States Department of Agriculture  
2016 Presidential Transition  
Rural Development (RD)

Biographies of career staff in key leadership positions  

Operations and Management

Edna Primrose  
Deputy Administrator  
202-692-0207, Edna.Primrose@wdc.usda.gov

Edna Primrose was named Deputy Administrator for Operations and Management in December 2012. As Deputy Administrator, Ms. Primrose is responsible for providing executive leadership in planning, developing, and administering all administrative management program policies and operational support for RD.

Ms. Primrose previously served as the National Director for the Office of Job Corps at the Department of Labor. In 1984, Ms. Primrose began her professional career with the International Union of Operating Engineers (IUOE). In 2002, she served as the Job Corps Chief Performance Officer. Ms. Primrose earned a Bachelor’s degree from Towson University.

Francisco Salguero  
Chief Information Officer  
202-692-0212, Francisco.Salguero@wdc.usda.gov

Francisco Salguero is currently the Chief Information Officer for RD and has successfully led the administration of RD's IT portfolio management and service delivery activities for over 40 RD loan, grant, and loan guarantee programs. He also participates in agency budget formulation and oversees an IT investment management process for selecting, controlling, and evaluating IT investments.

Mr. Salguero started his career in the private sector and began his federal service in 2005 at USDA Food Safety Inspection Service. Prior to joining RD, Mr. Salguero served as the Associate CIO for the Client Technology Service formerly the International Technology Service, the USDA Office of the Chief Information Office organization that provides end-user technology support to RD, USDA agencies, and other federal agencies.

Anita Adkins  
Director, Human Resources  
202-260-8689, Anita.R.Adkins@wdc.usda.gov

Anita R. Adkins serves as RD's Human Resources Director. Ms. Adkins started her career with RD in August 2013 and is responsible for leading and directing all HR services and programs.

She previously served as the Senior Advisor to USDA's Chief Human Capital Officer and Director and Deputy Director, Departmental Management, Office of Human Resources Management (OHRM). She also worked with the USDA Forest Service, Department of the Army, Defense Logistics Agency, and the Veterans Administration, serving in various senior manager and HR roles at the George Washington and Jefferson National Forest in Roanoke, VA and later at Headquarters in Washington, D.C.
Angilla Denton
Director, Civil Rights
202-692-4109, Angilla.Denton@wdc.usda.gov

Angilla Denton serves Rural Development as the Civil Rights Director and has responsibility and oversight of Rural Development’s nationwide Civil Rights programs and Equal Employment Opportunity programs.

Ms. Denton has over 20 years of management experience in both the public and private sector. Since her arrival at Rural Development in 2002, Ms. Denton has served as a Loan Specialist, Area Director, and Administrative Program Director. She has also led multiple committees and special initiatives, including training under StrikeForce, EEO Committee advisor, Nevada RD Affordable Housing Chair, Cultural Transformation activities, and Special Emphasis Programs.

John Pavek
Director, Emergency Preparedness
202-720-2078, John.Pavek@wdc.usda.gov

In January 2007, John Pavek was selected as the Director, Emergency Preparedness Program for RD. He is also RD's Informational Security Officer and principal liaison to the U.S. Department of Agriculture's Office of Homeland Security and Emergency Coordination. Further, Mr. Pavek serves as USDA's Recovery Action Officer and Coordinator, a USDA member of the United States Government Radiological Advisory Team for Environment, Food, and Health.

Mr. Pavek's previous USDA appointment was with Rural Utilities Service in the Electrical Staff Division. Prior to joining RD in 1998, Mr. Pavek worked in the electric utility industry. Prior to working in the electric utility industry, he sailed as First and Chief Engineer and served as an Officer in the United States Navy Reserve from 1985 until 1994.

Sharon Randolph
Director, Procurement and Administrative Services
202-720-0736, Sharon.Randolph@wdc.usda.gov

Sharon Randolph joined Rural Development as the Assistant Administrator for Procurement and Administrative Services (PAS) in December 2000, which is comprised of three divisions: Procurement Management Division (Washington, DC); Property and Supply Management Division (St. Louis, MO); and the Support Services Division (Washington, DC). Ms. Randolph provides leadership and oversight for procurement and contracting activities, and several critical support services programs in support of Rural Development nationwide.

Prior to December 2000, she served as the Customer Service Division Director, in RD's Office of the Chief Information Officer. She also served three years with the Bureau of Labor Statistics, at the Department of Labor, and as a computer programmer, where she was responsible for developing various components of the 1990 U.S. Census data collection statistical model.
Gail Lacey  
**Director, Cultural Transformation**  
202-692-0118, Gail.Lacey@wdc.usda.gov

Gail Lacey is responsible for implementing Senior Leadership's vision and goals for cultural transformation within the Mission Area, while providing guidance to the agencies and states regarding implementation of Cultural Transformation Action Plans.

Ms. Lacey's entire federal career has been with the U.S. Department of Agriculture, Rural Development, including the former Farmers Home Administration (FmHA). Her career started as a temporary emergency loan program employee with FmHA in Idaho. She served in several positions while in Idaho and accepted a position in the National Office in 1990. Prior to serving as the Rural Development Cultural Transformation Program Manager, Ms. Lacey served as the Assistant to the Deputy Administrator for Operations and Management from 2001 to 2011.

**Office of the Chief Financial Officer**

Roger Glendenning  
**Chief Financial Officer**  
202-692-0145, Roger.Glendenning@wdc.usda.gov

Roger Glendenning is the Chief Financial Officer for Rural Development. Mr. Glendenning started his career in housing and farm related programs in 1987 with the Farmers Home Administration in Delaware and Maryland before moving to the Washington, DC headquarters office in 1996. He has worked at Headquarters in the capacity of Director of the Single Family Housing Guaranteed Loan Division (2001-2006), Chief Budget Officer (2007-2009), Budget Division Director (2010-2012) and Chief Financial Officer (2013 – present).

Tony Bainbridge  
**Director, National Financial and Accounting Operations Center**  
314-457-4150, Tony.Bainbridge@stl.usda.gov

Tony Bainbridge is the Director of the National Financial and Accounting Operations Center (NFAOC) for Rural Development. Mr. Bainbridge started his career in the Finance Office covering all Rural Development programs in 1989 with the Farmers Home Administration in St. Louis, MO. He has worked in various capacities in the newly named NFAOC, covering Program Loan Cost Expenses (1990-1995), Electronic Funds Transfers (1996-1999), and Direct Loan and Grant Branch providing loan servicing for all Rural Development loan and grant programs (2000-2010), Deputy Chief Financial Officer (2010 – 2014), and Director NFAOC (2014 - present).
Leslie Barrack  
Director, Budget Division  
202-401-2718, Leslie.Barrack@wdc.usda.gov

Leslie Barrack is the Budget Director for RD. Ms. Barrack started her career in the Rural Development Budget office in 1992 as a Budget Technician and then Budget Analyst through 2003, including a one-year detail to the House Appropriations Subcommittee on Agriculture. She worked in the Veterans Affairs Department Budget office as a Budget Analyst (2003), the House Appropriations Subcommittee on Agriculture as Professional Staff (2004-2010), the USDA Office of Budget and Program Analysis as a Program Analyst (2011-2014), including a six-month detail to the Office of Management and Budget, and back to Rural Development as the Budget Director (2014-present).

John Dunsmuir  
Director, Financial Management Division  
202-692-0082, John.Dunsmuir@wdc.usda.gov

John Dunsmuir is the Director of RD’s Financial Management Division (FMD). In this position he oversees all of the Management/Internal Controls for RD nationwide, including Office of Inspector General (OIG) Audits, Investigations, and Hotlines, Government Accountability Office (GAO) Audits, Management Control Reviews (MCR), and State Internal Reviews (SIR).

Mr. Dunsmuir served as the Deputy Director of FMD for over 10 years and began his career with RD as an Accountant with the Rural Utilities Service (RUS). Mr. Dunsmuir’s other federal career includes positions as an Accountant/Auditor with the Federal Energy Regulatory Commission, and the Department of Health and Human Services’ Office of Inspector General. His career in private industry includes serving as the Controller for a wholesale and retail paint and glass company, a nuclear fuel accountant for a major public utility, and a department manager for a trucking company with over 1,000 tractors and trailers on the road.

Mr. Dunsmuir received his Bachelor of Science degree from King’s College, Wilkes-Barre, PA and practiced as a Certified Public Accountant for several years.
Joyce Allen
Deputy Administrator, Single Family Housing
202-205-4996, Joyce.Allen@wdc.usda.gov

Joyce Allen is the Deputy Administrator of the Rural Housing Service Single Family Housing Programs. Ms. Allen joined USDA in 1991, as an Assistant County Supervisor for the Farmer’s Home Administration in a county office in Berlin, New Jersey. She accepted an assignment in 1994 to Washington DC, where she developed policy and regulation for the Section 538 Guaranteed Rural Rental Housing Program. Ms. Allen has also worked at the U.S. Department of Housing and Urban Development (HUD), where she served as the Director of Multifamily Housing Development and oversaw the FHA multifamily mortgage insurance programs.

Bryan Hooper
Deputy Administrator, Multi-Family Housing
202-720-9739, Bryan.Hooper@wdc.usda.gov

Bryan Hooper is the Deputy Administrator for Multi-Family Housing in the Rural Housing Service of the U.S. Department of Agriculture. He manages USDA’s nationwide portfolio of approximately 15,000 multi-family properties, representing more than 470,000 units of affordable rental housing and a federal government investment of $11 billion. Mr. Hooper also manages over $1.1 billion in rental assistance and housing voucher payments to more than 280,000 low- and very-low income tenants.

Bryan holds Bachelor’s and Master’s Degrees from The American University in Washington D.C., and a J.D. from the George Washington University.

Rich Davis
Deputy Administrator, Community Facilities
202-720-1500, Rich.Davis@wdc.usda.gov

Rich Davis has been serving as the Deputy Administrator for Community Facilities Programs in Rural Development since August 2010. RD Community Programs provide direct and guaranteed loans and grants to help rural communities develop or improve their essential community facilities for public use in rural areas. Previously, Mr. Davis served as the Acting Deputy Administrator for Single Family Housing from August 2009 to August 2010. Prior to that assignment, he served as Director of the Program Support Staff for 13 years, in which he was responsible for overseeing all architectural, environmental and other technical support to Rural Development’s business, housing and community facilities programs.
Christine Mechtly  
**Deputy Administrator, Customer Service Center**
314-457-5970, Christine.Mechtly@stl.usda.gov

Christine Mechtly started her career with the Farmers Home Administration as an accountant in 1991. Ms. Mechtly served as Assistant Chief, Direct Loan and Grant Branch (2002-2010), Director, Policy and Internal Review Division (2010-2012), and Director, Financial Analysis and Control Division (2012-2014) in the Office of the Deputy Chief Financial Officer. She also served as the Deputy Director of Portfolio Management for the National Financial and Accounting Operations Center (NFAOC) (2014-2015). Ms. Mechtly was selected as the Deputy Administrator of the Customer Service Center in October 2015.

Edward Duval  
**Director, Program Support Services Branch**
202-690-1370, Ed.Duval@wdc.usda.gov

Edward Duval currently serves as the Director of Rural Development’s Program Support Staff (PSS), a division within the Rural Housing Service. He currently leads numerous Risk Management initiatives such as oversight of appraisals, environmental and architectural reviews. These activities serve to mitigate the risk to the over $200Bil Rural Development portfolio. Lean Six Sigma, project management, SharePoint and dashboard development are also expertise possessed by the PSS.

Mr. Duval has over 30 years of business experience in both the private and public sectors. The first 15 years of his career were spent as a small business owner developing and marketing medical accounting systems for the Nursing Home Industry. Since 1994 he has worked almost exclusively with Rural Development programs as a contractor and USDA employee, of which he came on board in March, 2004. He is very familiar with all aspects of RD programs including systems, data, and the personnel making up Rural Development.
Claudette Fernandez
Deputy Administrator, Business Programs, Acting
202-245-1175, Claudette.Fernandez@wdc.usda.gov

Claudette Fernandez currently serves as Acting Deputy Administrator for RBS’ Business Programs. Previously, Ms. Fernandez has served as Acting Chief of Staff for the RBS Administrator and Director for RBS’ Business Programs Specialty Programs Division and Cooperative Programs Grants Division.

Prior to joining USDA in 2012, she served as a Senior Program Manager for FEMA’s multi-hazard mitigation and preparedness programs, South Georgia Regional Development Center, Prince George’s County Department of Housing & Community Development as a community planner and supported African and Middle-Eastern humanitarian affairs at the United Nations Secretariat.

Originally from the Philippines, Claudette has a Bachelor of Arts Degree in Political Science and a Master of Public Administration from Valdosta State University, a Master of Engineering Science from George Washington University and a Graduate Certificate in International Business Management from Georgetown University.

Chad Parker
Deputy Administrator, Cooperative Programs
202-720-7287, Chad.Parker@wdc.usda.gov

Chad Parker leads teams that administer the Cooperative Grant Programs, the Community Economic Development initiative, and the cooperative education, research, statistics, and outreach activities. Mr. Parker has previously served as Deputy Administrator, Business Programs (2014); Deputy Administrator, Cooperative Programs (2012-2013); Acting Deputy Administrator, Single Family Housing (2010 and 2011); Acting Deputy Administrator, Community Programs (2009); and in various other positions in USDA Rural Development and the Rural Electrification Administration since 1991. He has also previously worked as a pig farmer, bag boy, bell hop, assistant mechanic, welder, gravel pit water truck driver, and printer shop apprentice. Mr. Parker holds a M.B.A. and B.S. from Virginia Tech’s Pamplin School of Business.

Mark Brodziski
Deputy Administrator, Energy Programs
202-205-0903, Mark.Brodziski@wdc.usda.gov

Mark Brodziski is the Acting Deputy Administrator of RBS Energy Programs, which supports energy efficiency improvement projects and renewable energy systems for rural small businesses and farmers and ranchers, and the Biorefinery, Renewable Chemical and Biobased Product Manufacturing Assistance Program.

Mr. Brodziski has worked with USDA since 1983 including serving as the Director of the Specialty Lenders Division, Wisconsin Rural Development, Business and Community Programs Director.
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

Rural Utilities Service

Christopher McLean
Assistant Administrator, Electric Programs
202-720-6285, Christopher.McLean@wdc.usda.gov

Christopher A. McLean is the Assistant Administrator, Electric Programs at the Rural Utilities Service. This is Mr. McLean’s third time at RUS. In 2014, Mr. McLean was an Acting Director in USDA’s Office of the Assistant Secretary for Civil Rights (OASCR) and, in 2013, was a civil rights fellow in OASCR’s Policy Office.

Previously, Mr. McLean was a senior advisor to the RUS Administrator; co-owned e-Copernicus (a consulting firm); and was the Executive Director of the Consumer Electronics Retailers Coalition. He also served as RUS Deputy Administrator, Administrator and worked as a Senate staffer.

Jacki Ponti-Lazaruk
Assistant Administrator, Water Programs
202-720-1172, Jacki.Ponti@wdc.usda.gov

Jacqueline M. Ponti-Lazaruk has served as Assistant Administrator for USDA Rural Development’s Water and Environmental Programs (WEP) since January 2008. During her tenure in WEP, nearly $15 billion has been invested in new and improved water and waste infrastructure benefitting more than 20 million rural residents. She has also been called upon to lead agency-wide efforts, such as the implementation of more than $20 billion in Recovery Act funding received by RD, and has served as the RUS Chief of Staff and as Acting Administrator. Ms. Ponti-Lazaruk served as the RD Assistant Administrator for Telecommunications Program from 2006 to 2008.

Keith Adams
Assistant Administrator, Telecom Programs
202-720-9556, Keith.Adams@wdc.usda.gov


James Murray
Assistant Administrator, Program Accounting and Regulatory Analysis, Acting
202-720-0799, James.Murray@wdc.usda.gov

James J. Murray started his career with the Rural Utilities Service (then called the Rural Electrification Administration) in 1978 as a staff accountant and has subsequently served as an accounting Branch Chief, and Deputy Assistant Administrator of Program Accounting and Regulatory Analysis (PARA) and is currently Acting Assistant Administrator for PARA.
Mr. Murray is a certified public accountant in the state of Virginia and a member of the Accounting and Finance Subcommittee of the National Association of Regulatory Utility Commissioners and a member of the Society of Depreciation Professionals.
Biographies of political staff in key leadership positions

Lisa Afua Serwah Mensah
Under Secretary
202-720-4581, Lisa.Mensah@osec.usda.gov

Lisa Afua Serwah Mensah was nominated by President Obama for the position of Under Secretary of USDA Rural Development and was confirmed by the U.S. Senate in November of 2014. An expert in using financial tools to improve the economic security of the working poor, Ms. Mensah has experience in the private financial sector and has worked extensively on small and micro business development, housing, financial and savings policy.

Prior to joining USDA, she was the founding Executive Director of the Initiative on Financial Security at the Aspen Institute. In that role she led a national bi-partisan effort with leaders of financial institutions, non-profit executives and experts to promote solutions to the complex problems of helping more Americans save money, buy homes, and finance retirement. Ms. Mensah began her career in commercial banking at Citibank before joining the Ford Foundation where she was responsible for the country’s largest philanthropic grant and loan portfolio of investments in rural America.

Ms. Mensah holds an M.A. from the Paul H. Nitze School of Advanced International Studies of The Johns Hopkins University and a B.A. from Harvard University. Born and raised in Oregon, she is the daughter of an immigrant from Ghana and of a former Iowa farm girl. She resides in Maryland with her husband and two children.

Lillian Salerno
Deputy Under Secretary for Policy
202-720-4581, Lillian.Salerno@osec.usda.gov

Lillian Salerno was appointed by President Obama as Deputy Under Secretary (DUSEC) on August 7, 2015. As DUSEC for the Rural Development Mission Area, she oversees the development of strategies and policy initiatives. A former entrepreneur, business owner, and small town lawyer, she understands the unique challenges facing our food systems, the Bioeconomy, and capital investments that are critical in supporting and strengthening America's rural communities. Before her appointment she also served as Administrator of Rural Business-Cooperative Service.

Ms. Salerno has an extensive work history in the private sector, both in the U.S. and abroad. Prior to her service in the federal government, Ms. Salerno successfully founded an advanced manufacturing company and served as the Executive Director for the Safe Healthcare International Institute.
Vernita Dore
Deputy Under Secretary for Operations & Management
202-720-4581, VernitaF.Dore@osec.usda.gov

Vernita Dore serves as Deputy Under Secretary of the USDA Rural Development Mission Area. As Deputy Under Secretary, Ms. Dore's responsibilities include overseeing Operations and Management, the Office of the Chief Financial Officer, Office of Civil Rights, and forty-seven State Directors across the nation. Additionally, Ms. Dore served as Senior Advisor to the Under Secretary for Rural Development, and has held management positions throughout the agency, building a wealth of experience during her thirty years of with Rural Development. Ms. Dore was appointed by President Barack Obama as USDA’s Rural Development State Director of South Carolina in August 2009.

Ms. Dore has dedicated her professional career to improving the quality of life in rural communities. She has been especially impactful in educating and empowering our children; she has elevated the quality of life for rural youth and their families by securing financial resources to re-build and renovate schools, children’s hospitals and new libraries equipped with state-of-the-art technology. She has also been a consistent leader in Rural Development's efforts to create jobs and economic opportunities for rural citizens across our nation.

A native of Beaufort, South Carolina, Ms. Dore earned a Bachelor of Arts degree in Journalism from the University of South Carolina. She has received additional professional development from Harvard's John F. Kennedy School of Government, the University of South Carolina's Darla Moore School of Business, the Federal Executive Institute, and USDA Graduate School. Ms. Dore is a fellow of the Diversity Leadership Institute at Furman University.

Andrew Givens
Chief of Staff
202-720-4581, Andrew.Givens@osec.usda.gov

Andrew Givens serves as the Chief of Staff to the USDA Rural Development Under Secretary. Previously, he served as Vice President, Government Affairs at the Public Broadcasting Service. Prior to PBS, he was a Special Counsel at Covington and Burling. On the Senate Appropriations Committee, Mr. Givens spent six years as General Counsel and also served as Minority Staff Director for the VA/HUD Subcommittee. Prior to the Senate, he practiced law at Dow, Lohnes and Albertson. Mr. Givens has a J.D. from University of Virginia Law School, M.P.A. from Princeton University and a B.A. from Harvard College.
Tony Hernandez
Administrator, Rural Housing Service
202-692-0268, Tony.Hernandez@wdc.usda.gov

Tony Hernandez was sworn in as the Rural Housing Service Administrator on December 16, 2013. Prior to being appointed, Mr. Hernandez served as Director of the Division of Local Government within the Colorado Department of Local Affairs, Director of the Colorado Business Center with the Fannie Mae Corporation, and HUD Region 8 Administrator with the Clinton Administration.

Mr. Hernandez was a business planner and senior marketing representative for the IBM Corporation for 13 years and a Colorado State Representative for nine years. Mr. Hernandez has a Master’s Degree in Management and Public Policy from Carnegie-Mellon; Master’s Degree in Community Organizing and Social Planning from University of Denver; and Bachelor of Social Work from Colorado State University.

David Lipsetz
Associate Administrator, Rural Housing Service
202-692-2732, David.Lipsetz@wdc.usda.gov

David Lipsetz is the Associate Administrator for USDA’s Rural Housing Service, having started at USDA in 2014 as the RHS Chief of Staff. He is a recognized authority on affordable housing policy who draws on experience as a federal official and local program administrator to help communities develop in a more equitable and sustainable manner.

Mr. Lipsetz came to USDA from HUD, where he served as a Deputy Assistant Secretary and Senior Advisor for Public and Indian Housing. Prior to HUD, David worked for housing agencies in New York City and Oakland, CA. He also spent several years on Capitol Hill, most notably as a Legislative Assistant to Congressman John Dingell. As an Ohio native, Mr. Lipsetz earned graduate degrees in City & Regional Planning and Sociology from Ohio State and a Bachelor’s degree from Michigan State.

Sam Rikkers
Administrator, Rural Business-Cooperative Service
202-690-4730, Samuel.Rikkers@wdc.usda.gov

Sam Rikkers was appointed Rural Business-Cooperative Service Deputy Administrator in December 2014. He joined USDA after serving as Director of the Energy and Environment Team with the White House’s Presidential Personnel Office.

Prior to this position, Mr. Rikkers served as Regional Field Director in Wisconsin on President Obama’s re-election campaign. From 2007 to 2012, he was an attorney with a commercial litigation firm in New York City specializing in antitrust and First Amendment law. Before practicing law, Mr. Rikkers spent years working as a community and political organizer nationally and internationally. He earned a J.D. from the University of Wisconsin, a Master of International Affairs from Columbia University and a B.A. in Political Science and Philosophy from Macalester College in St. Paul, Minnesota. He also served as a volunteer with the U.S. Peace Corps in rural Zambia. Mr. Rikkers is from a small town in Southern Wisconsin.
Brandon McBride  
**Administrator, Rural Utilities Service**  
202-720-9541, Brandon.McBride@wdc.usda.gov

In March of 2015, Brandon McBride was appointed by President Obama to serve as the 19th Administrator of USDA’s Rural Utilities Service. Mr. McBride’s appointment follows his role as a senior staff member for the United States Senate Committee on Agriculture, Nutrition and Forestry. Mr. McBride, a lifelong public servant, has dedicated his career to fighting for rural America.

Before working for the Senate Committee on Agriculture, Nutrition and Forestry under the leadership of Chairwoman Debbie Stabenow, Mr. McBride served for several years as a senior legislative assistant for United States Senator Blanche L. Lincoln. As a member of Senator Lincoln’s staff, he handled appropriations and economic development issues. Mr. McBride earned his undergraduate degrees as well as his Master’s degree in Public Administration from Arkansas State University.

Joshua Cohen  
**Deputy Administrator, Rural Utilities Service**  
202-720-6285, Joshua.Cohen@wdc.usda.gov

Joshua Cohen was appointed Deputy Administrator of USDA’s Rural Utilities Service in October 2015. Before coming to USDA, he served for 14 years in state and local government, including as Chief Administrative Officer of the Maryland Department of General Services and as the Mayor of Annapolis, Maryland. Before working in Rural Development he was in the criminal justice field, working as a Parole and Probation Agent, as a trainer for police and correctional officers, and as a grant director for a crime victims’ resource center.

Mr. Cohen earned a degree in Economics from the University of Maryland, and is pursuing a Master’s in Public Administration from the University of Baltimore. He lives in Annapolis with his wife Lesley, an oncology research nurse, and their two daughters.

David Sandretti  
**Director, Legislative and Public Affairs**  
202-720-1019, David.Sandretti@oc.usda.gov

David Sandretti is a seasoned communications professional who, prior to USDA, worked on Capitol Hill, in the non-profit advocacy arena, and the private sector. He served as communications director for the Senate Environment and Public Works Committee under Senator Jim Jeffords for two years and as communications director and chief spokesperson for Senator Barbara Boxer for 10 years. He also served as press secretary for Senator Russ Feingold for two years. He worked for the firm of Fingerhut Powers and Smith as a senior associate serving a variety of political and labor clients. Mr. Sandretti grew up on his family’s dairy farm in southeastern Wisconsin.
Rural Development has historically operated with approximately 6,200 employees. Currently the agency is operating with an on-board staff of less than 5,000. At the same time staff levels decreased, Appropriations Act's increased the amount of available program level for negative subsidy rate programs with no additional administrative funding. Further, Rural Development is provided with significant amounts of mandatory funding through the Farm Bill and must absorb the cost of implementing these authorities through existing resources. These actions further hamper the agency's ability to provide service to the rural residents and effectively manage the portfolio of programs provided by Congress. Additionally, recent Appropriations Acts have transferred costs of approximately $20 million for GSA rent from the Department to the agency further restraining the S&E account from supporting the existing mission.

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3 The amount for mandatory programs reflect the amounts in the Farm Bill less CHIMP and Sequester.
4 Comprehensive Loan Program spending prior to 2014 was not specifically called out in appropriations language, however spending did occur as a percentage of recovery act funds available, as explained later in this document through annual and supplemental Appropriations Act's from FY 2009 to FY 2013. The 2014 Appropriations Act was the first time Congress designated the amount of funding that was to be expended on CLP development within a fiscal year.
The reduction in the cost of money from the Treasury has reduced or eliminated the operational cost of the 502 direct and 502 guaranteed (respectively) during the Obama Administration. Lower interest rates coupled with increased fees have eliminated the need for budget authority to support a robust $24 billion loan program for single family guaranteed housing. Further, increases in Rental Assistance Payments have significantly increased the need for budget authority requirement, as a result operational hurdles exist, due to lack of staff and underwriting larger projects while still ensuring the integrity of the portfolio is maintained.
### Rural Business Service Budget Authority FY 2009-2016

(Dollars in Thousands)

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RBS receives significant amounts of mandatory funding with no additional administrative support. The reduction in discretionary budget authority represents lower levels of grant funding across small business and cooperative development programs.
The most significant trend to highlight in RUS is the change in subsidy cost associated with the Water and Waste Disposal Service. The cost of money to the Treasury was reduced annually during the Obama Administration, this had a direct impact on some key loan programs within Rural Development. This one change significantly reduced the operational cost of several programs. The water and waste disposal loan program operated at a negative subsidy rate in FY 2014 and 2015. The electric and telecommunications program operate at negative subsidy rates as well. This table is displayed in budget authority terms.
## Loan Program Level Growth FY 2009-2016
(Dollars in Thousands)

<table>
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<td>$7,464,077</td>
<td>$8,211,404</td>
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**Discretionary:**
- Sec 502 Single Family Direct Housing Loans: $1,121,488
- Sec 502 Single Family Guaranteed Housing Loans: $6,196,813
- Sec 504 Single Family Housing Repair Direct Loans: $34,410
- Sec 515 Rural Rental MFH Direct Loans: $69,512
- Sec 538 Multi-Family Housing Guaranteed Loans: $5,543
- Sec 524 Direct Site Development Loans: $5,045
- Sec 514 Farm Labor Housing Loans: $21,678
- Community Facilities Direct Loans: $294,948
- Community Facilities Guaranteed Loans: $206,429
- Sec 523 Self Help Housing Land Development Loans: $4,970
- Multi-Family Housing Credit Sales of Acquired Property: $1,448
- MHF Revitalization Zero Percent (Sec 515): $14,750
- MHF Revitalization Soft Seconds (Sec 515): $5,427
- MHF Revitalization Modifications (Sec 515): $5,778
- MHF Preservation Demo Revolving Loan Fund: $6,423

**Supplemental (Recovery Act):**
- SFH Direct Loans: 987,113
- SFH Guaranteed Loan: 10,249,806
- Direct Community Facilities Loans: 1,136,119

**Total Obligations:** $48,608,167

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**2016 Presidential Transition Rural Development (RD)**
### Loan Program Level FY 2015-2016

(Dollars in Thousands)

<table>
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<tr>
<th>Program Level</th>
<th>2015 Actual</th>
<th>Budget Authority</th>
<th>2016 Enacted</th>
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<td>Electric Underwriting Loans</td>
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<td><strong>$7,644,564</strong></td>
<td><strong>$7,700,243</strong></td>
</tr>
<tr>
<td><strong>Total Obligations</strong></td>
<td><strong>$123,124,059</strong></td>
<td><strong>$143,771,038</strong></td>
<td><strong>$160,879,853</strong></td>
<td><strong>$176,456,858</strong></td>
</tr>
</tbody>
</table>

United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

Loan Program Level Growth FY 2009-2016

Loan Portfolio Growth FY 2009-2015
Enterprise Workforce Data
As of September 30, 2016, Rural Development has a workforce of 4,818 employees, of which the following are:

- **Full-time:** 4,777 employees
  - Schedule A: Of the 4,777 employees, 9 are Schedule A
  - Pathways: Of the 4,777 employees, 153 are Pathways
- **Part-time:** 41 employees
  - Schedule A: Of the 41 employees, 0 are Schedule A
  - Pathways: Of the 41 employees, 12 are Pathways
- 1,486 employees are unionized
- Of RD’s total workforce, 27% are eligible to retire within the next year
Approximately 68 occupations are represented across RD. Of those, the five most populated occupations include:

1165- Loan Specialist (1,970 employees)
1101- General Business and Industry (Loan Tech) (1,353 employees)
0301- Miscellaneous Administration and Program (321 employees)
0343- Management and Program Analysis (124 employees)
2210- IT Management (108 employees)

There are 2,597 (54 percent) permanent employees in mission critical occupations (MCO) reported, to USDA, for RD. For purposes of workforce reporting, a mission critical occupation is defined by the Office of Personnel Management (OPM), as “Occupations agencies consider core to carrying out their missions. Such occupations usually reflect the primary mission of the organization without which mission-critical work cannot be completed.” RD’s MCO’s are:

1165- Loan Specialist (1,970 employees)
0301- Miscellaneous Administration and Program (321 employees)
0343- Management and Program Analysis (124 employees)
2210- Information Technology Management (108 employees)
0201- Human Resources Management (74 employees)
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

RHS Workforce by Program Area

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Number of Staff</th>
<th>Percentage of Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family Housing Programs</td>
<td>28</td>
<td>5%</td>
</tr>
<tr>
<td>Multi-Family Housing Programs</td>
<td>32</td>
<td>5%</td>
</tr>
<tr>
<td>Community Facilities Programs</td>
<td>19</td>
<td>3%</td>
</tr>
<tr>
<td>Customer Service Center</td>
<td>478</td>
<td>82%</td>
</tr>
<tr>
<td>Program Support Staff</td>
<td>17</td>
<td>3%</td>
</tr>
<tr>
<td>Office of the Administrator</td>
<td>12</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>586</td>
<td>100%</td>
</tr>
</tbody>
</table>
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

RBS Workforce by Program Area

- Business Programs: 16% (17% of 99)
- Cooperative Programs: 38% (38% of 99)
- Energy Programs: 18% (18% of 99)
- Specialty Programs Division: 10% (10% of 99)
- Office of the Administrator: 17% (17% of 99)

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Number of Staff Years</th>
<th>Percentage of Staff Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Programs</td>
<td>16</td>
<td>16%</td>
</tr>
<tr>
<td>Cooperative Programs</td>
<td>38</td>
<td>38%</td>
</tr>
<tr>
<td>Energy Programs</td>
<td>18</td>
<td>18%</td>
</tr>
<tr>
<td>Specialty Programs Division</td>
<td>10</td>
<td>10%</td>
</tr>
<tr>
<td>Office of the Administrator</td>
<td>17</td>
<td>17%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>99</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
United States Department of Agriculture  
2016 Presidential Transition  
Rural Development (RD)

RUS Workforce by Program Area

- Office of the Administrator: 34%  
- Electric Programs: 16%  
- Telecom Programs: 15%  
- Water and Environmental Program: 31%  
- Program Accounting and Regulatory Analysis: 31%

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Number of Staff Years</th>
<th>Percentage of Staff Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Administrator</td>
<td>10</td>
<td>4%</td>
</tr>
<tr>
<td>Electric Programs</td>
<td>91</td>
<td>34%</td>
</tr>
<tr>
<td>Telecom Programs</td>
<td>85</td>
<td>31%</td>
</tr>
<tr>
<td>Water and Environmental Program</td>
<td>41</td>
<td>15%</td>
</tr>
<tr>
<td>Program Accounting and Regulatory Analysis</td>
<td>44</td>
<td>16%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>271</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
RD’s headquarters offices are located in Washington, D.C., which houses 10.5% of its workforce, and St. Louis, MO, which houses an additional 17.1% of RD’s workforce.

RD has 47 State Offices, and more than 400 local offices nationwide to work directly with constituents. The majority of RD’s employees (3,342 as of September 30, 2016) are located in state or local offices.

47 State Offices
241 Area Offices
106 Sub-Area Offices
47 Local Offices
34 Satellite Offices
7 Part-Time Offices

482 Total Office Locations
II. Policies and Regulations

Statutory Authorities

A number of statutes have authorities over rural development programs. In addition to periodic Omnibus Farm Bills, new RD legislation generally amends three major authorizing statutes:

(1) Consolidated Farm and Rural Development Act;
(2) Food, Agriculture, Conservation, and Trade Act of 1990;
(3) Housing Act of 1949; and
(4) Rural Electrification Act of 1936.

Cooperative Marketing Act of 1926 (7 U.S.C. 451 et seq.)

The Cooperative Marketing Act established the Division of Cooperative Marketing within the United States Department of Agriculture to assist agricultural cooperatives in gathering and sharing data and the Cooperative Research and Service Division which conducted agricultural cooperative research and service activities.

Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.)

The act established the Rural Electrification Administration during the Great Depression to create jobs and electrify rural areas by providing subsidized loans and grants to rural electric cooperatives. The 1994 USDA reorganization eliminated REA and incorporated its functions under the Rural Utilities Service. This act authorizes RUS electric, telephone, and broadband programs.


Title V of this act gave authorization to the Farmers Home Administration to grant mortgages for the purchase or repair of rural single-family houses. Title V authorized financial assistance in rural areas to farmers, owners, developers, and elderly persons for the purchase of rural property and construction of adequate facilities, insurance on various loans, and financial assistance for rental housing for farm workers. The USDA Rural Housing Service today, as with the Farmers Home Administration in the past, ensures and guarantees a variety of housing loans for home purchases, repair, and rental housing development.


The legislation was originally enacted as the Consolidated Farmers Home Administration Act of 1961. In 1972, Title V was changed to the Consolidated Farm and Rural Development Act, and is often referred to as the ConAct. The ConAct, as amended, currently serves as the authorizing statute for most USDA Rural Development lending and grant programs.


This legislation affirmed USDA as the lead agency for rural development and named USDA as the lead federal coordinator for rural policy. The act also added minor reporting responsibilities to the 1972 Rural Development Act.
Food Agriculture, Conservation and Trade Act of 1990 (P.L. 101-624)

The Federal Agricultural Improvement and Reform Act of 1996 amended the Food Agriculture, Conservation and Trade Act of 1990 to authorize the USDA to establish what is now the Rural Utilities Service Distance Learning and Telemedicine Grant Program. This program provides grants to communities to support the construction of projects that will establish broadband to provide distance learning and telemedicine opportunities in rural communities.

Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (P.L. 103-354)

Title II authorized reorganization of the Department of Agriculture. It authorized the Secretary to establish the position of Under Secretary of Agriculture for Rural Economic and Community Development to succeed the Under Secretary of Agriculture for Small Community and Rural Development. The act further organized Rural Development into the Rural Housing Service (community facilities, technical assistance, and outreach), Rural Business-Cooperative Service (cooperatives, business and industry loans), and the Rural Utilities Service (electric, telecommunications, water). The legislation also abolished the Rural Electrification Administration established under the Rural Electrification Act of 1936 establishing the Rural Utilities Service as its successor.

The Agriculture Risk Protection Act of 2000 (P.L. 106-224)

This Act established the RBS Value Added Producer Grant program.

The Food, Conservation and Energy Act of 2008 (P.L. 110-246)

Title VI of this act reauthorized various RD programs and authorized loans and guarantees to support locally or regionally produced agricultural food products. The act also established the Rural Microentrepreneur Assistance Program and Delta Regional health care grant program. Title IX continued RBS Energy Programs from the 2002 Farm Bill for Biorefinery assistance, repowering assistance, the bioenergy program for advanced biofuels, and the Rural Energy for America program.

The Agricultural Act of 2014 (P.L. 113-79)

The Rural Development title of the 2014 Farm Bill reauthorized most existing RD programs through FY 2018. The bill amended the water and waste water direct and guaranteed loan programs to encourage financing by private or cooperative lenders to the maximum extent possible. The law also provided a 3%-5% carve-out of the Community Facilities appropriation for technical assistance, and encouraged the use of loan guarantees where possible. This law included a new provision directing the Secretary of Agriculture to begin collecting data on the economic effects of the projects that USDA Rural Development funds to assess their long- and short-term viability, and directed the Secretary to develop simplified applications for funding.

The 2014 Farm Bill eliminated several business programs, but consolidated many of their objectives into a broader program of Business Development grants. The law also provided $150 million in mandatory spending for pending rural development loans and grants and $63 million in mandatory spending for the Value-Added Product Grants program.

The law retained the 2008 Farm Bill provision permitting communities that might otherwise be ineligible for USDA funding to petition USDA to designate their communities as “rural in
character,” thereby making them eligible for program support. The law also amended the definition of rural area in the 1949 Housing Act so that areas deemed rural between 2000 and 2010 would retain that designation until USDA receives data from the 2020 decennial census. The provision also raised the population threshold for eligibility from 25,000 to 35,000.

Further, the law reauthorized funding for programs under the Rural Electrification Act of 1936, including the Access to Broadband Telecommunications Services in Rural Areas Program and the Distance Learning and Telemedicine Program under the Food Agriculture, Conservation and Trade Act of 1990. For Access to Broadband Telecommunication Services in Rural Areas, the law also established new procedures to compare applications and to set funding priorities. Additionally, a new Gigabit Network Pilot Program for high-speed broadband service was authorized at $10 million for each fiscal year FY 2014-FY 2018. The law also authorized a new Rural Energy Savings Program to fund loans to qualified consumers to implement energy efficiency measures.

Important Policies and Regulations

Rural Development releases an average of approximately 10 new regulations per year. Of those, approximately 20% are deemed significant and/or economically significant by the Office of Information and Regulatory Affairs.5

The following are the significant RD regulations that were finalized within the last year:

- **Community Facility Loans** - Interim Rule published July 6, 2016, and made effective the same date, amending regulations on Community Facility Direct Loans to enable RHS to make loans to eligible lenders who would then in turn re-loan those funds to applicants for projects that are eligible under the Community Facilities Direct Loan program.

- **Business and Industry Guaranteed Loan Program - Guaranteed Loanmaking and Servicing Regulations** – Final rule published June 3, 2016, and made effective August 2, 2016, strengthening criteria for non-regulated lender participation, provisions for New Markets Tax Credits and Cooperative Stock Purchase Program, and modified loan scoring criteria.

- **Rural Broadband Access Loans and Loan Guarantees** – Final Rule confirmation published June 9, 2016 and made effective the same date, addressing the topics of broadband service and lending speed definitions, eligibility criteria, rate affordability, affiliated companies, usage restrictions, and wireless broadband service. Specifically, Section 6104 of the Agricultural Act of 2014 (the 2014 Farm Bill) adjusted certain service area eligibility criteria, established new priority considerations and introduced new reporting sections which required more detailed information gathering and publishing for both the Agency and awardees.

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5 Number of new regulations released per year (on average): (these include both significant and not significant regulations based on the total number of proposed RD regulations identified in the fall regulatory agenda from years 2012 through 2016 – 5 year avg. 53 proposed RD regulations appeared.) Based on 53 proposed rules appearing in the 5 year regulatory agenda, 13 were deemed significant/economically significant or 18.87% of the total.
Overview of the policy/regulation review process

Rural Development promulgates regulations in Title 7 of the Code of Federal Regulations, Parts 1600 through 1999, 3500 through 3599, and 4200 through 4299. In accordance with Executive Order 12866 and Departmental Regulation 1512-1, subject matter experts in each program area prepare rulemakings and work in conjunction with staff from the Office of General Counsel (OGC) and either Regulations and Paperwork Management Branch (RPMB) for non-RUS programs, or Program Development and Regulations Analysis (PDRA) for RUS programs. RPMB and PDRA are responsible for ensuring that Departmental and Federal requirements are followed for clearance and issuance of regulations, including implementation of the Paperwork Reduction Act of 1995.

RD policy and regulatory actions generally originate from the Program Branch Chief, Division Director, or Agency Assistant Administrator level and are then reviewed and cleared within the Agency through the same channels. The action is then provided to all affected RD Headquarters offices. For RHS and RBS, this includes Civil Rights, Program Support Services, the Faith-Based Coordinator, and Native American Coordinator, for review and comment prior to analysis by PDRA/RPMB. OGC then reviews and provides legal guidance, opinions, and edits as appropriate before PDRA/RPMB final clearance. Once cleared by PDRA/RPMB and subsequently signed by the Administrator, the action leaves the Agency for review and approval to publish provided by the USDA Office of Budget and Program Analysis (OBPA). Once approved, the action receives its final approvals from the Under Secretary before it is returned to PDRA/RPMB for publication. Regulatory actions deemed Significant by Office of Management and Budget (OMB) Under Executive Order 12866, need further clearance by the USDA Secretary and OMB.
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

GAO and OIG Audits

Open OIG Audits

**Rural Business Programs Intermediary Relending Program (IRP) – JUN 25, 2010**
In this report OIG examined the agency’s controls over IRP to determine if they adequately ensure that program funds go to whom and for what they are intended. One recommendation related to recovery of funds made to borrowers for ineligible purposes remains open. Partial restitution has been received on the sole account in question and RD is seeking closure of the audit based on this disposition.

**American Recovery and Reinvestment Act (ARRA) B&I Loans – Phase II – FEB 13, 2012**
OIG initiated this audit to assess the effectiveness of Rural Development’s internal B&I guaranteed controls over loan prioritization, financial reviews, and eligibility, and whether the agency’s outreach program was effective in ensuring that Recovery Act funds were obligated. Two recommendations related to final rule publication and training remain open. Initial training and publication of the enhanced B&I rule is complete and RD is seeking closure of the audit based on this disposition.

**Rural Rental Housing Program Project Costs and Inspection Procedures – SEP 27, 2012**
The purpose of this audit was to evaluate the agency’s internal controls designed to ensure that owners accurately report the financial operations, and maintain the physical condition, of properties participating in the RRH Program. Six recommendations related to the ability of agency controls to detect any misuse of RRH Program funds by borrowers and their management agents remain open. Closure of this audit is expected later this calendar year and depends on the publication of several revised rules and a new handbook.

**ARRA Broadband Initiatives Program (BIP) – MAR 29, 2013**
This audit was commissioned to assess RUS’ internal controls over the approval of BIP loan and grant applications, including, adequacy to ensure projects were eligible and whether RUS took actions to mitigate the risks of overbuilding in service areas. One recommendation related to production of service area maps in the Broadband Program Mapping Tool remains open.

**ARRA - B&I Guaranteed Loans - Phase III – MAR 29, 2013**
Audit objectives were to assess the servicing of Recovery Act-funded B&I guaranteed loans, if Recovery Act funds were used properly, and whether the program was effective in terms of its performance measures. One recommendation, assigning lenders responsibility for balance sheet equity certification at closing remains open. A revised procedural notice has been published pending audit closure.

**ARRA Broadband Initiatives Program (BIP) Post-Award Controls – AUG 22, 2013**
This audit assessed RUS’ controls over BIP awardees’ fulfillment of their grant and loan/grant agreements (post-award controls) and evaluated the effectiveness of BIP in meeting and attaining Recovery Act goals. One recommendation requiring capture and analysis of post award performance remains open. The agency is currently seeking revision of the recommendation based on data collection challenges related to comingling of public and private funds by awardees, obfuscating performance results.
United States Department of Agriculture  
2016 Presidential Transition  
Rural Development (RD)

Rural Business - Cooperative Service Grant Programs Duplication – MAR 25, 2014  
This audit’s objective was to determine if there is duplication, overlap, or fragmentation of program objectives, goals, and/or funding in RBS grant and loan programs. Two recommendations related to program consolidation and duplication prevention remain open. Consolidation of four grant programs and revision of the RD Instruction related to Loan and Grant fund allocation is expected to be completed by end of calendar year closing this audit.

Single Family Housing Direct Loan Servicing and Payment Assistance Recapture (Centralized Servicing Center) – JUL 18, 2014  
In this audit, OIG reviewed how RHS services SFH direct loans to determine if CSC performs yearly reviews of borrower income, if the borrower is eligible for payment subsidy, and if payment subsidy is accurately calculated and repaid. Two recommendations related to receivable recapture and master death file debarment procedures remain open and are being addressed under the Do-Not-Pay initiative.

Review of Rural Rental Housing's Tenant and Owner Information – SEP 24, 2015  
This audit attempted to determine whether owners of RRH projects, or their management agents, report reasonable and accurate project operation information, and whether tenants report eligibility information accurately. Nine recommendations related to the automation of multiple program controls, payment recapture and project review remain open. Project reviews for anomalous payments are currently in progress, automation solutions are in the design phase, and fulfillment of repayment demand letters are under review by the National Appeals Division.

Rural Development Single Family Housing Direct Loan Credit Reporting – MAR 28, 2016  
This audit examined whether Rural Development accurately reported borrower repayment statuses in a timely manner to credit reporting bureaus and appropriate databases. Nine recommendations related to reporting deficiencies, data gaps, data accuracy, Debt Collection Improvement Act compliance, and Interagency Servicing Agreements are expected to remain open until mid-2017.

Rural Energy for America Program (REAP) – AUG 8, 2016  
The objective of this audit was to determine whether REAP loan and grant recipients and projects met eligibility requirements and whether appropriate project performance measures were established and achieved.
Significant Closed OIG Audits

This audit was commissioned to determine if Rural Development field personnel complied with the agency’s established internal control procedures at loan origination and closing that ensure homes and program participants who received Recovery Act funds met eligibility guidelines.

ARRA Rural Business Enterprise Grants – SEP 5, 2012
In this audit, OIG assessed the controls used for determining eligibility and servicing of Recovery Act-funded RBEGs including evidence used in determining eligibility and ranking at the state and national level.

Rural Development's Controls over Eligibility Determinations for the Rural Community Facilities Program's Direct Loan and Grant Recovery Act Activities – SEP 28, 2012
OIG initiated this audit to determine if program participants and project purposes met eligibility requirements and if RHS properly monitored Recovery Act funds, ensuring that they were disbursed and used in accordance with project specifications.

Recovery Act Single Family Housing Direct and Guaranteed Loans – DEC 12, 2012
This audit was to determine if Rural Development’s SFH Direct and Guaranteed Loan Programs met the performance goals established to measure their effectiveness in meeting the purposes of the American Recovery and Reinvestment Act.

This audit was to determine if RBS internal controls were functioning as intended to ensure grant recipients used funds for authorized purposes, met grant objectives in a timely manner, and provided the required matching funds, where applicable.

OIG conducted this audit to evaluate Rural Development’s internal controls that evaluate the issuance of loss claim payments to lenders.

OIG reviewed the effectiveness of RUS’ Recovery Act-specific performance measures for the Water and Waste Direct Program (WWD) including whether controls over WWD expenditures were adequate to ensure RUS spent Recovery Act funds as intended.

Rural Development Procurement Controls – MAR 24, 2014
In this audit, OIG assessed whether RD selected contractors and prepared procurement contracts in accordance with Federal Acquisition Regulations, ensured funds were correctly accounted for and used in the proper period, adequately monitored contract funding and unliquidated balances, and verified that deliverables were met in accordance with contract terms and provisions.
Open GAO Audits

RURAL HOUSING SERVICE: Opportunities Exist to Strengthen Farm Labor Housing Program Management and Oversight – JUL 13, 2011
GAO examined the demand for the FLH program; RHS’s processes for ensuring that the program is providing decent housing for eligible farmworkers; and the financial status and financial management of FLH properties.

FORECLOSURE MITIGATION: Agencies Could Improve Effectiveness of Federal Efforts with Additional Data Collection and Analysis – JUN 1, 2012
GAO examined the federal and nonfederal response to the housing crisis, the current condition of the U.S. housing market, and opportunities to enhance federal efforts.

RURAL HOUSING SERVICE: Efforts to Identify and Reduce Improper Rental Assistance Payments Could Be Enhanced – JUL 3, 2012
GAO reviewed the extent to which RHS has examined the sources and magnitude of improper rental assistance payments, RHS’s compliance with requirements and guidance concerning improper payments, and potential lessons RHS could learn from HUD efforts to identify and reduce improper rental assistance payments.

HOUSING ASSISTANCE: Opportunities Exist to Increase Collaboration and Consider Consolidation – AUG 16, 2012
GAO assessed the extent to which there is overlap or fragmentation in selected housing programs, federal collaborative efforts, and implications of consolidating selected housing programs.

ENTREPRENEURIAL ASSISTANCE: Opportunities Exist to Improve Programs' Collaboration, Data-Tracking, and Performance Management – AUG 23, 2012
In response to a statutory requirement, this report discusses the extent of program overlap and fragmentation, the effects on entrepreneurs, and agencies’ actions to address them; and the extent of tracked program information and whether these programs have met their performance goals and been evaluated.

This report examines how the workforces of USDA’s service center agencies changed from fiscal year 2003 to fiscal year 2012, the extent to which USDA’s policy on supervisory ratios aligned with OPM guidance in fiscal year 2012, and the extent to which USDA’s service center agencies followed leading practices when closing offices and reducing staff in fiscal year 2012.

TELECOMMUNICATIONS: USDA Should Evaluate the Performance of the Rural Broadband Loan Program – MAY 23, 2014
This report assessed issues related to the loan program geographic distribution and financial performance of loans and the relationship between loans, broadband deployment, and economic development, and how USDA evaluates progress towards these outcomes.
RECOVERY ACT: USDA Should Include Broadband Program's Impact in Annual Performance Reports – JUN 17, 2014
This report addresses how RUS ensures that projects are approved, completed by the deadline, and the extent to which RUS provides information that shows broadband program impact.

This report examines USDA’s climate change priorities and how these align with national priorities, the status of USDA’s climate change efforts, and the challenges USDA faces in implementing its climate efforts and the steps it has taken to overcome these challenges.

WATER INFRASTRUCTURE: EPA and USDA are Helping Small Utilities with Asset Management; Opportunities Exist to Better Track Results – JAN 4, 2016
This report examines what is known about the use of asset management among the nation’s water utilities, particularly small water utilities including the benefits, challenges, and steps EPA and USDA are taking to help small water utilities implement asset management.

This report discusses recent trends in the credit subsidy costs of the RHS Single Family Housing Guarantee program, the process for estimating those costs, and the extent to which RHS policies and procedures for the program are consistent with federal standards for managing credit programs.

This report describes USDA efforts to streamline and improve administrative services since 2011 and examines opportunities that may exist to strengthen these efforts.

This report assesses federal agency Information Technology spending, including the oversight of at-risk legacy investments and the overall age and obsolescence of federal IT.
Significant Closed GAO Audits

This report examines federal wind-related initiative programs or groups of agency activities that promoted wind energy through a specific emphasis or focus, wind-related initiatives implemented by federal agencies in fiscal year 2011, and their key characteristics. Assessments included the extent of fragmentation, overlap, and duplication, if any, among these initiatives, and the extent to which they were coordinated, along with how agencies allocate support to projects through their initiatives and the extent to which they assess applicant need for support.

**Improving Disposition and Oversight Practices May Increase Returns on Foreclosed Property Sales** – JUN 20, 2013
This report examined disposition goals, strategies, practices, and effectiveness in disposing of properties compared with those of the private sector; and FHA oversight of contractors that maintained and marketed their Real Estate Owned properties.

**TELECOMMUNICATIONS: Federal Broadband Deployment Programs and Small Business** – FEB 7, 2014
This report addresses the federal government’s efforts to ensure the availability of broadband services for small businesses, and the effect of selected federally funded and municipal networks on broadband service and small businesses.

**MANAGING FOR RESULTS: Implementation Approaches Used to Enhance Collaboration in Interagency Groups** – FEB 14, 2014
This report assessed how interagency groups responded to the central collaboration challenges identified in its prior work of defining outcomes; measuring performance and ensuring accountability; establishing leadership approaches; and using resources, such as funding, staff, and technology including those groups related to federal housing finance.

**NATIVE AMERICAN HOUSING: Additional Actions Needed to Better Support Tribal Efforts** – MAR 27, 2014
This report examines common housing challenges tribes face and actions that could be taken to address them.

This report examines the role of the federal government in the development and use of alternative jet fuels, key challenges to developing and using alternative jet fuels, and actions that the federal government plans to or could take to help address those challenges.

**USDA FARM PROGRAMS: Farmers Have Been Eligible for Multiple Programs and Further Efforts Could Help Prevent Duplicative Payments** – JUL 8, 2014
This report examines USDA programs that provided financial assistance to farms during the effective period of the 2008 farm bill (2008 through 2013), the potential for overlap and duplication among these programs; the extent that farms received payments from farm programs and the amount of these payments; and the internal controls USDA has designed to help prevent duplicate payments for the same crop losses to the same farms.
NATIONAL FLOOD INSURANCE PROGRAM: Additional Guidance on Building Requirements to Mitigate Agricultural Structures' Damage in High-Risk Areas Is Needed – JUL 29, 2014
This report evaluates the possible effects of NFIP, including its building requirements, on farmers in riverine areas that have a high risk of flooding and examines, among other things, the effects of building requirements on farmers in high-risk areas, and options for addressing any challenges farmers face.

This report describes the market developments since 2000 that have led to changes in the federal government’s role in the single-family housing finance system, analyzes whether and how these developments have challenged the housing finance system, and presents an evaluation framework for assessing potential changes to the system.

This report addresses federal programs that fund these services and supports for older adults, how these services and supports are planned and delivered in selected localities, and agency efforts to promote a coordinated federal system of these services and supports, including those related to affordable housing and community facilities.

ELECTRICITY GENERATION PROJECTS: Additional Data Could Improve Understanding of the Effectiveness of Tax Expenditures – MAY 28, 2015
GAO examined state and federal supports for the development of utility-scale electricity generation projects—power plants with generating capacities of at least 1 MW that are connected to the grid and intend to sell electricity—for fiscal years 2004 through 2013. This report identifies key state supports for these projects; examines key federal support provided through outlays, loan programs, and tax expenditures for these projects; and examines how state and federal supports affect the development of new renewable projects.

FEDERAL LOW-INCOME PROGRAMS: Multiple Programs Target Diverse Populations and Needs – JUL 31, 2015
This report describes federal programs (including tax expenditures) for low income recipients, identifies the number and characteristics of impoverished households, identifies the number, poverty status, and household characteristics of select program recipients, and examines research on how certain programs may affect incentives to work.

TELECOMMUNICATIONS: Additional Coordination and Performance Measurement Needed for High-speed Internet Access Programs on Tribal Lands – DEC 18, 2015
The report examines the perspectives of tribes and providers on high-speed Internet access and barriers to increasing this access; the level of interrelation and coordination between federal programs that promote high-speed Internet access on tribal lands; and existing data and performance measures related to high-speed Internet on tribal lands.
INNOVATIVE MANUFACTURING: Commerce Should Target Program Outreach to Address Capital Access Gaps – FEB 4, 2016
This report assesses the status of the Economic Development Administration’s (EDA) implementation of the Innovative Technologies in Manufacturing (ITM) program and the extent to which EDA has coordinated with other agencies to ensure that ITM program activities do not duplicate the efforts of other federal loan guarantee programs.

NONBANK MORTGAGE SERVICERS: Existing Regulatory Oversight Could be Strengthened – APR 11, 2016
This report examines, among other factors, recent trends in mortgage servicing and the oversight framework in which non-bank servicers operate.

MUNICIPAL FRESHWATER SCARCITY: Using technology to improve distribution system efficiency and tap nontraditional water sources – APR 29, 2016
This report examines technologies that could reduce demand on freshwater supplies by improving distribution system efficiency; technologies that could increase water supply by using nontraditional water sources; and locations and types of water utilities where these technologies are most commonly adopted.

This report examines community lender participation in the mortgage servicing market and potential effects of CFPB’s Mortgage Servicing Rules (MSR) on them, potential effects of MSR capital rules on holding or selling by community lenders, and the process regulators used to consider impacts of these new rules on mortgage servicing and the capital treatment of MSRs.

Other Significant Audits
OIG Federal Managers Financial Integrity Act (FMFIA) Audits

85401-17-FM – Findings: RD will accelerate the conversion from the federally non-compliant RUS Legacy system to the compliant RULSS.

04601-0001-31 – Findings: OIG found issues with the methodology the Centralized Servicing Center applied to determining payment subsidy eligibility and recapture.

85401-0005-11 – Findings: RD will develop and implement a formal review and evaluation process to assess results from the current SFH subsidy models, explaining and documenting any adjustments needed in the methodology.

04601-0002-31 – Findings: Rural Development was not compliant with the Debt Collection Improvement Act and the Fair Credit Reporting Act.
III. Congressional Relations and Issues

Overview

RD programs are generally supported throughout Congress and are a point of interest to many members due to the potential impact programs have on their constituents. The RD legislative team has continuous interaction with staff and members of the following Committees: House Agriculture, House Appropriations Subcommittee on Agriculture, House Finance Services, Senate Agriculture, Senate Appropriations Subcommittee on Agriculture, Senate Banking, and Senate Indian Affairs. The following is a compilation of RD related issues regularly raised by Congressional leaders over the past two years at Congressional hearings or through direct inquiries.

RD Wide

Chief Risk Officer (CRO) - Congressional leaders have a regular interest in the creation of a CRO within RD. RD has been working to implement a CRO function within the RD USEC office. This action is consistent with direction provided by Congress in the FY 2015 House of Representatives Agriculture Appropriations Report. The position was posted at the end of July 2016. Congressional notification and candidate selection is expected in October 2016. The anticipated start date of the CRO is late November 2016.

Tribal Relations – Members of Congress with tribal or native communities have an interest in how RD programs are being utilized in Indian Country. Agency outreach and funding levels are at the center of many issues raised by members including most recently at a hearing of the Indian Affairs Committee on June 22, 2016. Many members of the Senate Indian Affairs Committee are also members of the Agriculture, Appropriations, and Banking Committees.

IT Infrastructure – While generally an issue of importance to many in Congress, IT infrastructure inquiries regularly come from Appropriators specifically requesting information on how RD is utilizing funding provided for IT upgrades or program delivery.

Program Duplication – During Congressional hearings some members will regularly ask about program duplication and why RD administers programs similar to other programs within the federal government. This issue is normally raised when discussing housing, energy, and broadband programs and their relationship to DOE, HUD, and SBA programs. GAO also issues a regular report on duplication of programs throughout the federal government that members often reference.

Rural Poverty - Congressional leaders have a regular interest in what RD is doing to combat rural poverty. Questions can touch on any area of the RD mission such as economic development, affordable housing, critical infrastructure, and broadband access. A number of members have been advocating for a “10-20-30” plan to address persistent poverty counties across the United States. This plan would require at least 10 percent of federal funds in certain accounts be directed to counties with a 20 percent poverty rate for the last 30 years. In response to this, USDA has launched several place based initiatives that span Federal Agencies precisely for the specific purpose of focusing on those rural communities such as StrikeForce and Promise Zone initiatives.
Rural Definition - The House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies directed RHS to submit a report listing the criteria used to define the “rural in character” standard used in determining program eligibility. The Agency was also instructed to explain how it accounts for incarcerated populations and students of colleges and universities in its population counts. Due to the suspension of eligibility determinations made solely on the basis of Rural in Character designations, the Agency has not responded to this request (House Report 114-205).

Similarly, the Agency has not responded to House Report 113-468, in which the same Congressional subcommittee directed them to provide a report on its implementation of the three-part test to determine a community’s eligibility to participate in rural housing programs as required by the Housing Act of 1949, as amended. The requested report was expected to include information on the factors the Agency uses to determine whether a community is “rural in character” and when a serious lack of mortgage credit exists, along with a history of the agency's actions using this three-part test since the 2000 U.S. Census, and implementation of changes made by the Agricultural Act of 2014.
Rural Housing Service

502 Direct Single Family Housing Loan Program – USDA’s main housing loan program, 502 Direct loans are designed to help low-income individuals purchase houses in rural areas. Funds can also be used to build, repair, or renovate a house, including providing water and sewage facilities. The program provides fixed-interest mortgage financing to low-income families who are unable to obtain credit elsewhere. While this program falls under the jurisdiction of the House Financial Services and Senate Banking Committees, it is a regular point of interest and inquiry in the Senate and House Agriculture Committees due to the importance of affordable housing in rural America.

Community Facilities Program (CF) – The CF loan and grant program, administered by RHS, supports essential community facilities in rural areas with a population of 20,000 or less and has the strong support of many members of Congress. Most recently, the 2014 Farm Bill authorized the addition of a technical assistance and training component to the CF program designed assist communities in identifying and planning community facility needs. The provision authorizes use of not less than 3% or more than 5% of the total CF appropriation for this technical assistance component.

Consumer Financial Protection Bureau (CFPB) – In accordance with the Dodd-Frank Act arising from the financial crisis of 2008 and related Mortgage Servicing issues, CFPB was created to provide accurate, consistent, and transparent information to borrowers relative to mortgage debt owed. Even though the regulation does not specifically pertain to government loans Congress has asked whether the Customer Service Center is in compliance with CFPB and what resources are needed to attain compliance. RHS is striving to comply with the Act when servicing Single Family Housing loans.

RHS Multi-Family Housing Program (MFH) – The MFH program is of great interest to many members of Congress as it funds the construction, acquisition, and rehabilitation of Multi-Family housing for low to moderate income residents by providing 90% loan guarantees to certified lenders to make rental housing affordable to those residents. Most recently members have been concerned with how RHS will address the number of properties exiting the program, which potentially leaves constituents without affordable housing. RHS has been working to provide more data to MFH customers to improve their understanding of properties at risk of exiting and to encourage transfers of those properties to owners interested in retaining affordable housing. An exit tool has been developed to provide the public with portfolio data and RD has been increasing outreach through buyers, sellers, and industry meetings.

RHS is also working to incentivize nonprofit, mission-based organizations to acquire at-risk Section 515 housing through a demonstration program. Under this program, Section 515 loan transfers to program eligible non-profit entities will be able to earn a return on their own resources initially invested in the property when the property is estimated to leave the Section 515 program as a result of the natural maturity or final payment of the loan. By allowing non-profit organizations to earn on their initial investment, RD anticipates an increase in non-profit organization participation in multi-family housing portfolio preservation efforts.
RHS Multi-Family Housing Program Funding – In FY 2016, MFH used all funding in its Rental Assistance, Voucher, Multi-family Direct (Section 515), Multi-family Guaranteed (Section 538), and Multi-family Preservation and Revitalization (MPR) programs. The Section 538 program had the authority to increase its guarantee authority up to 25% above its budgeted level. RHS exercised that authority and used the additional $37.5 million. The MPR program used all FY 2016 budget authority, prior year carryover, and has conditionally approved (subject to available funding) enough transactions through September 2016 to use nearly all of its expected FY 2017 budget authority. The Section 515 program also used its budget authority on portfolio revitalization, leaving no money for new construction of affordable housing needed to offset the loss of housing by older properties exiting the program.

RHS Rental Assistance (RA) – RA is project-based assistance used in conjunction with RHS Section 515 and Section 514/516 Farm Labor Housing loan/grant programs. The program provides rental assistance directly to the owners of some RHS-financed projects under contracts specifying that beneficiaries will generally pay no more than 30% of their income for rent. The program makes up the difference between the tenant’s contribution and the rental charge. Congressional leaders are interested in participation rates of the program and whether current appropriated dollars are sufficient to cover demand.

In FY 2016, Congress requested quarterly reports on the status of funding in the RA program. This was as a result of MFH running out of RA funds in FY 2015. In addition, in FY 2016 Congress asked GAO to perform a review of the RA program and RD’s efforts relating to maturing mortgages. These reviews are expected to remain ongoing through at least early calendar year 2017.
Rural Business-Cooperative Service

Biorefinery, Renewable Chemical, and Biobased Product Manufacturing Assistance Program (Section 9003) – The 2014 Farm Bill expanded the scope of renewable energy programs within RBS to include the development of new and emerging technologies for advanced biofuels. Members have been particularly interested in mandatory spending and CHIMPS related to this program.

Healthy Food Financing Initiative (HFFI) – The 2014 Farm Bill authorized $125 million for HFFI and laid out several priorities including projects that use local foods as a strategy to increase healthy food access. The Department of Treasury and the Department of Health and Human Services also support HFFI through existing programs. While a number of members support this program, others have raised questions about how the program would be structured and operate.

Rural Energy for America Program – This program provides funding to eligible farmers, ranchers, and small businesses for purchasing renewable energy systems and making existing energy systems more efficient.

Value-Added Producer Grant Program (VAPG) – VAPG is supported by many in Congress. The 2014 Farm Bill added two new priorities to the VAPG program: one for Veteran farmers and ranchers and one for projects that best contribute to creating or increasing marketing opportunities for operators of small and medium-sized farms and ranches structured as Family Farms, Beginning Farmers and Ranchers, Socially-Disadvantaged Farmers and Ranchers, and Veteran Farmers and Ranchers.
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

Rural Utilities Service

Broadband – Access to broadband in rural America is a high priority to many members of Congress. RD broadband programs are strongly supported by both the authorizing and appropriations committees. The 2014 Farm Bill amended the Farm Bill Broadband program in order to strengthen the evaluation of applicants, increase transparency, and more effectively target resources to areas lacking broadband. As a result, RUS published an interim final rule in July 2015 to further define underserved areas, prioritize applications that offer service to the greatest proportion of unserved households, and outline the minimum acceptable level of broadband service. Hearing questions or inquiries from members traditionally revolve around RD efforts to expand access to areas of most need and how RD coordinates with other federal agencies such as the Federal Communications Commission.

Water and Environmental Program (WEP) Open and Free Competition Policy – Senator Shelby and Representative Aderholt of Alabama have inquired about the RUS, WEP open and free competition policy guidance issued to staff in FY 2012. They have raised specific concerns of ductile iron manufacturers who believe the policy dictates that PVC pipe be used, or preferred, on WEP projects. These concerns have led to language being included in the most recent appropriations bill regarding this issue.

Clean Power Plan (CPP) – On August 3, 2015, the CPP Final Rule was issued by the Environmental Protection Agency. RUS has heard concerns from law makers on how the final rule will impact RUS power supply borrowers that own coal generation assets and the subsequent risk to the RUS loan portfolio and in turn to U.S. taxpayers. Many rural electric cooperatives invested in coal-fired generation facilities with loan funds from and with the support of RUS. The current RUS loan portfolio for power supply borrowers is approximately $20 billion of which 35% or $7 billion are secured by coal-fired generation assets. Fifty four coal-fired plants in 21 states are financed with RUS loan funds.

Rural Water and Waste Disposal Program (WWD) – The Rural Water and Waste Disposal Program, a popular program among many members, supports construction and improvements to rural community water systems unable to get reasonable credit in the private market. The Water and Waste loan and grant programs assist eligible applicants in rural areas and cities and towns of up to 10,000 residents. Drinking water, sanitary sewerage, solid waste disposal, and storm drainage facilities may be financed with direct and guaranteed loans and grants. This program is also extremely popular with customers and is oversubscribed. The 2014 Farm Bill provided $150,000,000 in mandatory funding to address the backlog of pending applications in the RD/RUS Water and Waste Disposal Loan and Grant Program.

Rural Energy Savings Program (RESP) – RESP authorizes the RUS Administrator to make loans to utilities, and similar entities, that agree to use the loan funds to relend those funds to their consumers for the purpose of implementing energy efficiency measures. RESP also requires RUS to establish a plan for measurement and verification training, and technical assistance of the program. Sen. Merkley has been interested and involved in this program since its development.
IV. Internal and External Stakeholders

Important relationships with other Federal Departments or organizations

Appalachian Regional Commission (ARC): ARC is a regional economic development agency that represents a partnership of federal, state, and local government. Established by an act of Congress in 1965, ARC is composed of the governors of the 13 Appalachian states and a federal co-chair, who is appointed by the president. ARC is an additional source of funding and technical assistance for many of RD’s customers, and has partnered with RD on many projects and initiatives.

Delta Regional Authority (DRA): Established in 2000 by Congress, the Delta Regional Authority makes strategic investments of federal appropriations into the physical and human infrastructure of the 252 counties and parishes that make up the most distressed areas of the country’s Delta Region communities. Through the States’ Economic Development Assistance Program, these investments help to improve transportation and basic public infrastructure and to strengthen our workforce development system and local business environments for some of the same constituents served by RD. DRA is also another source of funding and technical assistance for many of RD’s customers, and has partnered with RD on many projects and initiatives.

Department of Commerce, Economic Development Administration (EDA): The EDA’s mission is to lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy by encouraging its partners around the country to develop initiatives that advance new ideas and creative approaches to address rapidly evolving economic conditions. EDA currently partners with USDA RD and a number of other agencies on the “Build America” initiative, and has provided valuable data, technical assistance and funding to a number of rural economic development efforts that involved RD.

Department of Energy, Loan Programs Office (LPO): LPO investments are designed to accelerate the deployment of innovative clean energy projects and advanced technology vehicle manufacturing facilities across the United States. Some recent partnerships between LPO and RD have involved Bioeconomy projects.

Farm Credit Administration (FCA): FCA is an independent Federal agency that regulates and examines the banks, associations, and related entities of the Farm Credit System (FCS), including the Federal Agricultural Mortgage Corporation (Farmer Mac). The FCS is the largest agricultural lender in the United States. It is a nationwide network of lending institutions that are owned by their borrowers. It serves all 50 States and Puerto Rico and works with nearly every RD program area.

Federal Emergency Management Agency (FEMA): RD activities intersect with FEMA through a number of Disaster Assistance Programs for emergency water assistance, home owners, Community Facilities program borrowers, and business owners and that may be administered in conjunction with FEMA activities, as well as a continuing partnership of cross-agency referral.
Government Contact Center Council: The RD CSC has a contact center where homeowners can call to receive various types of information and services. To ensure consistency throughout the administration IRS, Social Security, and others with call centers developed this partnership to discuss challenges, successes, and directions related to managing government call centers.

Joint Federal Housing Agency Group: RHS is a member of this Joint Federal Housing Agencies task force, along with Housing and Urban Development, Veteran Administration (VA), Ginnie Mae, the Federal Housing Finance Agency, and the Consumer Financial Protection Bureau. The purpose of the task force is to increase cooperation among Federal housing agencies, to pool resources, and to achieve uniform housing regulations, policies, and practices whenever possible.

National Endowment for the Arts (NEA): RHS works with NEA to provide, coordinate, and implement technical assistance on place-based and arts-focused economic development in rural communities, through programs such as Our Town.

National Food and Agriculture Council (NFAC): The NFAC was established in 1982 as a governing body for Departmental policies and directives within the USDA with the primary purpose of coordinating all activities that require cooperative involvement across agencies in the field. The NFAC has representation from every Agency and management entity within the Department of Agriculture and is replicated at the State and Local level through similar bodies known as State FACs and Local FACs. Rural Development, Natural Resources Conservation Service, and Farm Service Agency (also known as the “Service Center Agencies”) share the leadership role as chair of the council on an annually rotating basis. The NFAC uses its network of SFACs and LFACs to disseminate USDA directives, coordinate intra-agency efforts, and to reduce costs through shared space and other resources both at headquarters and in the field. Every three years the RD Deputy Under Secretary for Operations and Management chairs this council with support from the RD Special Projects Manager/NFAC Liaison, which will occur again January 2018.

The Organization for Economic Cooperation and Development (OECD): OECD is a 35 member institution based in Paris, France. This international agency works with governments to understand what drives economic, social and environmental change. They measure productivity and global flows of trade and investment and analyze and compare data to predict future trends. They also set international standards on a wide range of topics, from agriculture and taxes to the safety of chemicals. The common thread of their work is a shared commitment to market economies backed by democratic institutions and focused on the wellbeing of all citizens. USDA, Rural Development holds a dedicated seat as a Vice-Chair and is a voting delegate to the OECD Working Party on Rural Development. This committee shapes and provides guidance to the OECD Rural Secretariat on rural development policy work at the OECD.

RD Employee Associations – National Association of Credit Specialists (NACS) and National Association of Support Personnel (NASP): NACS and NASP were both founded in 1973 under the former Farmers Home Administration. They were subsequently recognized as a consultative body and an association in 1974 and 1978, respectively. NACS and NASP members are all current or former RD employees who meet and work together to find ways to expand and improve the services provided to rural America.
Working hand-in-hand with RD senior leadership and agency managers, their accomplishments have been demonstrated in numerous process improvements and positive changes over the past 40 years.

Both associations have National Officers that serve as their Executive Board, Zone Representatives that speak for their zone (region), and committees that focus on specific programs and areas, and often provide input and participation in National Office taskforces and working groups. Both associations hold joint Zone meetings and an annual conference, which are attended by RD National Office representatives. NACS and NASP are funded through member dues and additional funds requested and provided by the RD Deputy Administrator for Operations and Management each year.

**RD Enterprise Governance Group Participation within USDA:** To support collaborative efforts within the USDA and manage overlapping interests and responsibilities, the Department has established standing councils with Department and Agency membership. RD leaders serve on these councils, which include, but are not limited to:

- CFO Council
- CIO Council
- Management Council
- Civil Rights Director Council
- Strategic Sourcing Council
- Homeland Security Council
- Cultural Transformation Taskforce
- Mission Area Human Resources Directors Council
- Labor-Management Forum

**RD Labor Organizations:** RD adheres to Departmental Regulation DR-4070-711, Labor Relations, to administer the Agency’s Labor Relations program. Labor relations essentially involves vesting management, employees, and unions with certain rights, as follows:

a. **Employee Rights** - To organize, bargain collectively, and participate through labor organizations in employment decisions affecting them.

b. **Management Rights** - To determine mission, budget, organization, number of employees, internal security practices; hire, assign work, direct, layoff, and retain employees, or to suspend, remove, reduce in grade or pay, or take other disciplinary action, and make determinations regarding contracting out.

c. **Union Rights** – Exclusively represent and act on behalf of its bargaining unit employees on matters pertaining to personnel policies, practices, and working conditions.

The Federal Labor Relations Authority (FLRA) certified the American Federation of State, County and Municipal Employees (AFSCME), Local 3870, as the exclusive representative for bargaining unit employees (BUEs) in Rural Housing Service, Rural Utilities Service, and Rural Business Service in Washington, D.C. Its purpose is to deal with Agency management regarding conditions of employment affecting employees, including
collective bargaining. The unit includes 267 BUEs, 64 of whom are dues paying members, occupying varying positions and grades. All are non-supervisory positions.

The American Federation of Government Employees (AFGE) Local 3354 was certified as the exclusive representative of the CSC’s Bargaining Unit Employees in 1997. The unit includes 485 BUEs, 278 of whom are dues paying members.

A list of the Agency’s bargaining unions and units is provided below:

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<td>ST. LOUIS, MO (NATIONAL FINANCIAL AND ACCOUNTING OPERATIONS CENTER)</td>
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<td>WASHINGTON, DC</td>
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Rental Policy Working Group: Multi-Family Housing is a member of the Rental Policy Working Group, which includes FHA, Treasury and OMB. The objective of the group is to better align rental housing policy across the federal government. Ongoing work is being done in the areas of physical property inspections, property financial reporting, Capital Needs Assessments, and energy conservation.

U.S. Department of Health and Human Services (HHS): RHS and HHS have a strong history of collaborating to help meet the health care needs of rural communities. RHS and the HHS Office of the National Coordinator for Health Information Technology and Health Resources and Services partner to leverage their resources to increase the availability of capital for health care facilities and health information technology, with the goal of improving the accessibility and quality of medical services in rural communities. This collaboration is further outlined in a Memorandum of Understanding between the two agencies.

U.S. Department of Housing and Urban Development (HUD): RHS and HUD work together to share information, coordinate programs and policies, leverage resources, and more. Partners within HUD include the Federal Housing Administration, Community Planning and Development, and Rural Housing and Economic Development. HUD also directly assists RHS with the following:

- **Single Family Housing Income Limits**: Single Family Housing programs are means-tested. Before assistance can be provided, the applicant’s income must not exceed prescribed thresholds. The thresholds (50%, 80% or 115% of area median income) are determined by the Secretary of HUD in cooperation with the Secretary of Agriculture. HUD determines the limits and provides the income data to USDA on an annual basis.

- **FHA TOTAL Scorecard**: Through an interagency agreement, HUD allows USDA to use the FHA TOTAL Scorecard tool as the decision component in the RD Guaranteed Underwriting System (GUS).

U.S. Environmental Protection Agency (EPA): RHS works closely with various offices within EPA, including the Office of Sustainable Communities, to provide and coordinate technical assistance on community planning and economic development in rural places, promote energy efficiency in federally-funded housing, and more.

U.S. Department of Justice, Civil Rights Division: The Civil Rights Division of the Department of Justice provides a wide array of legal services designed to protect the civil rights of all individuals. As such, RD is routinely engaged with this Division both to protect the rights of our employees as part of the Equal Employment Opportunity Act and to protect the rights of our customers related to topics like Environmental Justice, the Fair Housing Act, and the Equal Credit Opportunity Act.

U.S. Department of Treasury: Both directly and through the Department of Treasury’s Federal Financing Bank (FFB), RD utilizes various authorities to obtain, guarantee, and lend funds administered by the Department of Treasury to support RD’s substantial number of Federal Credit Programs. The FFB also holds several unique authorities that allow them to serve more directly as a lender with USDA RD as guarantor in certain Business and Utilities programs, and in some cases repurchase government backed securities at its discretion. The current RD Under Secretary is also a Federal Representative of the Community Development Advisory Board organized in Treasury’s Community Development Financial Institutions Fund.
U.S. Small Business Administration (SBA): The SBA and RD collaborate across multiple programs and projects, most notably the SBA 7(a) loan program and the RD RBS Business & Industry Loan Program. At multiple levels of both organizations, leadership has recently noted other opportunities for SBA and RD to leverage programs such as Rural Business Development Grants with existing SBA loan program customers. Some of this work is also conducted at the state and local level through community development organizations.

U.S. Department of Veterans Affairs (VA): CSC has an ongoing pilot project with VA for the sale of RD’s Real Estate Owned properties for a portion of the states. Upon obtaining title to properties in designated states, RD transfers securitization, maintenance, and marketing of properties to VA. VA has a contract vehicle for the sale of their properties and includes the RD properties in the disposition of both sets of properties. The Economy Act agreement has been in place for one year, is set to expire in April of 2017, and will be extended in the near future. The cost of agreement services is $10 Million annually.

White House Rural Council (WHRC): The White House Rural Council was established by Presidential Executive Order in June 2011 with the goals of improving coordination among federal agencies and deepening partnerships with external stakeholders. The council is chaired by the Secretary of Agriculture with membership comprised of the heads of 25 federal agencies and supported by the U.S. Department of Agriculture. RD has worked closely with WHRC since its inception on multiple cross agency initiatives designed to leverage resources across the federal government to combat rural poverty, improve rural infrastructure, grow regional economies, and enhance the overall quality of life in rural America.
Stakeholder group overview

**American Bankers Association:** National trade association established over 140 years ago that represents financial institutions of various sizes and charters. The majority of member banks have less than $250 million in assets. RD meets with the organization each year at their annual conference.

**American Biogas Council:** The mission of the American Biogas Council is to create jobs, environmental sustainability and energy independence by growing the American biogas industry. Primary focus is on anaerobic digesters, food waste, manure, and distributed energy.

**American Council on Renewable Energy (ACORE):** ACORE is a national non-profit organization dedicated to advancing the renewable energy sector through market development, policy changes, and financial innovation. ACORE is a strong advocate for the Rural Energy for America Program.

**American Farm Bureau:** The American Farm Bureau Federation, commonly referred to as the Farm Bureau, is a nonprofit organization and describes itself as the largest general farm organization in the United States. Their primary communication has recently focused on the Rural Cooperative Development Grant program.

**Association of Communication Engineers (ACE):** The Telecommunications Program works with ACE members on issues related to our loan and grant programs. We participate in their annual Board meeting by presenting update and technical information to them. We also collaborate on an ACE/RUS School which is a three-day training program coordinated by ACE to facilitate new information and updates about our program. ACE educates their members on how to assist RUS grantees and borrowers in project implementation.

**Association of Cooperative Educators:** This association provides members a forum to highlight programs and practices that increase understanding, innovation and professionalism in cooperative education. Their primary communication has focused on the Rural Cooperative Development Grant program and Cooperative Agreements.

**Bank of America:** Bank of America is the lender of record to Fulcrum Sierra Biofuels. Bank of America and Fulcrum are preparing for a financial close of their Section 9003 loan in December of 2016 and to start construction of their Biorefinery. This will be the first Section 9003 loan closed since January, 2011.

**Bank of Montgomery:** Top lender under the B&I program for three of the last five years. Mr. Vansickle is also the Chairman of the NRLA Board. RD meets regularly with this stakeholder regarding various projects throughout the year.

**Biofuels Digest:** The Digest is the world’s most widely distributed daily electronic biofuels (Bioeconomy) newsletter. The Digest also sponsors weekly webinars and biofuels-related conferences.

**Biomass Thermal Energy Council (BTEC):** BTEC is an association of biomass fuel producers, appliance manufacturers and distributors, supply chain companies and non-profit organizations that view biomass thermal energy as a renewable, responsible, clean and energy-efficient pathway to meeting America’s energy needs. BTEC engages in research, education,
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

and public advocacy for the fast growing biomass thermal energy industry. BTEC is a strong advocate for the Rural Energy for America Program.

**Biotechnology Innovation Organization (BIO):** BIO is the world's largest trade association representing biotechnology companies, academic institutions, state biotechnology centers and related organizations across the United States and in more than 30 other nations. BIO members are involved in the research and development of innovative healthcare, agricultural, industrial and environmental biotechnology products. BIO is a strong advocate of expanding the Biorefinery Assistance Program (9003) to provide more opportunities to biorefineries that produce renewable chemicals and other Biobased products.

**Cedar Rapids Bank and Trust:** Top lender under the B&I program for two of the last five years. RD meets regularly with this stakeholder regarding various projects throughout the year.

**Center for Budget & Policy Priorities:** Center for Budget & Policy Priorities is a nonpartisan research and policy institute that focuses on federal and state policies on poverty and inequality and fiscal responsibility.

**Citibank:** Citi is the lender of record to Ensyn Georgia Biorefinery. Citi and Ensyn are preparing for a financial close of their Section 9003 loan in early 2017 and to start construction of their Biorefinery.

**Coleman Publishing:** Publishes the Coleman Report as well as various small business loan underwriting guides. RD meets annually with this stakeholder at a lender roundtable they host each December.

**Cooperation Works!:** CooperationWorks! is a network of organizations promoting rural development through the formation of cooperatives in the United States. Their primary communication has recently focused on the Rural Cooperative Development Grant program.

**Corinne Young LLC:** is a strong advocate of expanding the Biorefinery Assistance Program (9003) in order to provide more opportunities to biorefineries that produce renewable chemicals and other Biobased products.

**Council for Affordable and Rural Housing (CARH):** CARH is a major stakeholder of Rural Housing Service. The Administrator and Deputy Administrator of Multi-Family Housing often engage with CARH by attending major meetings and inviting CARH to provide input on Multi-Family Housing Programs in writing and in person at RHS Headquarters. CARH’s national membership is comprised of large housing development organizations, multi-family housing property owners, and multi-family housing management companies. CARH has regional committees focused on local multi-family housing development and preservation.

**Credit Union National Association:** The Credit Union National Association (CUNA) is the largest national trade association in the United States serving America's credit unions. With its network of affiliated state credit union associations, CUNA serves America's nearly 7,000 credit unions, which are owned by more than 100 million consumer members. Their primary communication has recently focused on the RBS lending programs and RD cooperative development activities.
Distributed Wind Energy Association (DWEA): The Distributed Wind Energy Association (DWEA) is a collaborative group comprised of manufacturers, distributors, project developers, dealers, installers, and advocates, whose primary mission is to promote and foster all aspects of the distributed wind energy industry. Distributed wind, commonly referred to as small and community wind, is the use of typically smaller wind turbines at homes, farms, businesses, and public facilities to offset all or a portion of on-site energy consumption. DWEA is a strong proponent of the REAP program.

Education Partners and Stakeholders: The CF Program remains engaged in strengthening investments in rural education through outreach activities with targeted participants such as Board of Regents, Independent Colleges and University Associations, State Departments of Education, Charter School Associations and private school associations.

Enterprise Community Partners: Leverages resources to create affordable housing in strong neighborhoods. Within Enterprise are entities that lend funds, finance development and manage and build affordable housing. To date, Enterprise has invested $18.6 billion, helped create nearly 340,000 homes.

Environmental Law and Policy Center: The Environmental Law & Policy Center is the Midwest’s leading public interest environmental legal advocacy and eco-business innovation organization, and among the nation’s leaders. ELPC led the charge to create the Farm Bill’s first-ever clean energy programs in 2002 focusing on the Rural Energy for America Program. ELPC is a strong advocate of the REAP program including energy efficiency and energy in agriculture.

Farm Credit System – CoBank: CoBank is a national cooperative bank serving vital industries across rural America. The bank provides loans, leases, export financing and other financial services to agribusinesses and rural power, water and communications providers in all 50 states. Their primary communication has recently focused on the RBS lending programs, the Rural Cooperative Development Program and RD cooperative development activities.

Federation of Southern Cooperatives: There are three major themes of the Federation’s mission, work and accomplishments over the past forty years: to develop cooperatives and credit unions as a means for people to enhance the quality of their lives and improve their communities; to save, protect and expand the landholdings of Black family farmers in the South; and to develop, advocate, and support public policies to benefit membership of Black and other family farmers and low income rural communities. Their primary communication has recently focused on the Rural Cooperative Development Program, the Socially Disadvantaged Group Grant Program and Cooperative Agreements.

Greater Nevada Credit Union: B&I lender of the year for FY2016 and very active with energy programs. The lender is also a cooperative. RD meets regularly with this stakeholder regarding various projects throughout the year.

Holland & Knight: Works with energy and clean technology companies to develop and execute strategies for access to government grants, loans and contracts across multiple states and federal agencies, including the U.S. Department of Energy, U.S. Department of Agriculture (9003, Biorefinery Assistance Program) and U.S. Department of Defense.
Housing Assistance Council (HAC): HAC is an organization dedicated to affordable housing advocacy. HAC leadership engages with Rural Housing Service leadership on a regular basis. HAC leadership often speaks at the same conferences RHS leadership participates in, and helps RHS promote major program changes and improvements in their weekly email blasts and in their quarterly publication *Rural Voices Magazine*.

Independent Community Bankers of America: Primary national trade association for small US banks, representing more than 6,000 community banks of all sizes and charter types. RD meets with this organization each year at their annual conference in March.

Institutional Investors and Accounting Firms: RD has ongoing relationships with a wide variety of outside stakeholder groups, including accounting firms, institutional investors in the capital credit markets, and association groups, which help to market and leverage RD programs.

Institute of Real Estate Management (IREM): IREM is an international community of real estate managers dedicated to ethical business practices, maximizing the value of investment real estate, and promoting superior management through education and information sharing.

Kentucky Highlands Investment Corporation: Kentucky Highlands is a venture capital and private equity firm that also assists businesses with developing financing packages and is one of the leading nonregulated lenders under the RBS B&I program. RD communicates regularly with this group at various events hosted by other stakeholders.

Kilpatrick, Townsend & Stockton, LLP: focuses on U.S. and international project development finance and private placement representation of renewable and conventional energy, clean technology, environmental and infrastructure clients including a focus on USDA 9003 program and DOE programs. Clients represent developers, lenders, EPCs, O&Ms, equipment providers, private equity, venture capital and infrastructure funds.

Live Oak Bank: Live Oak Bank is one of the top lenders in the REAP guaranteed loan program.

National Affordable Housing Management Association (NAHMA): NAHMA is an organization made up of hundreds of multi-family housing property managers and management companies. NAHMA membership and CARH membership often overlap. RHS interacts with NAHMA by attending and speaking at major events and conferences they host as well as inviting feedback about RHS Multi-Family Housing Programs.

National Association of Affordable Housing Lenders (NAAHL): NAAHL represents organizations committed to increasing private lending and investing in low- and moderate-income communities. Members consist of private sector lenders and investors in affordable housing and community economic development: banks, loan consortia, financial intermediaries, local and national nonprofits, and public agencies.

National Association of Counties (NACO): NACO is an organization focused on researching and publishing data broken down by counties. NACO’s data helps USDA Rural Development explain the differences in needs between urban and rural areas. Rural Housing Service invites NACO to major Rural Housing events and will refer parties interested in learning more about the needs of rural America to NACO to get an in-depth understanding.
National Association of Development Organizations: The National Association of Development Organizations provides advocacy, education, research, and training for the nation’s regional development organizations. The association and its members promote regional strategies, partnerships, and solutions to strengthen the economic competitiveness and quality of life across America’s local communities. Their primary communication has recently focused on Promise Zones, Farm Bill Section 6025, and regional strategic planning activities.

National Association of Realtors (NAR): NAR helps Rural Housing Service promote Single Family Home Loan Programs to their national network of realtors. Realtors are often the first person potential homeowners interact with when trying to find an affordable way to purchase a home which makes this a key audience expanding RHS program awareness. Rural Housing Service invites NAR to come to USDA headquarters at least once a year to network with RHS leadership and learn more about RHS programs.

National Association of State Departments of Agriculture (NASDA): NASDA grows and enhances agriculture by forging partnerships and creating consensus to achieve sound policy outcomes between state departments of agriculture, the federal government, and stakeholders. NASDA has strong interest in the REAP program.

National Association of State Energy Offices (NASEO): NASEO is the only national non-profit association for the governor-designated energy officials from each of the 56 states and territories. Formed by the states in 1986, NASEO facilitates peer learning among state energy officials, serves as a resource for and about state energy offices, and advocates the interests of the state energy offices to Congress and federal agencies like USDA RD.

National Council of State Housing Agencies (NCSHA): NCSHA is made up of a large network of State Housing Finance Association leadership. NCSHA is a one stop shop for RHS to promote and publicize major program changes, needs, and improvements to a national stakeholder audience. Every year RHS leadership has a speaking role at NCSHA’s annual conference.

National Bankers Association: National trade organization representing minority and women owned financial institutions. RD meets at least twice per year with this organization and also attends their annual convention in October.

National Biodiesel Board: The National Biodiesel Board (NBB) is the national trade association representing the biodiesel industry in the United States. NBB is a strong advocate of the REAP program and the Advanced Biofuels Payment Program (Section 9005).

National Center for Appropriate Technology (NCAT): NCAT runs the Appropriate Technology Transfer for Rural Areas (ATTRA) program that supports data, information, and technical assistance focused on sustainable agriculture for farmers. Their primary communication has recently focused on the beginning and veteran farmer activities and Cooperative Agreements.

National Cooperative Bank (NCB): Is a leading financial services company dedicated to serving cooperatives and socially responsible organizations nationwide. Their primary communication has recently focused on RBS lending programs and cooperative development activities.
National Cooperative Business Association (NCBA): NCBA is the oldest not-for-profit cooperative development and trade association in the United States, fostering cooperative and international economic and social development in the United States and abroad. Their primary communication has recently focused on the Rural Cooperative Development Program, the Socially Disadvantaged Group Grant Program and Cooperative Agreements.

National Council of Farmer Cooperatives (NCFC): NCFC works on a wide range of legislative and regulatory issues of interest to agricultural cooperatives and their farmer and rancher owners. This includes cooperative tax issues, antitrust issues, energy, international trade, conservation and many others. Their primary communication has recently focused on the Value Added Producer Grant Program and agricultural cooperative development activities.

National Farmers Union (NFU): NFU represents family farmers, fishers, and ranchers across the country with formally organized divisions in 33 states. The National Farmers Union believes that good opportunities in production agriculture are the foundation of strong farm and ranch families, and strong farm and ranch families are the basis for thriving rural communities. Their primary communication has recently focused on the Rural Cooperative Development Program and agricultural cooperative development activities.

National Housing Conference (NHC) – NHC is an independent organization that hosts a large event in Washington, D.C. every year. In 2016 NHC’s conference focused specifically on rural housing needs for the first time in 30 years which brought much needed attention to the subject. Regardless of the focus, USDA Rural Development has a speaking role in the conference every year.

National Housing Law Project (NHLP): NHLP is a nonprofit national housing and legal advocacy center that works with a nationwide network of low-income housing advocates to increase and preserve the supply of decent, affordable housing, improve existing housing conditions, including physical conditions and management practices, expand and enforce low-income tenants' and homeowners' rights, and, increase housing opportunities for racial and ethnic minorities.

National Housing Trust: The National Housing Trust is focused on bringing together federal, state and local policymakers, private owners and investors, affordable housing practitioners, and the public to support quality, healthy neighborhoods with a range of housing options so that families of all income levels have an opportunity to thrive.

National Low Income Housing Coalition: The National Low Income Housing Coalition focuses on policy advocacy, research, and intervention efforts designed to preserve existing federally assisted homes and housing resources, expand the supply of low income housing, and establish housing stability as the primary purpose of federal low income housing policy.

National Partnership of Farmworker and Rural Organizations (MAFO): MAFO is a farmworker advocacy organization. MAFO invites RHS leadership to participate in and speak at their major meetings to discuss RHS’ Farmworker Housing Programs. MAFO often provides written feedback about how RHS can improve farmworker housing programs.

National Rural Electric Cooperative Association (NRECA): NRECA is the national service organization for more than 900 nonprofit rural electric cooperatives and public power districts providing retail electric service to more than 42 million consumers in 47 states, and whose
retail sales account for approximately 12 percent of total electricity sales in the United States. Their primary communication has recently focused on the RBS lending programs and cooperative development activities. RUS meets often with NRECA representatives and attends annual, regional, and occasionally board meetings. RUS’ relationship with NRECA and rural electric cooperatives has helped improve RD’s regulations and requirements and increased awareness of additional RD funding opportunities in rural areas.

**NTCA–The Rural Broadband Association:** NTCA is the association representing nearly 900 independent, community-based telecommunications companies that are leading innovation in rural and small-town America. Their primary communication has recently focused on the RBS lending programs and cooperative development activities. The Electric Program has had a strong partnership with the National Rural Electric Cooperative Association, which was created during the establishment of the Rural Electrification Administration, to help deliver electric service to rural areas 80 years ago.

**National Rural Housing Coalition (NRHC):** NRHC is a major stakeholder of RHS’ Mutual Self-Help Housing programs. RHS interacts with NRHC by participating and speaking at their annual meetings and conferences, and during Homeownership Month (June) to publicize and promote self-help housing.

**National Rural Lenders Association (NRLA):** NRLA is a national association representing banks and financial institutions. Their mission is to advocate for USDA Guaranteed Lending programs to support rural economic development. RD meets twice per year with the organization and also attends their annual conference in October.

**National Rural Utilities Cooperative Finance Corporation (NRUCFC):** The Electric Program has had a strong partnership with the NRUCFC, which was incorporated in 1969 to supplement RUS lending to rural electric cooperatives. RUS provides loan guarantees to NRUCFC, which has over $20 billion in loans. This relationship with NRUCFC and rural electric cooperatives has strengthened funding opportunities for rural electric cooperative utilities.

**National Rural Water Association (NRWA):** RUS has a long partnership with NRWA, which is the nation’s largest water and wastewater utility organization, and actively participates in NRWA conferences and training. RD Water and Environmental Programs staff partner with NRWA to provide critical training and technical assistance to rural water and waste utilities. NRWA provides training and on-site technical assistance to rural utility operators through its Circuit Rider program, conducts energy audits of water and wastewater systems, and provides sustainability training to utility operators. In addition, NRWA conferences and in-service training provide a wealth of information and training on utility management, operations, and governance. In the past year, WEP has worked with NRWA to promote RD Apply, (a new online application system) and has provided RD Apply training at nearly all NRWA national and state conferences.

**National Sustainable Agriculture Coalition:** The National Sustainable Agriculture Coalition is an alliance of grassroots organizations that advocates for federal policy reform to advance the sustainability of agriculture, food systems, natural resources, and rural communities. Their primary communication has recently focused on the Value Added Producer Grant Programs, the Rural Energy for America Program and the B&I Guaranteed Loan Program.
NeighborWorks America: NeighborWorks is a national organization that works with communities in need to improve housing and community economic development. NeighborWorks funds often leverage USDA investment dollars across several Rural Housing Service programs.

Opportunity Finance Network: The Opportunity Finance Network (OFN) is made up of hundreds of Community Development Finance Institutions (CDFIs). USDA has many programs rural CDFI’s qualify for, and OFN can help USDA promote those programs to their membership. Every October OFN hosts an annual meeting in Washington D.C., where USDA often participates and occasionally has a speaking role.

Orion Advocates: Orion Advocates is a full service government relations consulting firm. Patrick Rita focuses on the paper and forest products industry including the wood pellet industry and wood pellet manufacturers interests’ in the Advanced Biofuels Payment Program.

Renewable Fuels Association (RFA): RFA’s mission is to drive expanded production and use of American-made renewable fuels and bio-products worldwide.

Rural Community Assistance Corporation (RCAC): RCAC plays a major technical and management assistance role in the RHS Mutual Self Help Program every year. RCAC also recently received several million dollar Community Facilities Re-lending loan to reinvest in rural community facilities nationwide.

Rural Community Assistance Partnership (RCAP): RD Water and Environmental Program staff partner with RCAP, a federally-funded national nonprofit comprised of six regional partners, to provide training and on-site technical assistance to WEP borrowers that are financially unsustainable to help them achieve sustainability. WEP also partners with RCAP on special initiatives such as the Colonias project, which will help the poorest Colonias communities obtain financing and technical assistance to support water and wastewater infrastructure.

Rural LISC: Rural LISC works with USDA Rural Development to promote advocacy for investment in rural America. Rural Housing Service is often invited to have a speaking role at major Rural LISC meetings and conferences.

Self Help Bank: Self Help Bank is one of the top lenders in the REAP guaranteed loan program.

Smart Growth America (SGA): USDA works with SGA to bring innovative solutions, funding ideas, and insights from years of community development experience to small towns experiencing slow or nonexistent growth. In 2016 USDA Rural Development worked with SGA through a cooperative agreement to host workshop events in rural towns. USDA and SGA also completed financial analysis of each one of these communities so the town leadership could create an informed community economic development plan.

The Mortgage Bankers Association of America (MBA) – MBA is an organization made up of thousands of mortgage lending professionals across the country. RHS invites MBA leadership to many events at headquarters to network with RHS leadership and major stakeholders. MBA’s major publication (News Link) has featured many Single Family Housing program improvements over the years, and the editors/reporters are always open to working with RHS to publicize major achievements and changes.
Western Telecom Association (WTA): The RUS Telecommunications Program works with WTA members on issues related to our loan and grant programs. We participate in their spring and fall meetings by holding office hours to interact with current and potential borrowers. We also meet with them and their members upon request. WTA advocates for rural Telephone and Cooperatives relative to access for federal resources and favorable policies for their members.

a. Recent engagements with stakeholder groups

The O&M Division’s Office of Outreach and Community Engagement (OCE) includes a team of four Outreach Coordinators in the National Office. The team regularly collaborates with a diverse range of partners and stakeholders to extend RD’s reach to populations in rural areas that have been historically underserved. These partners and stakeholders include organizations that serve minority groups, federally recognized tribes, faith based organizations, Veterans, and new and beginning farmers. Some issues include lack of information about RD’s programs, lack of credit being available through traditional lenders, lack of culturally appropriate program information, and lack of capacity to access RD’s programs. Additionally, the Outreach Team helps to facilitate economic development roundtables with rural communities, connect partners that assist with developing regional plans, host Community College seminars to assist community colleges with economic development, and provide training to staff to help deliver RD’s programs more effectively in underserved communities. A sample of activities is included below.

<table>
<thead>
<tr>
<th>Organization</th>
<th>Date/Location</th>
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<tbody>
<tr>
<td>Rural Advancement Fund of the National Share Croppers Fund</td>
<td>October 1, 2015</td>
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<tr>
<td>Eastern Workforce Opportunity Regional Center and Service, Inc.</td>
<td>October 15-17, 2015</td>
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<tr>
<td>National Congress of American Indians</td>
<td>October 19–22, 2015</td>
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<tr>
<td>Native American Finance Officers Association</td>
<td>November 4-6, 2015</td>
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<tr>
<td>National Black Farmers Association Annual Conference</td>
<td>November 6-7, 2015</td>
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<tr>
<td>Virginia State University, Small Farm Conference</td>
<td>November 2015</td>
</tr>
<tr>
<td>Intertribal Agriculture Council, Inc.</td>
<td>December 7-10, 2015</td>
</tr>
<tr>
<td>Arkansas Community Development Corporation</td>
<td>January 29, 2016</td>
</tr>
<tr>
<td>Arizona State University - Law School - Indian Legal Program</td>
<td>February 11 &amp; 12</td>
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<tr>
<td>National Women in Agriculture</td>
<td>March 24-25, 2016</td>
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<tr>
<td>National Center for American Indian Enterprise Development</td>
<td>March 21–24, 2016</td>
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<tr>
<td>HMONG National Farmers</td>
<td>April 29-30, 2016</td>
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<tr>
<td>National Women in Agriculture</td>
<td>June 16-18, 2016</td>
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<tr>
<td>Rocky Mountain Indian Chamber of Commerce</td>
<td>April 18, 2016</td>
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<td>Penn Center, Inc. 1862 Circle Gala</td>
<td>April 30, 2016</td>
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<tr>
<td>National American Indian Housing Council</td>
<td>May 8–10, 2016</td>
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<tr>
<td>South Dakota Tribal Leaders’ Homeownership Summit</td>
<td>May 18, 2016</td>
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<td>North Dakota CED Training and Outreach Event - Role of Local Foods in CED</td>
<td>September, 2016</td>
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<tr>
<td>Brown Baptist Ministry</td>
<td>September 17, 2016</td>
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<tr>
<td>Nevada Tribal Forum - Creating Prosperity through Corporations, Enterprises and Jobs</td>
<td>September 19-20, 2016</td>
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<tr>
<td>2016 National Coalition for Asian Pacific American Community Development</td>
<td>September 19-21, 2016</td>
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<tr>
<td>Virginia State University, Small Farm Conference</td>
<td>September 20-22, 2016</td>
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<tr>
<td>Out and Equal National workplace Summit</td>
<td>October 4–7, 2016</td>
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<tr>
<td>Alliance to End Hunger</td>
<td>October 5-6, 2016</td>
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<tr>
<td>Society for Advancement of Chicanos, Hispanics, and Native Americans in Science</td>
<td>October 13–15, 2016</td>
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</table>
V. **Top Issues**

**Hot Topics**

The following are a collection of hot topics issues within the Rural Development mission. Some have received limited inquiries by Congress, but mostly are of high importance within USDA and for RD stakeholders.

**RD Wide**

**Continued Labor Negotiations in Washington, DC and St. Louis, MO**

**Washington, DC** – Working conditions are governed by a Collective Bargaining Agreement (CBA) between the Agency and the Union. The current CBA was enacted on July 16, 2010, and expired on July 15, 2015, but continues to be operational until completion of existing negotiations. Negotiations with the union began on August 17, 2015 and continue to date.

**St. Louis, MO** – The current CBA began on November 5, 2009, and November 24, 2012, and expired most recently on November 24, 2015, but continues to be operational until completion of existing negotiations. Negotiations with the union began in January 2015 and negotiations continue to date.

**Contract Procurements** – Provided below is a list of National Office contracts that are due to expire in the first quarter of FY 2017 (October 1 – December 31, 2016).

<table>
<thead>
<tr>
<th>CONTRACT</th>
<th>DESCRIPTION OF SERVICES</th>
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<tbody>
<tr>
<td>Adino</td>
<td>General administrative support services</td>
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<td>Challenge Unlimited</td>
<td>Granite City Warehouse, warehouse services</td>
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<tr>
<td>Circuit Rider</td>
<td>Rural water/wastewater circuit rider technical assistance program systems assistance</td>
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<tr>
<td>Computer Support Group</td>
<td>Storage and retention services</td>
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<tr>
<td>Emagine Information Technology</td>
<td>Business &amp; Industry system maintenance</td>
</tr>
<tr>
<td>Enterprise Life-Cycle Management System Support Services</td>
<td>Guaranteed and direct loan and grants support</td>
</tr>
<tr>
<td>Falcon Capital Advisor</td>
<td>GAO risk management services</td>
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<tr>
<td>Help Desk Services</td>
<td>Program funds control and non-financial applications support</td>
</tr>
<tr>
<td>ICF</td>
<td>Multi-Family Housing voucher management</td>
</tr>
<tr>
<td>Millennium Health &amp; Fitness</td>
<td>Group (100) Fitness Center Memberships</td>
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<tr>
<td>Missouri Goodwill Industries Services</td>
<td>Mailroom Services</td>
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<tr>
<td>Pitney Bowes</td>
<td>Government-owned Pitney Bowes equipment maintenance</td>
</tr>
<tr>
<td>QFlow Technology</td>
<td>Enterprise Content Management tester development support</td>
</tr>
<tr>
<td>Technical &amp; Management Assistance</td>
<td>Technical assistance to public and private nonprofit entities eligible for Mutual Self-Help Technical Assistance Grant Program assistance</td>
</tr>
<tr>
<td>Unitech Consulting</td>
<td>Onsite Security Support Services</td>
</tr>
</tbody>
</table>
Federal Employee Viewpoint Survey – In 2012, OPM administered a census survey to all federal employees to measure employees' perceptions of whether, and to what extent, conditions characterizing successful organizations are present in their agencies. Since then these surveys have continued annually as a random sampling of a percentage of employees based on the population of each organization within an agency or mission area. In 2012-2013, RD experienced a reduction of staff and budget that may account for the decrease in employee satisfaction and reduced positive scores in 2013. At the beginning of FY 2014, efforts were directed toward areas with low positive scores from the 2013 FEVS results through listening sessions, increased funding for training needs, IT equipment upgrades, and enhanced communication efforts. These efforts have been continuing through 2015 and 2016 and have made a positive impact on the scores.

Information Technology Investments – RD has made a considerable investment of time and resources to modernize and streamline the systems used to deliver and manage RD’s housing, business, and utilities loan and grant programs. These investments include new software platforms, enhanced cyber security measures, updated end-user and enterprise hardware, and the consolidation of recurrent cost items such as managed print services. The largest investment in those systems, otherwise known as the Comprehensive Loan Program (CLP), is focused on developing a more agile Enterprise wide IT platform for program delivery that condenses and optimizes systems, enables a more rapid rollout of new or changed business requirements, improves data transparency and reporting capability to support executive decision-making, and modernizes technologies, increasing the availability of support and longevity of future systems.

Information Technology, Comprehensive Loan Program – CLP’s more than $100 million Information Technology development effort originated in 2009 with initial funding from the American Recovery and Reinvestment Act. Because of the size and scope of this investment CLP is categorized as a “Major Investment” by the USDA subjecting the effort to continuous monitoring for compliance and progress milestones by OMB using the Federal IT Dashboard. After the investment planning stage of this effort, progress was initially delayed due to Sequestration spending cuts. CLP fully resumed work in FY 2014 with $21 million in appropriated funds, followed by another break in development in June 2015, due to multiple vendor contract protests re: its major support services contract vehicle award. RD successfully awarded a new contract in July 2016 and is moving forward with the remaining $34 million necessary to complete CLP’s modernization mission. Thanks to a favorable cost variance and CIO rating, CLP is currently reported as Green by OMB.

Leasing Shared Services Model with RD, Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS) – In 2014, the USDA Office of Procurement and Property Management and the three Service Center Agencies – FSA, NRCS, and RD – initiated efforts to collectively resolve leasing challenges through the establishment of a USDA Center of Excellence (COE) for Leasing. In FY 2016 the USDA established the Lease Accountability and Strategy Division (LASD) to manage this new Leasing Shared Services Model. At the same time, RD established a Leasing Shared Services Lead position to serve as the primary conduit to the Department, RD Real Property Leasing Specialists, and the agencies. Realignment of lease portfolio workloads and other collaborative efforts needed to fully implement the Leasing Shared Services Model will continue into FY 2017.
Program Metrics (Section 6209) – Section 6209 of the 2014 Farm Bill requires several RD programs to incorporate program metrics in program evaluation. This section is of high importance to OMB. OBPA and the RD Special Projects Manager are currently leading the effort to determine how we might best consider program metrics for the affected RD programs. This remains a critical issue as we move forward on future regulatory actions.

Regionalization of Administrative and Program Support Services – Over the past five years, RD has examined its administrative and support functions to identify potential areas to more effectively leverage these services to achieve cost efficiencies, savings and/or avoidance. In Fiscal Years 2011-12, RD experienced severe staff losses of over 1,000 personnel primarily due to the Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Payment (VSIP) exercises brought on by significant budget reductions. Two particularly hard-hit areas in the RD Mission Area were Real Estate Appraisal Services and Human Resources Management. In 2012, the RD Office of the Under Secretary directed the State Directors to establish plans responding to the reductions in Program Support functions (i.e. Appraisals, Architecture, and Engineering) and Administrative functions (i.e. HR, Procurement, and Budget) on a regional basis. With a nationwide portfolio that grows by $1 billion per month, states needed to streamline administrative functions to support the Agency’s programmatic demands without sacrificing business needs and customer service.

The result was Regionalization, which generally left the existing field organizational structure in place and left the employees performing these functions assigned to their current state organizations while performing the work for the region. Regional Administrative Program Manager (RAPM) and Regional Program Support Manager (RPSM) Positions, one per region and functional area, were created to manage the workflow of the virtual, regional teams. The structure, processes, and procedures implemented have begun to institutionalize Regionalization as RD’s way of doing business and generated multiple benefits in standardization, maximizing resources, increased accountability and customer service.

Rural Infrastructure Opportunity Fund – In 2014, USDA launched a public-private partnership with Capitol Peak Asset Management and CoBank, a national cooperative bank and member of the Farm Credit System. Designed to facilitate the flow of capital to infrastructure projects in rural America, the U.S. Rural Infrastructure Opportunity Fund included a commitment by CoBank to use up to $10 billion of its balance sheet capacity to lend and co-lend in support of fund-related projects. Since the fund’s inception, CoBank has lent more than $3 billion to over 400 financings of projects in the power, water, communications and community facilities industries.

Rural Opportunity Investment initiative (ROI) – In 2014, USDA launched ROI to expand private sector investment in rural communities. Rural communities have significant infrastructure needs, limited access to credit, and an abundance of investment opportunities. ROI is working to identify incremental opportunities for investment in rural water, energy, and broadband projects, reduce barriers to investment, and connect projects with investors. RD has recently hired four new career staff members to augment the current team. These Financial Investment Specialists will work directly with the Rural Development mission area’s program agencies while also reporting directly to the office of the Under Secretary for Rural Development. Their mission will be to build and expand on the work of ROI by engaging with the private sector to recruit investment to rural America.
Small Business Program – RD’s 2016 Vendor Communication Plan, approved by the USDA Office of Small Disadvantaged Business Utilization (OSDBU), increased RD’s engagement with small businesses in FY 2016 by promoting effective communication between RD representatives and industry partners. Already, in FY 2016 RD obligated $15 million to Small Businesses, $4 million to Small Disadvantaged Businesses, $2 million to Women Owned Small Business, $609,000 to Service Disabled Veteran Owned Small Businesses and Veteran Owned Small Businesses, and $798,000 to Historically Underutilized Business Zone Small Businesses. The final FY 2016 totals will be updated by November 2016. In FY 2015, four small businesses received USDA OSDBU Small Business Awards, and RD’s Rural Housing Service Single Family Housing Program contracting staff were recipients of the Small Business Program Special Achievement Award.
Rural Housing Service

Community Facilities Portfolio Management – The CF direct loan program has seen a seven-fold increase from a program level of $300 million in FY 2011 to $2.2 billion in FY 2016. This surge in funding has resulted in the CF loan portfolio doubling in size since FY 2011 increasing the workload of managing this rapidly increasing portfolio.

Community Facilities Relending Program - In September 2016 RD announced that it was making funds available to community lending institutions that qualify as eligible lenders through a new program called the Community Facilities Relending Program. This program allows RD to make direct loans to community lending institutions, referred to as “re-lenders,” who then re-loan the funds to eligible applicants to acquire, maintain, build, or renovate essential community facilities. The Community Facilities Relending Program targets community lending institutions working in high poverty and persistent poverty areas. This change to the CF rule is intended to increase RD’s impact in high need areas and empower experienced community-based organizations. The community lenders that receive CF funds through this relending program will have to hold their borrowers to the same rules and regulations current Community Facilities Direct Loan program borrowers follow.

Community Facilities Technical Assistance and Training Grants – CF is implementing a Technical Assistance and Training (TAT) Grant Program. A final rule with comments was published in the Federal Register on January 14, 2016. However, subsequent delays did not allow adequate time for applicants to submit applications or for funds to be obligated prior to the end of FY16. RHS plans to implement this program in the first quarter of FY17 by publishing a Notice in the Federal Register. In the absence of delays, RHS should be able to make announcements within 5 months of the date the Notice is published.

RHS Centralization initiative / Foreclosures and Real Estate Owned (REO) properties – For the small percentage of cases where RD properties are taken into receivership, RD began the effort of consolidating the management of foreclosures and REO properties function at CSC. Historically, RHS has struggled to manage and dispose of these properties efficiently, however a new MOU with the Veteran’s Administration has centralized the process for a limited number of states.

RHS Comprehensive Property Assessment – In 2015, RHS conducted a physical assessment on a sample of properties from across the spectrum of MFH programs. The assessment concluded that there was a shortfall of approximately $5.6 billion in funds needed to modernize and maintain the utility of our portfolio over 20 years. The bulk of the $4.7 billion cost was to preserve the Section 515 portfolio.

RHS Efforts to Address the Rural Opioid Epidemic – In 2016, USDA announced steps RHS is taking to help fill the need for transitional housing for people in recovery from substance use disorders. These steps included guidance to field staff that: encourages the use of Community Facilities financing for transitional housing projects; makes vacant USDA-owned properties in 22 states available for lease or sale to non-profits to convert into transitional housing; and outlines a pilot in four states (Missouri, Nevada, New Hampshire, and Vermont) to make vacant multi-family rental housing units available to tenants participating in drug court programs. In 2014 and 2015, RHS also provided more than $213 million to 80 projects in 34 States to develop or improve mental health facilities in rural areas.
RHS Loss Claims Project – The Customer Service Center approves all payments for losses experienced by partner mortgage servicers participating in the Guaranteed Rural Housing program. Due to program growth (over 400% since 2007), insufficient automation, limited staff, and fiscal resource limitations, the process of paying loss claims needed a complete analysis and overhaul. This project is designed to establish efficient, cost-effective, automated solutions to pay loss claims timely thereby minimizing costs of interest, penalties, and administration resulting from delays in loss claim payments. The project is fully funded and on track for completion by the end of FY 2017.

RHS Section 502 Direct Funding – In the last two Fiscal Years Borrower demand for Section 502 Direct loans has historically exceeded the program’s funding capacity, inviting questions from stakeholders about the sufficiency of the program’s funding level. In years prior to FY 2012, the Section 502 Direct program level often fluctuated between $1.1 billion and $1.2 billion, and the program fully used both its low and very low income funding. For example, obligations in FY 2010 exceeded the total program level ($2.1 billion), despite being more than double current program authority. However, while the FY 2010 obligation level is a better proxy for demand than current program levels, that obligation level cannot be supported by current staffing resources.

RHS Single Family Guarantee / User Fee and Delegated Authority – New authority granted by the Housing Opportunity through the Modernization Act of 2016 authorized RHS to collect a user fee of no more than $50 from guaranteed lenders. This new funding source is estimated to provide approximately $4 million annually for use in funding system enhancements to housing loan servicing systems. However, funding necessary for implementation of the User Fee and Delegated Authority regulation has not yet been identified. Initial implementation is planned for FY 2019 and 2020, with full implementation in 2021. Attention to securing the resources necessary for this implementation may be required.
United States Department of Agriculture
2016 Presidential Transition
Rural Development (RD)

Rural Business- Cooperative Service

Advanced Biofuel Producer Payments (Section 9005) – Producers of advanced biofuels are eligible for payments based on the amount of advanced biofuels they produce. Last year Senator Collins and the Biomass Thermal Energy Council, expressed concerns to Secretary Vilsack over the 85 percent discount on BTU value for solid advanced biofuels produced from forest biomass and the 5 percent cap on payments to producers of such fuels. The Secretary indicated that RBS will re-evaluate these factors. RBS has completed this evaluation and is in the process of developing a work plan and revised regulation addressing these concerns. RBS expects to revise the regulation to be effective later in FY 2017.

Business and Industry Guaranteed Loans & First Farmer’s Bancorp – First Farmer’s Bancorp, LLC, dba First Farmers Financial, headquartered in Orlando, Florida, was approved as an eligible non-traditional lender for the Business and Industry Guaranteed Loan (B&I) Program in seven states. Nikesh Patel, the founder and CEO of First Farmers Financial, was arrested by federal authorities on fraud charges, accused of fabricating loan-guarantee forms by forging the signatures of government officials and inventing borrowers. First Farmers Financial is alleged to have sold into the secondary market approximately 25 B&I loans that were never received or approved by the Agency. Nikesh Patel has plead not guilty to the charges. The Agency has determined that there were only 4 valid loans totaling $22.9 million made to First Farmer’s Financial (three loans in Georgia and one loan in Florida). Two of these loans have now been sold to an eligible lender, Northeast Bank, and the Agency is recommending a promissory note sale of Lancaster Energy Partners, LLC.

On August 31, 2016, a complaint was filed against the United States in Florida alleging a FTCA claim based on allegations that the USDA was negligent in certifying First Farmers as a non-traditional lender under the B&I loan guarantee program. The complaint was filed by a number of individual banks and investments funds.

In media reports, there has been some confusion about the significance that First Farmers Financial, LLC was an approved lender in the B&I Program. Approved lender status merely authorizes the lender to request that USDA guarantee a loan under the program. Approved lenders do not have authority to guarantee private loans on behalf of USDA. Instead, USDA reviews each and every loan submitted for the program to determine if the loan meets the requirements of the B&I Program before USDA guarantees the loan.

Business and Industry Guaranteed Loans, Guarantee Fee Rate – Since authorization was received in the FY 2012 Appropriations Act, this program has been charging an initial guarantee fee equal to 3% of the guaranteed amount of the loan, primarily to cover potential portfolio delinquencies. However, from 2012 to present the program has made significant strides in reducing delinquencies and improving portfolio performance.

A significant number of stakeholders and potential clients have recommended that the Agency return its guarantee fee to 2%, indicating that such a change would make the program much more competitive in the marketplace. Given the circumstances, RBS may need to discuss rate changes in the future.
Local and Regional Food Systems – RBS provides substantial funding for local and regional food projects and actively promotes local and regional food investments as important tools for rural economic development. These RBS efforts contribute to the Know Your Farmer, Know Your Food initiative, which coordinates local and regional food systems efforts across the Department. The following items are examples of the activities taking place at RBS:

- In FY 2015, RBS funded 311 local food project grants through RBDG, RCDG, SDGG, ARC, VAPG, B&I, REAP, and RMAP, totaling $91.6 million.

- In partnership with Wholesome Wave, RBS developed an AgLearn online training course for regional food system funders and investors on how to assess and finance local and regional food enterprises. With support from RBS staff, the training will be utilized by RD field staff and made available to the public.

- Creating new markets by linking rural producers to urban markets where local food demand is high. USDA’s Food LINC initiative (launched in March 2016) is leveraging over $2.4 million in both USDA and philanthropic funds and by working directly with its local Value Chain Coordinator and Community Development Financial Institution (CDFI), Communities Unlimited, Inc. (Fayetteville, AR), RBS is connecting small scale and minority farmers in the Arkansas-Mississippi Delta to consumers in Memphis, Tennessee, with the goals of increasing revenue to local producers, creating jobs along the value chain, and increasing access to healthy food.

- RBS developed a multi-volume technical report series called “Running a Food Hub.” The report series offers food hubs valuable information on how to plan for success, address challenges, and achieve viability.

- Staff have participated and presented in over 30 food systems conferences, webinars, and workshops – directly reaching well over 3,000 stakeholders with information and resources for developing local and regional food systems.

- RBS has supported the development of the organic sector through about $50 million in loans and Value Added Producer Grant funding, supporting producers entering new markets and diversifying production.

New and Beginning Farmers and Ranchers – USDA recognizes that the rapid aging of the American farmer is an emerging challenge. The average age of the American farmer now exceeds 58 years, and 2014 data shows that almost 10% of farmland in the continental United States will change hands in the next five years. This recognition has evolved into a robust, transparent, tech-based strategy to recruit the farmers of tomorrow. RBS has played a central role in these efforts by:

- Launching the first comprehensive, interactive online tool for new and beginning farmers, www.usda.gov/newfarmers.

- Supporting new and beginning farmers through its Value-Added Producer Grants and the Rural Energy for America Program, RBS is helping family farmers innovate and strengthen their operations. In doing so, these programs help family farmers stay on their farms.
Place-Based Initiatives – RBS is the primary lead on two cross agency place based initiatives; Rural and Tribal Promise Zones and Stronger Economies Together.

Rural and Tribal Promise Zones: Promise Zones is a White House initiative announced by President Obama in his 2013 State of the Union. Through three rounds of designations, we have a total of four rural and four tribal Promise Zones. The four rural Promise Zones are Southeastern Kentucky (since April 2014), South Carolina Low Country (since April 2015), Southwest Florida (since April 2016) and Eastern Puerto Rico (since April 2016). The four tribal Promise Zones are Choctaw Nation of Oklahoma (since April 2014), Pine Ridge Indian Reservation in South Dakota (since April 2015), Spokane Tribe in Washington State (since April 2016) and Pride of the Great Plains in North Dakota (comprising Turtle Mountain Band of Chippewa Indians and Spirit Lake Nation, since April 2016). RBS’s Community Economic Development (CED) team directly supports the rural and tribal Promise Zones economic activities.

Stronger Economies Together (SET): The SET Initiative is a cooperative agreement award with the Southern Rural Development Center (SRDC) which provides training and technical assistance to identified rural communities to assist with developing their regional economic development plan. Initiated in 2010, SRDC serves as a conduit for allocating training and technical assistance resources to appropriate land-grant co-op extension (including partnership with 1890 universities) to target SET Regions that are selected competitively. The plan increases the ability of isolated communities such as those in the Colonias, Appalachia, Delta, and Tribal regions to engage, identify their challenges and opportunities, capitalize on their regional assets, and increase their readiness to compete for Rural Development and other federal funds. Since completion of the first training in 2012, over $588 million in investments were received by SET regions, of which, 48% were from Rural Development.

Rural Business Investment Program (RBIP) – Existing and prospective Rural Business Investment Companies have recommended that RBS amend certain regulatory requirements. RBS is exploring updated program regulations to: Enable a Rural Business Investment Company (RBIC) to invest in an enterprise that is primarily located in a rural community, but may have a headquarters in a non-rural area; make the small business test equal to at least 25% of all investments, rather than the current two-pronged test which requires 50% investments in smaller enterprises, and 50% of those in small businesses; and change testing schedules for rural/metro and size of portfolio companies investments over a grace period of two to five years, as opposed to the end of each fiscal year.

In 2014, USDA licensed a $154.5 million Rural Business Investment Company (RBIC) that has been making private equity investments in agriculture-related businesses including bio-manufacturing and advanced farming technologies. This RBIC, managed by Advantage Capital Agribusiness Partners, has made 12 investments to-date, totaling $41 million.

Since 2015, an additional four funds have been conditionally licensed and two more are currently under RBS and Farm Credit Administration review. These conditional RBICs have a combined goal of raising approximately $335 million to invest into rural businesses. It is anticipated that Innova and Open Prairie will close in December 2016, with Meritus Kirchner and McLarty to close in 2017.
Value-Added Producer Grant Program (VAPG) – The VAPG, is a grant program within RBS. While effective in delivering grants that help agriculture producers in rural America expand their opportunities in the marketplace, stakeholders hold conflicting interests as they relate to the program. The National Sustainable Agriculture Coalition is actively pursuing both regulatory and legislative modifications to the VAPG program that would provide additional priority to specific categories like beginning farmers and ranchers and socially disadvantaged farmers and ranchers. The National Council of Farmer Cooperatives appears comfortable with the present priorities, but opposes modifications that will impact priority for agricultural cooperatives.

Modifying the VAPG scoring priorities to significantly enhance any one of the priority categories will likely reduce applications funded for larger cooperatives or other priority areas. RBS feels the present distribution of awards adequately meets the needs in a fair manner.
Rural Utilities Service

Rural Energy Savings Program (RESP) – Authorized in the 2014 Farm Bill, RESP was established to help rural families and small businesses achieve cost savings by providing loans to qualified consumers to implement durable cost-effective energy efficiency measures. RESP authorizes the RUS Administrator to make loans to utilities, and similar entities, that agree to use the loan funds to relend those funds to their consumers for the purpose of implementing energy efficiency measures. RESP also requires RUS to establish a plan for measurement and verification training, and technical assistance of the program. A NOSA was published on June 21, 2016 announcing the availability of $52 million in loans for FY16.

Rural Water Fund – USDA is working to leverage its existing Water and Environmental Programs portfolio which provides loans, grants and loan guarantees for drinking water, sanitary sewer, solid waste and storm drainage facilities in rural areas and cities and towns of 10,000 people or less. The policy goal of this pilot is to bring institutional investors into the market for rural water infrastructure lending by selling a participation interest in a bundle of USDA’s existing water loan assets to a private counterparty. In exchange for the sale, the counterparty would make a forward commitment for a certain amount of rural water lending within a specified period of time. The counterparty would target rural communities with populations greater than 10,000 people because they are not eligible for USDA’s grants and low interest rate loans for water infrastructure. The sales plan is expected to be sent to OMB before the end of 2016.
Timeline

January
CSC Support Services contract with Task Source for $3.3 Million expires January 17, 2017

CF Technical Assistance and Training Grants: target implementation in early FY17 - CF Technical Assistance and Training Grant Program implementation. A Final Rule with Comments was published in the Federal Register on January 14, 2016. However, subsequent delays did not allow adequate time for applicants to prepare and submit applications or for funds to be obligated prior to the end of FY16. The Agency plans to implement this program in the first quarter of FY17 by publishing a Notice in the Federal Register. In the absence of unplanned delays, the Agency should be able to make announcements within 5 months of the date the Notice is published.

March

RD Instruction 3570-A, Community Facilities Direct Loan and Grant Regulation: anticipate needing clearance of interim/final rule in the second half of FY17 - Consolidating the CF Direct Loan and Grant Regulations into one single regulation. Also included in this consolidation will be the inclusion of broadband projects as an eligible purpose for the CF Program.

RD Instruction 3570-E, Servicing Community Facilities Loans and Grants: anticipate needing clearance of interim/final rule in the second half of FY17 - The CF Program currently uses 7 different regulations to service CF loans and grants, this would consolidate the applicable parts of all 7 regulations into one servicing regulation.

The extension of the CSC Real Estate Tax Services contract with Corelogic for $1.3 Million annually expires March 2017

The CSC Property Preservation contract with Corelogic/MCS for $21 Million annually expires March 2017

The CSC Skip Trace Contract for finding address and occupant information with Experian for $35,000 expires March 2017

June

Single Family Guarantee – Regulation 7 CFR 3555: User Fee and Delegated Authority – Final Rule June 2017 - The Housing Opportunity through Modernization Act of 2016 authorizes the Secretary to (1) allow preferred lenders to issue loan guarantees without involving agency staff, and (2) require users of the Guaranteed Underwriting System to pay a user fee that will support the enhancement and maintenance costs of GUS and supporting systems. The fee will enable the agency to effectively administer the program and better manage portfolio risk. RHS is in the process of revising the regulation to add new sections pertaining to 1) the delegation of guarantee issuance authority (“delegated authority”), and 2) the remittance of the GUS user fees.

RHS needs approximately $1 million upfront for system enhancements to implement the User Fee and Delegated Authority regulation. The source of these funds have not yet been identified. This cost would be spread over a two-year period for system development and user
acceptance testing (FY 2017 and FY 2018). An additional $450,000 would be necessary to
ensure minor changes to the system can be made following the initial implementation (FY
2019, 2020, and 2021), as is customary with any major system enhancement. Full
implementation would occur in FY 2021.

Single Family Direct – Regulation 7 CFR 3550: Limitation on Seller Concessions and
Repayment Ratios – Final Rule by August 2017 - This rule will also revise the way in which
the Agency calculates the repayment ratios for applicants by including homeowner association
dues and other recurring, property-related assessments in the calculations.
### Appendix A: Acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ACE</td>
<td>Association of Communication Engineers</td>
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<tr>
<td>AFGE</td>
<td>American Federation of Government Employees</td>
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<td>AFSCME</td>
<td>American Federation of State, County and Municipal Employees</td>
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<td>ARC</td>
<td>Appalachian Regional Commission</td>
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<td>ARRA</td>
<td>American Recovery and Reinvestment Act</td>
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<td>B&amp;I</td>
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<td>Broadband Initiatives Program</td>
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<td>British Thermal Unit</td>
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<td>Bargaining Unit Employees</td>
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<td>Chief Financial Officer</td>
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<td>Comprehensive Loan Program</td>
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<td>Consolidated Farm and Rural Development Act</td>
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<td>Credit Union National Association</td>
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<td>Deputy Administrator for Operations and Management</td>
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<td>Distance Learning and Telemedicine Program</td>
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<td>FFB</td>
<td>Federal Financing Bank</td>
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<td>Acronym</td>
<td>Full Form</td>
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<td>FHA</td>
<td>Federal Housing Administration</td>
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<td>Financial Management Division</td>
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<td>FmHA</td>
<td>Farmers Home Administration</td>
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<td>FSA</td>
<td>Farm Service Agency</td>
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<td>FTCA</td>
<td>Federal Tort Claims Act</td>
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<td>GUS</td>
<td>Guaranteed Underwriting System</td>
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<td>HFFI</td>
<td>Healthy Food Financing Initiative</td>
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<td>HR</td>
<td>Human Relations</td>
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<td>HUD</td>
<td>Housing and Urban Development</td>
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<td>IRP</td>
<td>Intermediary Relending Program</td>
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<td>IT</td>
<td>Information Technology</td>
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<td>ITM</td>
<td>Innovative Technologies in Manufacturing</td>
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<td>IUOE</td>
<td>International Union of Operating Engineers</td>
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<td>kWh</td>
<td>Kilowatt Hour</td>
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<td>Legislative and Public Affairs</td>
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<td>LLC</td>
<td>Limited Liability Company</td>
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<td>Loan Programs Office (DOE)</td>
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<td>MOU</td>
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<td>NACS</td>
<td>National Association of Credit Specialists</td>
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<td>NASDA</td>
<td>National Association of State Departments of Agriculture</td>
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<td>NASEO</td>
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<td>NBB</td>
<td>National Biodiesel Board</td>
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<td>National Cooperative Bank</td>
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<td>National Council of Farmer Cooperatives</td>
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<td>National Flood Insurance Program</td>
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<td>National Farmers Union</td>
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<tr>
<td>Abbreviation</td>
<td>Full Form</td>
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<td>ROI</td>
<td>Rural Opportunity Investment initiative</td>
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<td>Rural Utilities Service Loan Servicing System</td>
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<td>Rural Utilities Service</td>
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<td>Small Business Administration</td>
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<td>Service Center Agencies</td>
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<td>Socially Disadvantaged Groups Grant program</td>
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<td>SEARCH</td>
<td>Special Evaluation Assistance for Rural Communities and Households</td>
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<td>SES</td>
<td>Senior Executive Staff</td>
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<td>Stronger Economies Together</td>
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<td>Value Addend Producer Grant program</td>
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<td>WTA</td>
<td>Western Telecom Association</td>
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<td>WWD</td>
<td>Rural Water and Waste Disposal program</td>
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STATE PROFILE

Alaska is a vast, economically, ecologically and culturally diverse state. Outside of Anchorage the state is sparsely populated, with few roads, a challenging climate and other challenges unlike any other part of rural America. Alaska has by far the largest percentage of indigenous people compared to other states. Alaska’s economy has been largely dependent on oil revenues, but with lower production and prices the state is facing a fiscal crisis.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 800 West Evergreen Avenue, Suite 201 Palmer, AK 99645-6539
- **Number of other offices:** Five Area Offices
- **Total workforce:** 32 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed and Direct Programs
  - Business and Industry Loan Guarantee Program
  - Water and Waste Disposal Loan and Grant Program
  - Community Facility Direct Loan Program
  - Rural Energy for America Program
- **List of programs centralized within the state:** Single-Family Housing Guaranteed and Direct Programs; Mutual Self-Help Housing Program; Housing Preservation Grants; 515 and 538 Multi-Family Housing Programs; Solid Waste Management Grant Program; Rural Alaska Village Grant Program; WEP Technical Assistance and Training Grants; WEP Direct Loans; Community Facilities Grants and Loans; Rural Community Development Initiative; Business & Industry Guaranteed Loan Program; Rural Business Development Grant Program; Intermediary Relending Program; Rural Energy for America Loan and Grant Programs; Value-Added Producer Grant Program; Advanced Biofuel Producer Payment Program

HOT TOPICS

Since 2009 three offices in the West area have closed due to budget cuts and office viability. This area is larger than California, without roads, a harsh climate, facing persistent poverty with high cost of living, and a largely Native Eskimo population many of whom speak in their native tongue. The challenge of serving this area has not been met by conventional means. In response, Cooperative Agreements have been established with four regional Native non-profit organizations to do outreach and deliver RD services. This nascent approach holds great promise, but the funding source of these agreements is not reliable.

There has been very little penetration of RD housing programs in Indian Country in Alaska and across the U.S. There are institutional, historic and economic reasons that have led to little appetite for debt in Native areas. The housing needs are great, and RD’s single family housing programs are powerful tools to contribute to this effort.

The U.S. Chairmanship of the Arctic Council has brought increased focus to America’s only Arctic state: Alaska. The economy and quality of life of Arctic residents internationally is part of the discussion and RD has many assets to help. The leading edge of climate change is happening in the Arctic and RD should remain in the forefront of village relocation and other efforts to sustain the well-being of Arctic residents.
Jim Nordlund, Director

Jim Nordlund was appointed by President Obama to the position of Alaska State Director for USDA Rural Development in August 2009. Since that time USDA-RD has invested over $2 billion in Alaska’s rural communities via electric, telecom, and sanitation projects; community facilities; housing, energy and business development. Jim has lived in Alaska more than 30 years and was previously the owner of Nordlund Carpentry LLC, a residential building contractor in Anchorage. Jim’s work in Alaska includes seven years as the state’s Director of Public Assistance where he managed 500 employees and a $250 million budget; he served in the Alaska State House of Representatives, was Chairman of the Chugach Electric Association, and he’s been a commercial fisherman. Jim has a bachelor’s degree from St. John’s University in Minnesota and a Master’s in Public Administration from the University of Colorado. He is married with one child and lives in Anchorage.

KEY STAKEHOLDERS

**Business:**
- Juneau Economic Development Council
- UAA Center for Economic Development
- Association of Village Council Presidents
- Bristol Bay Native Association
- Kawarek, Inc.
- Maniilaq Association

**Community Facilities:**
- Southern Region EMS Council
- Yukon Kuskokwim Health Corporation
- Interior Region EMS Council
- Illisagvik Tribal College

**Electric:**
- Alaska Energy Authority
- Alaska Village Electric Cooperative
- Denali Commission
- Golden Valley Electric Association

**Housing:**
- Alaska Community Development Corporation
- Rural Cap
- Metlakatla Indian Community
- Cordes Development Inc.
- Tlingit Haida Regional Housing Authority

**Telecom:**
- Cordova Telephone Cooperative
- Arctic Slope Telephone Cooperative
- General Communication Inc.

**Water and Environmental Programs:**
- Alaska Department of Environmental Conservation
- Alaska Native Tribal Health Consortium
- Yukon River Inter-Tribal Watershed Council
- Zender Environmental Health
- Tanana Chiefs Conference
- Southeast Alaska Regional Health Consortium

KEY CAREER STAFF

<table>
<thead>
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<th>Role</th>
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<th>Phone</th>
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</tbody>
</table>
STATE PROFILE

Over 95% percent of the land area of Alabama has rural status, but, most of the people live in our urban areas. Approximately 59% of the population of Alabama lives in urban settings, and 41% lives in a rural area. Each city and town has their own unique characteristics and similarities, but are as diverse as the state’s landscape, encompassing rolling hills and mountains to the north, white sandy beaches to the south, and infiltrated east to west with acres of farm, pasture, and timber lands. Even with USDA Rural Development’s history of investment in rural communities, and thousands of success stories, adequate housing, infrastructure and community services in addition to outmigration are challenges encountered.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 4121 Carmichael Road, Suite 601, Montgomery, Alabama 36106
- **Number of other offices:** Eight Area Offices
- **Total Workforce:** 88 Full Time Staff
- **Top 5 most used programs:**
  - Single Family Housing – Guaranteed Loan Program
  - Water & Environmental Program
  - Business & Industry Guaranteed Loan Program
  - Multi-Family Housing Rental Assistance
  - Single Family Direct Loan & Grant Program
- **List of programs centralized within the state:**
  - Guaranteed Rural Housing (GRH)
  - Business & Industry Loan Guarantee (B&I)
  - Value-Added Producer Grant Program, REDLG & IRP (under consideration)

HOT TOPICS

Overall evaluation of Alabama structure and portfolio (loan making/servicing) to develop statewide plan and goals for next four years. To include, evaluating workloads and time spent making loans and servicing across programs and develop creative solutions to meet goals.

Update plan of operation and state program supplements outlining responsibilities of state and area staff (must be joint effort between program directors and area directors).

Develop written training plan for new hires (<3 years), and continuing education training on monthly/quarterly basis for all staff, and estimated costs, prior to beginning of each fiscal year.
Ronald W. Davis, Director

Prior to his appointment on November 23, 2009, Mr. Davis served as County Executive Director for Farm Service Agency, as well as Chief Program Specialist, and County Executive Director for several FSA Alabama offices. Prior to his FSA employment, Mr. Davis worked as a Conservation Technician for the Natural Resources and Conservation Service. With his appointment as State Director of USDA Rural Development, he has work experience with three USDA agencies—Rural Development, Farm Service Agency, and Natural Resources and Conservation Service, for a total of 38 years of Federal service.

KEY STAKEHOLDERS

<table>
<thead>
<tr>
<th>Alabama Communities of Excellence</th>
<th>Appalachian Regional Commission (partner)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(funding recipient/community development partner)</td>
<td></td>
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<tr>
<td>Alabama Association of Regional Council of Governments</td>
<td>Delta Regional Authority (partner)</td>
</tr>
<tr>
<td>(funding recipient/partners)</td>
<td></td>
</tr>
<tr>
<td>Alabama Rural Water Association</td>
<td>Alabama Department of Economic and Community Affairs (partner)</td>
</tr>
<tr>
<td>(funding recipient/industry partner)</td>
<td></td>
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<tr>
<td>Tuskegee University</td>
<td>Alabama Housing Finance Authority (partner)</td>
</tr>
<tr>
<td>(funding recipient/partner)</td>
<td></td>
</tr>
<tr>
<td>Poarch Band of Creek Indians</td>
<td>Alabama Mortgage Bankers Association (partner)</td>
</tr>
<tr>
<td>(funding recipient/partner)</td>
<td></td>
</tr>
<tr>
<td>Auburn University</td>
<td>Alabama Realtors Association (partner)</td>
</tr>
<tr>
<td>(funding recipient/partner)</td>
<td></td>
</tr>
<tr>
<td>University of Alabama</td>
<td>Alabama Homebuilders Association (partner)</td>
</tr>
<tr>
<td>(funding recipient/partner)</td>
<td></td>
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<tr>
<td></td>
<td>Alabama League of Municipalities (partner)</td>
</tr>
</tbody>
</table>

KEY CAREER STAFF

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</tr>
</tbody>
</table>
STATE PROFILE

Although Arkansas ranks as the 20th best state for business, with the 2nd-lowest cost of doing business, 5th-lowest cost of living, Arkansas ranks among the ten states with the highest poverty rate in the country. The loss of manufacturing jobs has greatly affected the economic base of rural areas of the state with urban counties faring better than rural counties. Pockets of extreme poverty still remain with 19 counties having rates of 25 percent or greater.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 700 West Capitol Avenue, Room 3416, Little Rock, AR 72201
- **Number of other offices:** six area offices and three sub-area offices
- **Total workforce:** 71 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Direct and Guaranteed Home Loan Programs
  - Community Facilities Loan Grant Programs/ CF Guarantee Loan Program
  - Water and Waste Disposal Loan and Grant Programs
  - Business and Industries Loan Guarantees
  - Multi-Family Housing Guaranteed Loan and Farm Labor Housing Direct Loan Programs.

- **List of programs centralized within the state:** The Business and Industry Loan Programs, Single Family Housing Guaranteed Loan Program and the Multi-Family Direct and Guaranteed Loan Programs are centralized in Arkansas. These loans area processed in the Little Rock State Office.

HOT TOPICS

Employee retirements at the end of the calendar year/filling these critical positions in a timely manner.

RD will assume leadership responsibility for the State Administrative Committee Effective January 2017.

Eligible area determination for Single Family Housing and its adverse impact on North West Arkansas.
Lawrence McCullough was appointed State Director of Arkansas USDA Rural Development on August 24, 2009. Prior to this appointment he retired January 3rd, 2009 with 39 years at USDA. McCullough was Director, Single Family Housing (SFH) for 14 years. Prior to becoming Director, SFH, he served as Assistant to FmHA State Director, District Director, Farmer Program Specialist, Assistant District Director, County Supervisor, and Assistant County Supervisor. McCullough has a Bachelor of Science Degree in Agriculture Education from Arkansas AM&N College (currently UAPB). McCullough received an army commission and served in the Army Reserve for twenty-one (21) years retiring with the rank of Major. McCullough proudly serves on the Arkansas Weatherization Policy Advisory Council. Mr. McCullough and his wife, Joyce, have four children.

**KEY STAKEHOLDERS**

**Arkansas Natural Resources Commission (ANRC)**
(Funding Partner with no direct RD assistance)

**Arkansas Economic Development Commission (AEDC) - Community Development Block Grant (CDBG) and Rural Services Division**
(Funding Partner with no direct RD assistance)

**Arkansas Community and Economic Development Alliance (ACEDA)**
(Funding Partner with no direct RD assistance)

**Arkansas Rural Water Association (ARWA)**
(Technical Assistance Provider who does receive direct RD assistance)

**Communities Unlimited (CU)**
(Technical Assistance Provider who does receive direct RD assistance)

**Arkansas Capital Corporation**
(largest B&I Lender in our portfolio)

**Communities Unlimited**
(Micro-Lender & TA Provider with direct RD Assistance)

**Southern Bancorp**
(Micro-Lender & TA Provider with direct RD Assistance)

**Winrock International**
(TA Provider with direct RD Assistance)

**Forge, Inc.**
(Micro-Lender & TA Provider with direct RD Assistance)

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STATE PROFILE
Arizona is the sixth largest state in the Union. It is home to 23 Native American tribes, including a portion of the Navajo Nation, the largest reservation in the U.S. We share our southern border with Mexico and have a Hispanic population of 30%. 12.5% of our population live in rural areas. RD has targeted both the border region and the Navajo Nation’s Former Bennett Freeze Area and have been successful in bringing additional services and infrastructure to those areas. The border town of San Luis, AZ, is a good example of how effective our programs have been. Through our self-help housing program, we have built hundreds of homes over the past years. That town now has a homeownership rate 71% higher than the rest of the state and the nation.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 230 N. 1st Avenue, Suite 206, Phoenix, AZ 85003
- **Number of other offices:** eight field offices
- **Total workforce:** 52 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Loans
  - Business and Industry Loans
  - Water and Environmental Programs
  - Multi-Family Housing Programs
  - Self-Help Housing Programs
- **List of programs centralized within the state:** B&I, WEP, MFH, CF (although some state office staff are located in field offices)

HOT TOPICS

We expect a decision on an ongoing court case concerning USDA RD and United Housing sometime in January 2017.

In November USDA RD from D.C., Arizona, New Mexico and Utah will meet with officials from the Navajo Nation to discuss additional needs and ways in which RD can assist in meeting them
Ernie Wetherbee is the Acting State Director for Arizona Rural Development. Since assuming the position in May, 2015, Ernie has been awarded the Under Secretary’s Award for Outstanding Service and the Civil Rights Director’s “Going the Extra Mile Award” for excellence in customer service and civil rights achievement. Ernie has been with the Agency for over 29 years, the past 20 here in Arizona.

KEY STAKEHOLDERS

InterTribal Council of Arizona
(partner and recipient)
NACOG—council of government for northern AZ (partner and recipient)
Copper Corridor—former SET Region representing mining areas of central AZ (partner and recipient)
AZ Housing Alliance (partner)
HUD (partner)
RCAC (partner)
SouthEastern AZ Governments Assoc. (partner)
Central AZ Assoc. of Govt’s (partner)
Cochise Community College (partner and recipient)
AZ Multi-Bank , CDFI
AZ Mortgage Bankers
AZ Rural Development Council

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STATE PROFILE

Rural Development in California has invested nearly one billion dollars each fiscal year since 2009 to support our mission, with rural housing programs serving as the primary driver. Much of this total is credited to the high caliber employees and outstanding partners and stakeholders throughout the state committed to improving rural California. Despite the state’s size, and lack of persistent poverty counties, there remains significant rural regions of high poverty where California RD continues to target it’s programs.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 430 G Street, Agency 4169, Davis, CA 95616
- **Number of other offices:** [17 field offices](#)
- **Total workforce:** 119 Full Time Staff
- **Top 5 Most used programs:**
  - Multi-Family Housing Rental Assistance
  - Single Family Housing Direct and Guaranteed Loans
  - Community Facilities Loans and Grants
  - Rural Energy for America Program
  - Water and Wastewater Loans & Grants
- **List of programs centralized within the state:**
  - Business & Co-op Programs: [ABP](#), [IRP](#), [RCDG](#), [REAP-RE/EE](#), [REAP-REDA](#), [REDL](#), [RMAP](#), [SDGG](#), [VAPG](#)
  - Community Facilities Programs: [CFG](#), [RCDI](#)
  - Multi-Family Housing Programs: [RRH](#), [GRRH](#), [FLH](#), [HPG](#), [MPR](#), [RA](#)
  - Single Family Housing Programs: [Self-Help TA, 306C WWD](#)
  - Water & Environmental Programs: [306C](#), [HWWG](#), [PPG](#), [RLF](#), [SEARCH](#), [SWM](#), [TAT](#), [WWGL](#)

HOT TOPICS

Approx. $110 million backlog of CF loan projects ready to be funded within the first 60 days.

Potential displacement of 700 low-income households at 39 agency properties with state funded rental subsidies.

Need for additional staff to adequately deliver programs, including backfilling retiring employees prior to retirement for training purposes.

Bioenergy: [REAP](#) is oversubscribed, and challenge to get banks to use guarantee on their deals.

Healthcare: $20+ million in backlog for rural healthcare projects
Janice Waddell, Director

Janice Waddell has 35 years of experience with USDA Rural Development and its predecessor agencies. Prior to her appointment as state director in December 2015 she concurrently served as Assistant to the State Director and California Native American Coordinator where she was actively engaged in the Public Private Partnership Initiative as well as border initiatives. Previously, Waddell spent 19 years as the state’s Community Programs Director where she delivered more than $1.2 billion in funding to improve infrastructure and various community facilities throughout rural California.

KEY STAKEHOLDERS

Sacramento Municipal Utility District (SMUD) (partner in biodigester projects)  
California Federal Dairy Digester Work Group (partner)  
Live Oak Bank (national partner for energy project out of NC)  
CA Council for Affordable Housing  
CA Coalition for Rural Housing (partner)  
Housing Community, Dept. of Housing and Community Development  
CA Tax Credit Allocation Committee (TCAC)  
CA Debt Allocation Committee (CDLAC)

Rural Community Assistance Corp. (RCAC) (recipient of many RD programs)  
CA Rural Water Association (recipient of many RD programs)  
Self-Help Enterprises (recipient of many RD programs)  
Self-Help Housing grantees totaling 25% of loans: CVHC, Peoples’, CHIP, SHE  
GRH lenders totaling 22% of loans: American Pacific Mortgage, Stearns Lending, First Nations Home Finance

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STATE PROFILE

In FY 2015, Colorado RD invested nearly $645,000,000 in rural Colorado through the affordable housing, business development, and community infrastructure programs. We are a small agency and most of us live in the communities where we work.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** Denver Federal Office, Building 56, Room 2300, PO Box 25426, Denver, CO 80225-0426
- **Number of other offices:** Six Field Offices
- **Total workforce:** 49 Full Time Staff
- **Most used programs:**
  - Single Family Housing Guaranteed Loan Program
  - Community Facility Program
  - WEP Direct Program
- **List of programs centralized within the state:** Single Family Housing Guaranteed and Direct Loan Programs. All program staff are directly supervised by Program Directors.

HOT TOPICS

Colorado RD is poised to be one of the top five states in terms of production and performance in each of the program areas and it’s important that the landing team provides the tools and the leadership necessary to ensure that Team RD Colorado has what it needs to meet and exceed our FY 17 goals.

Colorado RD must continue to provide additional focus to certain segments of the population and certain areas of the state (which will be outlined and discussed in the State Director exit memo) and it’s important the work continues unabated in these areas as the Administration changes.

The Union Agreement at Colorado RD has not been updated in decades and management and the union are in agreement that a new contract is needed.
Trudy Kareus, Director

Ms. Kareus came to USDA Colorado Rural Development after nearly 40 years of service working for Members of Congress as well as serving both the Clinton and the Obama Administrations in various management capacities at USDA. Kareus was previously the State Executive Director (SED) of the USDA Colorado Farm Service Agency. For much of her career she worked for Members of the Colorado Congressional delegation, both in Colorado and in Washington DC.

KEY STAKEHOLDERS

Rural Community Assistance Corporation (RCAC) (funded and partner)

Community Resources & Housing Development Corp. (funded by RD and MSH sponsor)

Housing Resources of Western Colorado (funded by RD and MSH sponsor)

Central Colorado Housing/Upper Arkansas Area Council of Governments (funded by RD and MSH sponsor)

North East Colorado Housing Inc. (funded by RD and MSH sponsor)

Colorado Housing and Finance Authority (partner)

First Southwest Bank (funded and partner)

Rocky Mountain Farmers Union (funded and partner)

Small Business Administration (partner)

Colorado Rural Water Association (funded and partner)

CO Department of Local Affairs (partner)

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STATE PROFILE

The largest DE & MD programs are Housing and Community programs including WEP and Community facilities. Multiple partnerships expand our fiscal and community reach. We are geographically unique covering “Mountain Maryland” (Appalachia), Southern Maryland formerly tobacco country, Maryland’s Eastern Shore and Delaware’s two rural Counties constituting 2 of the three States of the Delmarva Peninsula. The large Washington-Baltimore metropolitan that divides rural Maryland areas and retiree destinations (Proximity to Ocean and Bay) disguises the rural nature and need of many communities in our bi-state service rea. The increasing MHI in many counties distorts the lower tier of those most in need. Our focus is to return growth and prosperity to rural Delaware and Maryland.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 1221 College Park Dr., Suite 200, Dover, DE 19904
- **Number of other offices:** 3 (1 Area office in Hagerstown and 2 employees work from an FSA office in La Plata and Upper Marlboro)
- **Total workforce:** 43 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed Loan Program
  - Single Family Housing Direct Loan Program
  - Community Facility Grant Program
  - Water and Waste Water Grant Program
  - Water and Waste Water Direct Loan Program
- **List of programs centralized within the state:** All (Although employees are located in 4 locations, all the program staff report to one of four Program Directors)

HOT TOPICS

DE/MD is understaffed; the FTE ratio to dollar volume and number of loans and grants worked is staggering. It is a continual struggle to match FTE’s to workload; e.g. - CF servicing, an expected increase workload in SFHG due to the upcoming reduction in interest rate and guarantee fee and continual demand for water and wastewater infrastructure..

Continue to focus on CED. We do not simply make loans and grants, we engage deeply with communities by turning outward and understanding the communities’ aspirations. We strive to leverage resources to not only create economic opportunity, but strengthen the conditions that actually make communities work and thrive. CED efforts in DE/MD should continue the Delmarva Prosperity initiative and the 501c-3 committee for unincorporated communities who own wastewater infrastructure and are struggling to operate and maintain them.

A much more systemic issue that directly impacts our credibility in our communities is the lack of Contracting Assistance and 448 homes that are custodial properties; some date back to 2010 when foreclosure action was started. Need private attorney to carry legal action forward.
Dr. William A. McGowan, Director

Bill has been a leader in rural communities for over 35 years. He was appointed by the Obama Administration in November, 2014 as State Director. His diverse background includes 12 years of management in the agriculture supply and horticulture industry. In 1989 he joined the University of Delaware as a Cooperative Extension agent. His 24 year extension career focused on helping people work through complex public issues. He believes that lasting solutions emerge from the community and guides the development and implementation of a path forward accordingly.

### KEY STAKEHOLDERS

**Delaware (DE)**
- NCALL
- Department of Natural Resources & Environmental Control (DNREC)
- DE Economic Development Office
- Department of Public Health
- Milford Housing Development Corporation
- First State Community Loan Fund
- Sussex County Habitat for Humanity
- Discover Bank
- Southeast RCAP

**Maryland (MD)**
- Mid-Shore Regional Council
- Upper Shore Regional Council
- Tri-County Council for the Lower Eastern Shore
- Tri-County Council for Western MD
- Tri-County Council for Southern MD
- Garrett County Community Action Agency
- Interfaith Housing Alliance
- Eastern Shore Entrepreneurship Center
- Maryland Dept. of the Environment

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**Cyndi Eichler, Management & Program Analyst**
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STATE PROFILE

Florida has contributed over $8 billion into Florida housing and infrastructure need and consistently ranks in the top five in the nation with Rural Development projects of over $1 billion with SFH Guaranteed as the major program. As of FY 2015, the Florida SFH Guaranteed portfolio was $5 billion.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 4440 N.W. 25th Place, Suite 200, Gainesville, Florida 32606
- **Number of other offices:** Seven Area Offices and One Sub-Area Office
- **Total workforce:** 96 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed Program
  - Rental Assistance
  - Single Family Housing Direct Program
  - Single Family Housing Repair program
  - Renewable Energy program
- **Programs centralized within the state**
  - SFH Guaranteed
  - Multi-Family Housing
  - Rural Business Cooperative programs

HOT TOPICS

Completion of Multi-Family Housing program centralization

Start of Rural Utilities Service program centralization

Adjust 2017 staffing to coincide with centralization
Richard A. Machek, Director

President Barack Obama appointed Richard Machek in April 2010 to serve as State Director of USDA Rural Development for Florida/U.S. Virgin Islands. Richard is a sixth generation native Floridian, born in Volusia County and spent his early years in Delray Beach. He has over 50 years of experience in working in agricultural and rural communities as well as serving eight years in the Florida House of Representatives. Richard’s family was active in Florida farming beginning in the 1930s.

KEY STAKEHOLDERS

- Florida Homes Partnership Inc. *(Funded by RD)*
- Florida Council for Affordable and Rural Housing (CARH) *(Partner)*
- Florida Rural Water Association *(Funded by RD)*
- Rural Community Assistance Program (RCAP) *(Funded by RD)*
- Florida Department of Environmental Protection SRF Program *(Partner)*
- Department of Economic Opportunity (DEO) Rural Economic Development Initiative (REDI) *(Partner)*
- Enterprise Florida *(Partner)*
- University of Florida Extension *(Partner)*
- Small Business Development Center Network *(Partner)*

KEY CAREER STAFF

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STATE PROFILE

Georgia is the largest state, geographically, east of the Mississippi River and is the ninth most populous state, with a population of 9,687,653. The 2010 census estimated 24.93 percent of Georgia’s population is rural. Georgia Rural Development invests nearly $1 Billion annually in direct loans, guaranteed loans, and grants. We have a superb working relationship with key state agencies that partner with RD on many rural issues such as housing, water and environmental issues, renewable energy, broadband expansion, economic development, education, leadership development and community healthcare.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** Stephens Federal Building, 355 East Hancock Avenue, Room 300, Athens, Ga 30601
- **Number of other offices:** 14 Field Offices
- **Total workforce:** 103 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed Loan Program
  - Single Family Housing Direct Home Loans
  - Single Family Housing Repair Loans and Grants
  - Community Facilities Direct Loan and Grant Program
  - Rural Energy For America Programs
- **List of programs centralized within the state:** B&I Loan Guarantee, Intermediary Relending Program, Multi-Family Housing Guaranteed Loans, Rural Energy for America Programs, Rural Micro-entrepreneur Assistance Program, Socially Disadvantaged Groups Grant, Value Added Producer Grant

HOT TOPICS

Strengthen and multiply partnerships with Single Family Housing Direct loan packagers and continue field office outreach efforts to increase Georgia’s Single Family Housing Direct Home Loan (Section 502) loan making.

Increase Water and Waste Water Loan and Grant Program obligations by fortifying the pipeline of applicants. Improve training, communication and follow up with engineering firms and eligible communities, increase WEP outreach.

The national B&I Guaranteed Loan delinquency rate is 4.31%. Georgia’s B&I delinquency rate is approx. 13%. Every effort is being made with the assistance of the National Office to reduce Georgia’s delinquency rate. Accounts are being serviced intensely and this will need to continue into FY 2017 & 2018.
Jill P. Stuckey, Director

Jill Stuckey was appointed as State Director of Georgia Rural Development in April 2016. In her prior work with the State of Georgia Environmental Protection Division and as Director of The Center of Innovation for Energy, her ideas saved Georgia more than $100 million dollars in remediation and capital costs and helped bring over $1 billion of energy infrastructure in new industries to the state. She serves on many nonprofit boards including Georgia Women of Achievement, Friends of Jimmy Carter National Historic Site, Plains Better Hometown Association, the Federal Reserve Bank’s Ag Advisory Council, and Southern States Energy Board-Governor’s Alternate.

KEY STAKEHOLDERS

Association County Commissioners of Georgia  
Community Bankers Association  
Department of Community Affairs  
Food and Agriculture Council  
Fort Valley State University  
Georgia Association of Realtors  
Georgia Bankers Association  
Georgia Council for Rural Housing Development  
Georgia Home Builders Association  
Georgia Association of Regional Commissions  
Georgia Institute of Technology  
Georgia Municipal Association  
Georgia Rural Water Association  
Georgia Technical Colleges  
Rural Community Assistance Partnership  
Team Agriculture Georgia  
Thomas Financial  
University of Georgia

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Jacqueline (Lea) Tracy, State Director’s Secretary  
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STATE PROFILE

The Hawaii State Office oversees the State of Hawaii, 2 U.S. Territories of Guam and American Samoa, 1 U.S. Commonwealth of the Northern Mariana Islands, and 3 foreign countries of The Republic of Palau, The Federated States of Micronesia, and The Republic of the Marshall Islands. With a region comprised of isolated island communities, many with high poverty and limited financial and technical capacity, Rural Development programs provide an invaluable resource to local community, business, and public stakeholders. Affordable housing, quality health care and public services, and access to capital are essential Rural Development deliverables that contribute to improving the quality of life and increasing economic opportunities for the families and communities we serve in the region.

STATE PROGRAM DELIVERY STRUCTURE

- State Office Location: 154 Waianuenue Ave., Rm. 311, Hilo, Hawaii 96720
- Number of other offices: 2 Area Offices (Oahu & Guam) and 7 Satellite Offices (Maui, Kauai, Molokai, Pago Pago American Samoa, Pohnpei FM, Majuro RMI, and Koror Palau)
- Total workforce: 43 Full Time Staff
- Top 5 Most used programs:
  - Single Family RHS Direct Housing Loan Program
  - Single Family RHS Guaranteed Housing Loan Program
  - Grant Programs – Community Facilities, Rural Business, and Housing Rehabilitation
  - Community Facilities Direct Loan Program
  - Relending Programs – Intermediary Relending Programs, Rural Microentrepreneur Assistance Program, Rural Economic Development Loan & Grant Program.
- List of programs centralized within the state: Single Family RHS Guaranteed and Direct Housing Loan Programs, Rural Business Programs, Community Facilities Programs, and Water & Environmental Programs.

HOT TOPICS

Due to the region’s geographic expanse and obligations to deliver programs (Compact Agreement of Freely Associated States), the cost of program delivery, operational costs, and staffing requirements requires annual supplemental funding allotments in order to achieve expected level of Program delivery and servicing, performance of Administrative functions, and to cover extraordinary State Department charges for activities in foreign countries. Reorganization of operations under consideration to reduce cost of operation.

Needed evaluation of the formula utilized in determining the allocation of various Program loan and grant funding to each state.

Question on the legality of the Chamorro Land Trust and whether the communities on Chamorro Land Trust lands are eligible to access Rural Development program assistance. Issue before the Office of General Counsel and Department of Justice.
Chris J. Kanazawa, Director

Mr. Kanazawa was appointed as Hawaii State Director in February 2010. Prior to this appointment, he spent his entire business career in the private sector with over 23 years of real estate development experience. During this period, held positions as CEO of Amfac/JMB Hawaii, CEO of Coldwell Banker Properties, and CEO of Parker Ranch, Inc. Holds a Bachelor of Arts degree in Economics from the University of Hawaii and a MBA in Accounting and Finance from the University of Southern California, Marshall Graduate School of Business.

KEY STAKEHOLDERS

Dept. of Hawaiian Home Lands (Housing partner for Native Hawaiians)
Rural Community Assistance Corp. (Partner providing training and technical assistance)
Hawaii Rural Water Assoc. (Partner providing training and technical assistance)
The Kohala Center (Nonprofit grantee that provides assistance to local community businesses and farmers)
Kauai Habitat (Self Help Housing grantee)
Hawaii Island Community Development Corp. (Self Help Housing grantee).
Self Help Housing Corp. of Hawaii (Self Help Housing grantee)

Marshall Island Development Bank (Self Help Housing grantee)
Micronesia Community Development Corp. (Self Help Housing grantee)
Northern Marianas Housing Corp. (CNMI Housing Trustee)
National Development Bank of Palau (Housing Trustee)
State and County Governments – Hawaii, American Samoa, and Western Pacific.
Yap, Kosrae, and Chuuk Housing Authorities (Housing Trustees)

KEY CAREER STAFF

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STATE PROFILE

Since 2009, USDA Rural Development invested more than $4 billion on essential public facilities, small and emerging businesses, water and sewer systems, and housing opportunities for Iowa families. This past year USDA Rural Development’s assistance in Iowa helped create or retain more than 1,000 jobs, aided 2,400 families in buying their own homes and assisted more than 60 communities as they made improvements to their facilities, services and infrastructure.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 210 Walnut Street, Room 873, Des Moines, Iowa 50309
- **Number of other offices:** Ten Area Offices
- **Total workforce:** 89 Full Time Staff
- **Most used programs:**
  - Guaranteed Single Family Housing,
  - Community Facilities and
  - Business & Industry Guaranteed Loan Program

HOT TOPICS

Demand for the Rural Economic Development Loan and Grant (REDLG) program nationwide has soared forcing us to lower expectations among rural electric cooperatives, telcos and municipal utilities in Iowa. It is a valuable program and Iowa partners have high expectations. Ongoing moderation of what the program can sustain is required.

Community and Economic Development (CED) is being incorporated into the way we do business. But it requires ongoing attention, encouragement, and training. The CED team is asked to do a lot, and needs to be reinforced and supported.

Our outreach to Spanish-speaking audiences has improved dramatically with the hiring of bilingual employees. It is something that can be expanded even further, but will require the cooperation of the two Spanish-speaking employees (and their direct supervisors).
Bill Menner, Director

Bill Menner was selected by the Obama Administration in July 2009 to serve as the USDA Rural Development State Director in Iowa. Prior to his appointment, Menner was the executive director of Poweshiek Iowa Development, a county-wide economic development organization based in Grinnell. In addition to acting as the county economic development director, he led downtown development and tourism efforts in the City of Grinnell.

KEY STAKEHOLDERS

General Agency Partners
- Iowa Rural Water Association
- Iowa Area Development Group
- Iowa Rural Electric Association
- Iowa State Association of Counties
- Iowa League of Cities
- Federal Home Loan Bank of Des Moines
- Iowa Finance Authority
- Iowa Bankers Association
- Iowa Community Bankers
- Iowa Communications Alliance
- Iowa Association of Regional Councils (COGs)

Professional Developers of Iowa
- Iowa Economic Development Authority
- Rural Policy Research Institute - RUPRI
- Institute for Decision Making
- Iowa Initiative for Sustainable Communities
- Iowa Arts Council
- Iowa Council of Foundations

Receives Rural Development Funding
- Iowa State University Extension
- Iowa League of Resource Conservation & Development (RC&D)

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- Michelle Moore, Mt. Pleasant and Albia
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- Randy Campbell, Indianola and Atlantic
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  (515) 961-5365 Ext. 400
- Randy Hildreth, Le Mars, Storm Lake and Humboldt
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STATE PROFILE

Idaho covers 82,747 square miles and has a population of over 1.6 million people, with one-third of them living in rural Idaho. Idaho’s rural areas cover 88.3% of the State. Since FY2009, Idaho Rural Development has invested over 2.4 billion dollars in rural Idaho. The money invested in rural Idaho consisted of over 14,000 awards. Approximately 90% of Idaho’s investments are loans to be repaid over time.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 9173 West Barnes Drive, Suite A1, Boise, Idaho 83709
- **Number of other offices:** Four Area Offices and two Satellite Offices
- **Total workforce:** 49 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Loan Guarantees
  - Single Family Housing Direct Loans
  - Business and Industry (B&I) Loan Guarantees
  - Rural Business Development Grants (RBDG)
  - Water and Environmental Loan and Grant Program (WEP)
- **List of programs centralized within the state:** Single Family Housing Loan Guarantees and Single Family Housing Direct Loans

HOT TOPICS

Between the years of 2011-2013 Idaho lost 21 employees due to the VERA/VSSIP buyout offered to employees, which is a 27.25% reduction, one of the largest losses in the region and 11th largest loss in the Nation. This resulted in a huge shift of workload to the remaining staff. Idaho’s current FTE is 30% below 2011 FTE ceiling.

Since General Support funding is based on the number of authorized FTE, Idaho also has suffered a significant loss of funds to support travel expenses necessary for employees to target minority and low income populations located throughout rural Idaho.

Idaho is home to five Indian Reservations. Due to our limited resources tribal service delivery is challenged.
Wally Hedrick, Director

Wally was appointed State Director of RD on July 6, 2009. A third generation Idahoan, growing up in Twin Falls helping with the family farm and small dairy operation. He holds a Bachelors and Master’s degree and served in the U.S. Army out of college. He served on a variety of educational boards including the Meridian School District, Board of Trustees for 15 years and the Meridian Technical Charter High Board of Directors since 1999. He also served as the first Executive Director of the Idaho Lottery from 1989 to 1995.

### KEY STAKEHOLDERS

<table>
<thead>
<tr>
<th>Zions First National Bank</th>
<th>Panhandle Area Council</th>
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<tbody>
<tr>
<td>D.L. Evans Bank</td>
<td>Idaho Rural Water Association</td>
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<td>Clearwater Economic Development Association, Inc.</td>
<td>The Development Company</td>
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<td>Regional IV Development Association, Inc.</td>
<td>Bonneville Mortgage Company</td>
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<td>Idaho Department of Commerce</td>
<td>Glacier Bank</td>
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<td>Idaho Department of Environmental Quality</td>
<td>Guild Mortgage</td>
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<td>Idaho Central Credit Union</td>
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### KEY CAREER STAFF

<table>
<thead>
<tr>
<th>Carol Ann Murgoitio, Assistant to the State Director</th>
<th>Jeffrey T. Beeman, Northern Idaho Area Director</th>
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</thead>
<tbody>
<tr>
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</tr>
<tr>
<td>208-378-5602</td>
<td>208-209-4361</td>
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<table>
<thead>
<tr>
<th>Daryl G. Moser, Business Program Director</th>
<th>Rebecca S. Dean, Central Idaho Area Director</th>
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<thead>
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<td>208-378-5629</td>
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</table>
STATE PROFILE

Illinois has a total population of 12,830,632, most of whom reside in the Chicagoland area. Of that total, approximately 2.5 million live in urban clusters or rural areas as defined by the US Census Bureau which are potentially eligible for or impacted by one or more Rural Development programs. Since the beginning of FY 2009, Illinois has obligated $4,378,854,310 within the state administered Single/Multi-Family Housing, Community Facility, Water & Environmental and Business programs. Illinois staff currently services a total loan portfolio of $4.2 billion with a direct loan portfolio of $1.4 billion and a guaranteed loan portfolio of $2.8 billion.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location**: 2118 West Park Ct. Suite A Champaign, IL 61821
- **Number of other offices**: Eleven Area Offices and one Satellite Office
- **Total workforce**: 91 Full Time Staff
- **Top 5 Most used programs**:
  - Single Family Housing Guaranteed Loans
  - Water & Waste Disposal Loans/Grants
  - Business & Industry Guaranteed Loans
  - Single Family Housing Direct 502 Loans
  - Community Facility Direct Loans.
- **List of programs centralized within the state**: Single Family Housing Guaranteed Loan Program and all Business Programs with the exception of Business & Industry Guaranteed Loans and Rural Business Development Grants.

HOT TOPICS

IL staff has reduced by 1/3 from 125 Full Time Employees (FTE) in 2009 to 93 at the end of FY 16. Due to reduced and uncertain budgets and execution of VERA/VSEP, the foundation of the delivery of our programs has been compromised. Compared to the field structure of other government agencies, with a regional organization, our ‘boots on the ground’ presence is core to the mission serving Rural Communities.

After unexpectedly running out of Community Facility Direct Loan funds nationally before the end of FY 16, we had a $115 million loan project that did not get funded. Moreover, this situation exists in more than one program.
Colleen Callahan, Director

Colleen received her bachelor’s degree in agricultural communications from the University of Illinois. After 30 years in radio and television broadcasting, Colleen started her own communications firm coaching individuals and organizations in public speaking. Colleen was appointed State Director in 2009. She oversees the agency’s 12 offices and a $4.2 billion loan portfolio with investments in housing, business and community development in rural Illinois. In September 2012, Colleen was named the Federal Disaster Recovery Coordinator for Drought and led the national efforts in drought recovery.

<table>
<thead>
<tr>
<th>KEY STAKEHOLDERS</th>
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<tbody>
<tr>
<td>HomeStart (home loan/repair package for 10 Northern IL counties)</td>
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<tr>
<td>Rural Community Assistance Program (technical assistance provider for community water and wastewater providers)</td>
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<tr>
<td>El Water Coop, Inc. (large scale water provider with over $50 million in RD funds)</td>
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<tr>
<td>Delta Regional Authority (enhance ED activities in 16 southermost counties. RD funding via Community &amp; Business Programs)</td>
</tr>
<tr>
<td>Southern IL Coal Belt Champion Community (business technical assistance and ED in 12 southern IL county region. RD funding via Business Programs)</td>
</tr>
<tr>
<td>University of Illinois Extension (Stronger Economies Together/Leaders in Economic Alliance Dev)</td>
</tr>
<tr>
<td>Great River Econ. Dev Foundation (business dev in western IL region. RD funding via Business Programs)</td>
</tr>
<tr>
<td>IL Rural Water Assn (technical assistance provider for community water and wastewater providers. National level RD funding provided)</td>
</tr>
<tr>
<td>Western IL Univ/IL Institute for Rural Affairs (builds capacity and dev by partnering with communities and agencies. Technical assistance for coops and Peace Corps Fellows Program. RD funding via Community and Business Programs)</td>
</tr>
<tr>
<td>Assn of IL Electric Coops (support coop utilities and promote RD Business &amp; Coop Programs)</td>
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<tr>
<td>IL Housing Dev Authority (Single and Multi-Family program partnership)</td>
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<thead>
<tr>
<th>KEY CAREER STAFF</th>
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</tbody>
</table>
STATE PROFILE

USDA Rural Development has invested over $5.8 Billion in rural communities throughout Indiana during the past 7 years.

The population of Indiana according to the 2010 census is 6.48 million, and less than 14% (891,906) of the residents are considered rural. Between 2000 and 2010, urban areas grew by 9% in Indiana while the rural areas grew at only 1.9%. During this same period, the state’s minority population grew by 39% while the state’s white non-Hispanic population grew by 1.3%.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 5975 Lakeside Blvd, Indianapolis, IN 46278
- **Number of other offices:** Seven Area Offices
- **Total workforce:** 86 Full Time Staff
- **Top 5 Most used programs:**
  - Rural Business Development Grant Program
  - SFH Guaranteed Loan Program
  - Single Family Housing Direct Loan Program
  - Single Family Housing Home Repair Loan and Grant Program
  - Water and Environmental Program
- **List of programs centralized within the state:** SFH Guaranteed Loan Program. (Staff are organized by programs areas)

HOT TOPICS

Providing broadband for all communities in rural Indiana

Investing and upgrading our water and wastewater infrastructure

Improving agency information technology so programs operate more efficiently and effectively
Indiana RD State Office Fact Sheet

Philip Lehmkuhler, Director

Appointed by President Obama in the summer of 2009 to serve as Indiana State Director of USDA Rural Development. Philip has over 21 years of experience working in the federal government for the President and Members of Congress. He has a background in Economic Development working at the Indiana Department of Commerce as their Economic Development Manager overseeing their Business Recruitment, Retention and Expansion as well as 12 International Trade Offices. He has also worked as an Economic Development Manager for 52 cities and towns while working at the Indiana Municipal Power Agency. He has been teaching public finance at Indiana University Bloomington for over 18 years.

KEY STAKEHOLDERS

IN Economic Development Association
Purdue Univ. Center for Regional Dev.
Indiana Cooperative Development Center
State of Indiana Office of Rural and Community Affairs
RCAP
AHAIN
Financial Institutions
Habitat for Humanity
CAP Agencies
Wabash Valley Power
IMPA

Indiana Bankers Association
Corn and Soybean Alliance
Hoosier Energy
IN Office of Community & Rural Affairs
IN Agriculture Commission
IARC
ACEC
Indiana Bond Bank
Indiana Rural Water Alliance
Indiana Finance Authority
Ball State University
Community Action Coalition
IURC
IFF
EIWG

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STATE PROFILE

Since 2009, USDA Rural Development has invested $3.1 billion in rural Kansas communities. This funding represents partnership with rural communities, rural citizens, rural businesses and organizations that support rural Kansas, as well as financial institutions. Three years ago, 20 rural Kansas counties had fewer than 3,000 population – by 2044, predictions are 31 rural Kansas counties will have fewer than 3,000 population. In the past five years, 78 rural counties lost population.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 1303 SW First American Place, Suite 100, Topeka, KS 66604
- **Number of other offices:** Four Area Offices
- **Total workforce:** 51 Full Time Staff
- **Top 5 Most used programs:**
  - Business & Industry Loans
  - Rural Energy for America Program
  - Community Facilities Direct
  - Guaranteed Rural Housing
  - Water & Environmental Programs
- **List of programs centralized within the state:** (All program areas) Business Program, Single Family Housing, Multi-Family Housing, Community Programs, Water & Environmental Programs

HOT TOPICS

Regionalization of Rural Sewer/Water Projects in the state; impact on quality and quality of water and repayment capacity of rural communities.

The state’s tax structure – eliminating income taxes. How it is impacting county/city budgets – including property tax lids.

Scarce water resources in Western/Southwestern Kansas that will continue to affect the rural population and vitality of the rural economy.
Karissa Stiers, Acting Director

Karissa Stiers was named Acting State Director in August 2016. Stiers began her career with USDA Rural Development in May 2001. She currently serves as the Administrative Programs Director for Kansas Rural Development. Before returning home to Kansas, she was the Business Programs Director in Nebraska. Stiers grew up on a family farm in Kansas. She earned a Bachelor of Science degree in agri-business at the University of Nebraska – Lincoln. She currently resides in Topeka, Kan., with her husband Dan.

KEY STAKEHOLDERS

Network Kansas (Partner and Funded)
Kansas Association of Regional Development Organizations (Partner)
Kansas Department of Commerce (Partner)
Kansas Department of Agriculture (Partner)
Kansas Rural Center (Partner)
Kansas Farm Bureau (Partner)
Kansas Farmers Union (Partner)
Kansas State University (Partner and Funded)
Kansas Main Street Organization (Funded)

Kansas Rural Water Association (Partner and Funded)
Midwest Assistance Provider (Partner and Funded)
Small Business Development Centers (Partner)
Kansas Housing Resources Corporation - (Partner)
Rural Rental Housing Association of Kansas (Partner)
Kansas Department of Health & Environment (Partner)

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STATE PROFILE
Kentucky Rural Development utilizes housing, community facilities, and business programs to stimulate economic growth and improve quality of life throughout the state. Our Promise Zone and Strike Force communities are located in high poverty areas, and RD places a strong focus on assisting these areas whenever possible.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 771 Corporate Drive Suite 200, Lexington, KY 40503
- **Number of other offices:** 12 Local Offices
- **Total workforce:** 90 Full Time Staff
- **Top 5 Most used programs:**
  - Single family housing
  - Community facilities
  - Water and waste disposal
  - Business
  - Utilities

HOT TOPICS
With the loss of over 11,000 coal related jobs in Appalachia, StrikeForce and Promise Zone areas and special initiatives such as SOAR (Shaping Our Appalachian Region) and SET (Stronger Economies Together) have relied upon RD to assist in alleviating poverty and stimulating the economy for creating jobs and improving the quality of life.

There has been a significant increase in RD program activity during recent years which has also increased loan and grant servicing needs. Kentucky FTE ceiling has been reduced since November 2009 from 118 to 98, resulting in dire need for FTE increase to carry out program activities.

Expecting 40 or more Multi-family Preservation and Revitalization Program applications, group portfolios, consolidations and transfers. This includes application processing, underwriting, loan closing, and actual unit rehabilitation. RD inspects monthly rehab work and issues pay requests. Also anticipating 8 maturing mortgages, 4 prepayment requests, and 4 guaranteed loans. Multi-family section should be considered for a new FTE slot to manage workload which has increased steadily over the past few years.
Thomas G. Fern, Director

Thomas G. Fern was appointed on Nov. 25, 2009, by President Barack Obama to serve as USDA Rural Development State Director for Kentucky. Fern graduated from Morehead State University with a Bachelor of Arts degree in General Agriculture, Economics and Sociology. Fern was first appointed State Director in 1993 during the Clinton Administration and served in that position until 2001. Throughout a career that has spanned more than 40 years, Fern has been involved in issues related to agriculture and rural development.

KEY STAKEHOLDERS

Kentucky Highlands
Fahe
Community Ventures
Kentucky Center for Agriculture and Rural Development
Governor’s Office of Agricultural Policy
Kentucky Department of Agriculture
Mountain Association for Community Economic Development
Appalachian Regional Commission
Kentucky Department for Local Government Economic Development Administration

Southeast Kentucky Economic Development
Rural Community Action Partnership
All Area Development Districts
Kentucky Rural Water
Kentucky State University
University of Kentucky
Eastern Kentucky University
Kentucky Housing
South Kentucky RECC
Jackson RECC
Fleming-Mason RECC
Kentucky Infrastructure Authority

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STATE PROFILE

With rural poverty in Louisiana exceeding 30% and a large percentage of the population being unbanked and underbanked, Rural Development fills an important role to create ladders of opportunity for economic advancement in rural areas. RD Louisiana is successful in filling this need because we have passionate employees that call the places we assist home and the people we serve family. We understand the needs and respond accordingly because it is what rural America deserves.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 3727 Government St., Alexandria, LA 71302
- **Number of other offices:** Four Area Offices
- **Total workforce:** 75 Full Time Staff
- **Top 5 Most used programs:**
  - SFH Guaranteed
  - B&I Guaranteed
  - Community Facilities Direct
  - Water & Waste Direct Loan/Grant
  - SFH Direct
- **List of programs centralized within the state:** SFH Guaranteed, all Business, Cooperative, Energy, and Specialty Lending Programs

HOT TOPICS

Staff utilization under the specter of potential retirements – several current staff members have inquired about retirement. If they follow through, the landing team could be faced with the prospect of assessing the best usage of current staff and the most optimal placement of replacement staff.

Enhanced performance measures emphasizing mid-year indicators – Performance plans are being enhanced in a number of ways, including enhanced mid-year indicators. The landing team, depending on duration of stay, could be faced with addressing mid-year progress under new standards.

Continued response and recovery from 2016 flooding disasters in Louisiana ([DR 4263](#) and [4277](#)) – USDA RD is playing a vital role in the recovery from two major flooding events across the state.
Clarence W. Hawkins has served Louisiana throughout his life. Born and raised in small towns in Louisiana and Mississippi, he began his professional career as a public school teacher and administrator. He went on to serve 20 years as mayor of Bastrop, LA. In 2009, Mr. Hawkins was appointed by President Obama to serve as State Director for USDA Rural Development in Louisiana, a position he has held since that time. Mr. Hawkins has truly made public service a part of his life, dedicating nearly 50 years of his life to serving others.

**KEY STAKEHOLDERS**

**Single Family Housing**
- Northwest Arkansas CDC *(partner)*
- GMFS Lending *(funding/partner)*
- Integrity Resources of Gonzales *(funding/partner)*

**Community Programs**
- Louisiana Rural Water Association *(partner)*
- Louisiana Municipal Association *(partner)*
- Louisiana Police Jury Association *(partner)*
- Community Resource Group *(partner)*

**Business Programs**
- Louisiana Banker’s Association *(partner)*
- Rural Lender’s Association *(partner)*
- Louisiana Association of Planning and Development Districts *(funding/partner)*
- Small Business Development Centers *(partner)*

**Multi-Family Housing**
- Rural Rental Housing Association *(partner)*
- Enterprise Community Partners *(partner)*
- Louisiana Housing Corporation *(partner)*

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STATE PROFILE

USDA Rural Development Southern New England (SNE) is the only three-state jurisdiction in the country. Services are delivered through grants, direct loans, and guaranteed loans in three principle program areas of housing (multi and single family), community infrastructure and business programs. Although “rurality” is defined differently depending on program area, well over 90% of the municipalities and/or their residents across SNE are eligible for some form of RD support. From 2009-2016 USDA RD investments in SNE exceeded 15,000 projects and more than $3.5 billion.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 451 West Street, Suite 2, Amherst, MA 01002
- **Number of other offices:** 3 MA; 2 CT; 1 RI
- **Total workforce:** 48 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed Loan
  - Community Programs (CF and WEP)
  - Multi-Family Housing Rental Assistance
  - Single Family Housing Direct Loan
  - Business Cooperative Programs
- **List of programs centralized within the state:** Programs centralized (either physically in the State Office or by staff specialization) in the SNE jurisdiction include those within the Business & Cooperative Services.

HOT TOPICS

**STAFFING** — Although state allocations, various program funding levels and the volume of special initiatives have increased, staffing levels have been reduced to historic lows. As a result of program complexities, application windows, and delayed funding cycles, program delivery and outreach have been confounded by staff capacity limitations. Production numbers from 2009 to present, total over $3.4 billion which translates to an average of over $9.5 million per year per FTE. Re-examination and/or redistribution of field staff allocation nationally could help alleviate mounting pressure and program execution challenges that have occurred in the field.

Improvements in coordination and communication relative to priorities within and between RD administrative divisions as it relates to expectations for field execution coupled with meaningful National Office support driven by field staff need would help with addressing staffing concerns.
Scott J. Soares, Director

After 17 yrs. working in various program development and oversight capacities within the MA Department of Agricultural Resources that culminated as a Gubernatorial appointment as the Agency’s 18th Commissioner 2009-2012. Soares also served 3 years as Executive Director of the U.S. Cranberry Marketing Committee where he led the organization through a critical period of transition and modernization of programs and services. A US Army Veteran with a B.S. Degree in biology & marine biology, Soares was appointed State Director USDA Rural Development for Southern New England June 28, 2015.

KEY STAKEHOLDERS

Cooperative Development Inst. (funded) cdi.coop
HAPHousing (funded)
Habitat for Humanity of Cape Cod (partner)
CT RC & D (partner)
Connecticut Housing Finance Authority (partner)
Rhode Island Housing (partner)
MassHousing (partner)
MA Rural Water Assoc. (partner)
Atlantic States Rural Water & Waste Water (partner)

MA Dept. of Agr. Resources (partner)
World Business Capital (WBC) (partner)
Clinton Savings Bank (MA) (partner)
Greylock Works (funded)
FCCDC (Franklin County) CDC (funded)
 NeighborWorks Blackstone River Valley (funded)
Cape Cod Housing Assistance Corp. (partner)
National Rural Water Assoc. (Partner)

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STATE PROFILE

In 2010, the U.S. Census Bureau showed that Maine was the most rural state in the country, with 61.3% of its population living in rural areas. Maine has a population of 1.33 million people spread out over an area larger than the other five New England states combined (35,385 sq. miles). The agency invests between $350 and $450 million dollars ($376.1 million in Fiscal Year 2015) each year to support economic, community, and business development in Maine’s rural communities. Since Fiscal Year 2009, USDA Rural Development has invested $3.26 billion in Maine’s economy, assisting 16,300 Maine families/individuals buys homes, helping to build over 300 essential community facilities, and assisting 3,100 Maine businesses, impacting 9,300 jobs.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 967 Illinois Avenue, Suite 4, Bangor, ME 04401-2767
- **Number of other offices:** Four Area Offices
- **Total workforce:** 54 Full Time Staff
- **Top 5 Most used programs:**
  - Single-Family Housing Guaranteed Program
  - Multi-Family Housing Program
  - Water and Waste Disposal Loan and Grant Program
  - Community Facility Direct Loan Program
  - Rural Energy for America Program
- **List of programs centralized within the state:** Housing Programs: Single-Family Housing Guaranteed Program; Mutual Self-Help Housing Loans and Grant Program; Housing Preservation Grants; Community Programs: Solid Waste Management Grant Program; Technical Assistance and Training Grants; Rural Community Development Initiative; Business and Cooperative Programs: Business & Industry Guaranteed Loan Program; Rural Business Development Grant Program; Intermediary Relending Program; Rural Microentrepreneur Assistance Program; Rural Energy for America Loan and Grant Programs; Value-Added Producer Grant Program; Advanced Biofuel Producer Payment Program

HOT TOPICS

Automation for all housing programs is planned. Direct US (Direct SFH), UNIFI Replacement (Direct SFH), MFIS Enhancements for Performance Based Management Fees, ECF, ECM VAWs, etc. It is crucial to see continuing progress on automation and systems in order to enhance program delivery and streamline processes and procedures in our Housing Programs’ area.

There is a $50 million bond issue being pursued by the State that could generate sizeable wastewater projects to be funded jointly. This could potentially generate significant other grant funding dollars with our State Revolving Fund and Community Development Block Grant funding partners. Historically, when this occurs, Maine Rural Development partners with other funders in a strategic manner. This is particularly important in that it would target Rural Development loan funds towards larger projects that have been dormant due to lack of funding, and which need to be addressed.

Both the Business & Industry Loan Guaranteed Program and Rural Energy for America Program (Guaranteed Loans) need enhancement in order to better support rural lenders and improve access to capital for Maine small businesses. During the past two fiscal years using these programs has been severely challenging. The challenges lenders see are multiple and varied and include: (1) Our statutory requirement for tangible balance-sheet equity has been a longstanding hindrance for lenders. (2) Our fees - particularly for B&I (currently at 3%, initially, and 0.5% for the annual renewal) are very expensive. (3) The arduous paper application process, collateral requirements that compare extremely unfavorably to other guarantee agencies, and the fact that the agency’s internal process and documentation requirements in many ways demand the time and effort to essentially “re-underwrite” the lender’s loan.
Virginia Manuel, Director

Virginia Manuel has served as State Director of USDA Rural Development in Maine since being appointed by President Obama on September 21, 2009. She has over thirty years of experience in business, economic development, and international trade in both government and the private sector. Prior to assuming her position, she founded Manuel & Associates (2001-2009), providing strategic planning and development services to Maine local government, business, research organizations, and Northern Ireland/Ireland organizations. She served in the Clinton Administration as a Senior Advisor and Special Assistant (1994-2001) in the International Trade Administration, U.S. Department of Commerce, in Washington, D.C., promoting U.S. exports and community and economic development initiatives on the U.S. – Mexican Border and between Northern Ireland and the U.S. Ms. Manuel holds a B.S. degree in Education and Sociology from the University of Maine and a Graduate Certificate in Marketing and Fundraising Administration from George Washington University in Washington, D.C. She also attended Oxford University in England. She grew up in Aroostook County, in northern Maine on a still active potato and small grains farm.

KEY STAKEHOLDERS

**Maine Affordable Housing Coalition**: This is a diverse coalition of more than 125 private and public sector organizations with which Rural Development collaborates.

**Maine Housing**: The State of Maine’s Housing Agency is a close funding partner in multi and single-family housing.

**Maine Rural Water Association (MRWA)**: MRWA is funded through Rural Development and provides outreach, technical assistance, and program implementation with community water and wastewater systems.

**Rural Community Assistance Provider (RCAP)**: RCAP is funded by Rural Development and plays a critical role in providing outreach, technical assistance, and program implementation with water and wastewater systems.

**Maine Bankers Association**: Rural Development partners with many of its members on Business & Industry Loan Guarantees for Maine businesses.

**Community Development Financial Institutions (CDFIs)**: Rural Development works with many through its Relending Programs to assist Maine businesses.

**Economic Development Districts**: Rural Development funds these Economic Development Administration designated organizations throughout the state.

**Maine’s Native American Tribes**: Maine has four Native American Tribes: Aroostook Band of Micmac Indians; Houlton Band of Maliseet Indians; Penobscot Nation; and Passamaquoddy Tribe. The Tribes utilize many of Rural Development’s programs.

**Maine Municipal Association (MMA)**: MMA is the primary professional organization representing Maine’s municipalities with which Rural Development partners on outreach activities.

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STATE PROFILE
Michigan consists of 96,716 sq. miles containing 9.91 million people. It is a rural state geographically and an urban state demographically. Only 25% (2.48 million) of the population live in rural locations. During the Obama administration, Rural Development invested over $8 billion dollars in rural Michigan. During that time Michigan RD has led the nation in WEP investments, totaling over $500 million. Over 50,000 families have received assistance in purchasing a home. We provide financing and oversee for close to 600 multi-family facilities. We made loans and grants to the small business sector totaling over $300 million.

STATE PROGRAM DELIVERY STRUCTURE

- State Office Location: 3001 Coolidge St., Ste 200, East Lansing, MI 48823
- Number of other offices: Five Area Offices and Four Sub-Area Offices
- Total workforce: 116 Full Time Staff
- Top 5 Most used programs:
  - Single Family Housing Guaranteed Program
  - Water and Waste Disposal Loan and Grant Program
  - Community Facility Direct Loan Program
  - Single Family Housing Direct Program
  - Business and Industry Loan Guarantee Program

HOT TOPICS
RD MI has approximately 20 MFH properties that are working through the foreclosure, auction redemption process. Some of those properties will probably be at some point in the process during the first two months of the new administration.

RD MI is currently working with the Institute for Research on Labor, Employment and the Economy at the University of Michigan on a Rural Development Cooperative Research and Development program. The program that is being developed would create a process and channel for rural manufacturers and firms in other industry sectors to access cutting-edge intellectual property from major research institutions and other sources, strengthening rural industries and improving economic conditions in rural areas.

Rural Development is participating with the State of Michigan and a host of stakeholders in a state-wide infrastructure needs assessment.
James Turner, Director

Jim Turner was appointed State Director for USDA Rural Development by President Obama in 2009. Prior to that he served on then Senator Carl Levin’s staff in a number of communities and positions. His tenure with Senator Levin spanned over 30 years, including Levin’s first election to the US Senate. In his tenure at USDA, Mr. Turner has overseen the investment of over $8 billion in Michigan projects. USDA’s portfolio of programs is designed to improve the economic stability of rural communities, businesses, residents, farmers and ranchers and improve the quality of life in rural America.

KEY STAKEHOLDERS

MSU Extension (Partner)
MI Association of Regions (Partner)
MI Township Assoc. (Partner)
MI Assoc. of Counties (Partner)
Community & Economic Development Assoc. of Michigan (Partner)
Region 5 EDA
MSU Center for Economic Development (Funded Partner)
Manistee Alliance for Economic Success (Partner)

Michigan Rural Development Council (Partner)
UoM IRLEE (Funded Partner)
MI Dept. of Ag and Rural Development
MI Good Food Network
MI Farmer Market Assoc. (funded partner)
MSU Center for Sustainable Ag (Partner)
Michigan Center for Rural Health (Partner)

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STATE PROFILE

Minnesota’s 86,943 sq. miles is home to 5.4 million residents. Nearly all of MN’s population is eligible for at least one or more programs through Rural Development. Since 2009, RD has invested nearly $7 billion in rural places across the state.

MINNESOTA PROGRAM DELIVERY STRUCTURE

- **State Office Location**: 375 Jackson Street, Suite 410; Saint Paul, MN 55101
- **Number of other offices**: Five Area Offices and Seven Sub-Area Offices
- **Total workforce**: 81 Full Time Staff
- **Top 5 Most used programs**:
  - Single Family Housing (SFH)
  - Multi-Family Housing (MFH)
  - Water & Environmental Programs (WEP)
  - Community Facilities (CF)
  - Rural Business-Cooperative Service (RBS)
- **List of programs centralized within the state**: MN has centralized Guaranteed Single Family Housing within the state

HOT TOPICS

Maturing mortgages – Of the 273 MFH properties nationwide with mortgages reaching maturity over next 5 years, 57 (21%) are in Minnesota; 10 expected in 2016 alone.

FTE allocation – The reduction in MN’s FTE allocation has surpassed our ability to continue to do more with less. It must also be taken into account the number of staff eligible for retirement in the near future.

Broadband regulation change – address eligibility challenges for returning applicants.
Colleen Landkamer, Director

Colleen Landkamer was appointed by President Obama to serve as USDA Rural Development State Director in Minnesota on July 13, 2009. Since then, Rural Development has invested nearly $7 billion throughout rural Minnesota. Before her service as State Director, Colleen was elected to the Blue Earth County Board of Commissioners in 1988 and worked tirelessly for 21 years representing residents at the local, state, national and international level. Prior to that, she served as Congressional staff.

KEY STAKEHOLDERS

Regional Development Commissions *(funded by RD & partners)*

University of MN Extension *(funded by RD & partners)*

Association of MN Counties *(Partner)*

MN Township Association *(Partner)*

Midwest MN Community Development Corp. *(funded by RD & partners)*

Initiative Foundations *(funded by RD & partners)*

Rural Water Associations *(funded by RD & partners)*

Agriculture Utilization Research Inst. *(funded by RD & partners)*

Cooperatives *(funded by RD & partners)*

Farm 2 School Leadership Team *(Partner)*

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STATE PROFILE

Missouri ranks 18th in population with approximately 6 million residents, with a majority of that population eligible for our programs and a state rural poverty rate of 20%. From 2009-2015, RD MO has invested $7,641,434,541 into the state. These investments have resulted in 2,037 agencies, businesses, cooperatives, districts, foundations, not-for-profits, and organizations completing projects, retaining or creating jobs, providing utility services, increasing energy efficiency, protecting life and property, advancing education and improving quality of life. Housing investments meant 110,502 families and individuals had a place to call home.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 601 Business Loop 70 West, Parkade Center, Suite 235, Columbia, MO 65203
- **Number of other offices:** 4 Area Offices and 20 Sub-Area Offices
- **Total workforce:** 113 Full Time Staff
- **Top 5 Most used programs:**
  - Business and Industry Guaranteed Loan Program
  - Water and Environmental Programs
  - SFH Guaranteed Loan Program
  - SFH Direct Loan Program
  - Community Facilities Loan and Grant Program
- **List of programs centralized within the state:** SFH Guaranteed Loan Program & Business and Industry Guaranteed Program

HOT TOPIC

Administrative – we are below our ceiling due to VERA/VSIP and the high number of retirements that have occurred in the last 12 months. The restraints of hiring practices have hampered our ability to backfill and replace these positions with good, qualified applicants that can perform the work needed.

Program – identifying appropriate approaches, programs, and funding to respond to:

- Poverty (investing in areas of highest need)
- Aging or absent infrastructure, including broadband access and housing stock
- Continued decline in the ability of rural communities to sustain and thrive
Janie Dunning, Director

Janie Dunning was appointed Missouri’s State Director of USDA Rural Development by the White House in July 2009. Ms. Dunning’s distinguished federal service career began in 1968 in the community of Kahoka in northeast Missouri Rural Development. She has since held a variety of positions in the agency during her career including: Director of Program Support, Director of Community Development, and immediately prior to her appointment to State Director, as Director of the Multi-family Housing Program. Throughout her career, Ms. Dunning has been firmly committed to the mission of the agency – enhancing economic opportunity and improving the quality of life in rural Missouri.

KEY STAKEHOLDERS

Missouri Association of Councils of Governments (MACOG)  
Missouri Municipal League  
Missouri Association of Counties  
University of Missouri Extension  
Lincoln University Extension  
Missouri Community College Association  
Missouri Sheriffs’ Association  
Missouri Primary Care Association  
Missouri Bankers’ Association  
Missouri Department of Economic Development  
Missouri Department of Natural Resources

Missouri Farm Bureau  
Missouri Hospital Association  
Environmental Protection Agency  
Federal Emergency Management Agency  
Missouri Department of Agriculture  
Alliance of Missouri Community Foundations  
Missouri Rural Development Partnership  
Missouri Foundation for Health  
Missouri Association of Electric Cooperatives  
Missouri Community Betterment  
Missouri Department of Health and Human Services

KEY CAREER STAFF

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STATE PROFILE

Mississippi is a mostly rural State with 66 of the 82 counties (80.5%) classified as high persistent poverty counties and very dependent on all of Rural Development’s programs. From 2009 through 2015, Mississippi has funded 27,282 projects with an investment of over $5.1 billion.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 100 W. Capitol St., Suite 831, Jackson, MS 39269
- **Number of other offices:** 16 Local Offices
- **Total workforce:** 111 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed and Direct Programs
  - MFH Rental Assistance Program
  - Community Facility Direct Loan Program
  - Water and Waste Disposal Loan and Grant Program
  - Rural Business Development Grant Program
- **List of programs centralized within the state:** Intermediary Relending Program, B&I Guaranteed Loan Program, Rural Economic Development Loan and Grant Rural Energy for America, Delta Health Care Services Grant, Value Added Producer Grant, Rural Cooperative Development Grant, Socially Disadvantaged Group Grant, Rural Microenterprise Assistance, GRH (Guaranteed Housing), MFH programs, RCDI Program.

HOT TOPICS

- Replacement of retiring Directors and employees.
- Office space issues.
- Receipt of state allocated funding in a timely manner.
Trina N. George, Director

Trina N. George was appointed as Mississippi State Director by President Barack Obama on June 29, 2009. Ms. George brings over 20 years of experience of working with an array of communities to identify and develop opportunities to match demographics interests with community needs to the Agency. Her appointment as State Director made history by being the first woman appointed in this position for the State of Mississippi.

**KEY STAKEHOLDERS**

<table>
<thead>
<tr>
<th>Mississippi Development Authority <em>(Partner)</em></th>
<th>Mississippi Rural Water Association</th>
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</thead>
<tbody>
<tr>
<td>Alcorn State University <em>(Partner)</em></td>
<td>Community Development Partnership <em>(Partner)</em></td>
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<tr>
<td>Small Business Administration <em>(Partner)</em></td>
<td>Communities Unlimited</td>
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<tr>
<td>Delta Regional Authority <em>(Funded)</em></td>
<td>Mississippi Home Corporation</td>
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<tr>
<td>Delta State University <em>(Partner)</em></td>
<td>Housing Association of Mississippi</td>
</tr>
<tr>
<td>Mississippi State University <em>(Partner)</em></td>
<td>Institute for Disabilities Studies</td>
</tr>
<tr>
<td>Small Business Development Centers <em>(Partner)</em></td>
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<tr>
<td>Claiborne County Economic Development District <em>(Partner)</em></td>
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**KEY CAREER STAFF**

<table>
<thead>
<tr>
<th>G. Gary Jones, RBCS Program Director</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="mailto:George.jones@ms.usda.gov">George.jones@ms.usda.gov</a></td>
</tr>
<tr>
<td>601-965-5457</td>
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</table>

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<thead>
<tr>
<th>Bettye Oliver, CF/Water Program Director</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="mailto:Bettye.oliver@ms.usda.gov">Bettye.oliver@ms.usda.gov</a></td>
</tr>
<tr>
<td>601-965-4318 ext. 1153</td>
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<table>
<thead>
<tr>
<th>Johnny Jones, Single Family Housing Program Director</th>
</tr>
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<tbody>
<tr>
<td><a href="mailto:john.jones@ms.usda.gov">john.jones@ms.usda.gov</a></td>
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<tr>
<td>601-965-4318 ext. 1127</td>
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<table>
<thead>
<tr>
<th>Darnella Smith-Murray, Multi-Family Program Director</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="mailto:darnella.smithmurray@ms.usda.gov">darnella.smithmurray@ms.usda.gov</a></td>
</tr>
<tr>
<td>601-965-4318 ext. 1131</td>
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<tr>
<th>Rhonda Cobbins, Secretary to the State Director</th>
</tr>
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<tbody>
<tr>
<td><a href="mailto:Rhonda.cobbins@ms.usda.gov">Rhonda.cobbins@ms.usda.gov</a></td>
</tr>
<tr>
<td>601-965-4316 ext. 1121</td>
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<table>
<thead>
<tr>
<th>Remona Sutliff, MCO Program Director</th>
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<tbody>
<tr>
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</tr>
<tr>
<td>601-965-4316 ext. 1144</td>
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<tr>
<th>Dwayne Malone, Civil Rights Manager</th>
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<tbody>
<tr>
<td><a href="mailto:Dwayne.malone@ms.usda.gov">Dwayne.malone@ms.usda.gov</a></td>
</tr>
<tr>
<td>601-965-4316 ext. 1119</td>
</tr>
</tbody>
</table>
STATE PROFILE
There is a lot to be proud of in Montana’s economy today, the investments made by Rural Development have been instrumental in the success of the state’s growing economy. In 2016, USDA has invested more than 229 million dollars in Montana communities through our various Rural Development programs. Montana continues to have record job growth, personal income growth and the state is among the fastest growing in the nation. Montana’s wage growth is well above the national average. These indicators show Montana’s economy is strong and growing, that’s why it is so important that we continue to target USDA investments in rural America.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 2229 Boot Hill Court, Bozeman, Montana 59715
- **Number of other offices:** Five Area Offices
- **Total workforce:** 41 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed Loan program
  - Single Family Housing Direct Loan Program
  - Rental Assistance Program
  - Rural Energy for America Program (REAP)
  - Water and Wastewater Disposal Program
- **List of programs centralized within the state:** All administrative functions are centralized at the state office in Bozeman. All other programs are decentralized.

HOT TOPICS

Older Multi Family projects are in need of major rehabilitation. Some owners are older and do not have the ability to fund from personal resources nor does the project provide sufficient profit to fund from rental income. These owners want to sell but have difficulty finding a buyer who wants to remain in the MFH program.

Persistent poverty continues to exist on the majority of Montana’s Indian reservations. Economic development has lagged on most reservations, leaving them as pockets of extreme rural poverty and underdevelopment.

Lack of Business throughout Indian Country - Once there are a sufficient number of tribal and privately owned businesses operating on a reservation, a functioning economy can develop from the effects of money circulating and recirculating between reservation consumers.
John E. Walsh, Director

Born and raised in Butte, MT, John was appointed by Governor Brian Schweitzer to serve as the Adjutant General of Montana’s National Guard 2008-2012. In 2004 and 2005 John led over 700 Soldiers into combat in Iraq – the largest deployment of Montana Soldiers since World War II. In 2012 John was elected as Montana’s 30th Lieutenant Governor. John was appointed by Governor Steve Bullock and was sworn into the United States Senate on February 11, 2014, and served in the 113th Congress from February 11, 2014, to January 3, 2015. John holds the distinction of being the first Iraq war veteran to serve in the U.S. Senate.

KEY STAKEHOLDERS

Montana Economic Developers Association (MEDA): Statewide Economic Development organization (all partners are members of this organization).

State of Montana DEQ (Renewable Energy Office): Champions for the REAP program

Montana Board of Housing: Partner in lender training, Provides Low Income Tax Credits for Rehab of MFH projects.

NeighborWorks Montana: Partner in many SFH programs for down payment assistance, silent second mortgage loans, first time homebuyer Education classes, 523 Mutual Self Help

National Affordable Housing, Inc.: 523 Mutual Self Help Grantee for many years, Habitat for Humanity Program for Butte Area, down payment assistance provider and great referral for our 502 Direct and 504 Loans and Grants.

WASACT: Water, Wastewater and Solid Waste Action Coordinating Team Stakeholder/Statewide Partner.

Montana Hospital Association: Recent Partner in telehealth.

Indian Health Service: Funding partner for Tribal Health Care Projects.

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STATE PROFILE

In North Carolina, rural areas and citizens make up 91% of the State and 34% of the population. From FY 2009 through FY 2015, more than $11 billion dollars have been obligated in North Carolina through more than 40 RD programs including housing, business, water and sewer, energy and community facilities.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 4405 Bland Road, Suite 260, Raleigh, NC 27613
- **Number of other offices:** 6 Area Offices, 5 Sub-Area Offices, and 8 Local Offices
- **Total workforce:** 145 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing
  - Community Facility Direct Loan Program
  - Rural Energy for America Program
  - Business and Industry Loan Guarantee Program
  - Water and Waste Disposal Loan and Grant Program
- **List of programs centralized within the state:** Guaranteed Housing & Business Programs

HOT TOPICS

Telework – Department advocating for increased telework must be balanced with the practical application to provide good customer service in the field.
Randall A. Gore, Director

Appointed on October 13, 2009, by the Obama Administration. Prior to this appointment as State Director, Randy served as Area Director of Rural Development in Albemarle, Greensboro and Asheboro for eleven years. Previously, Randy served as a vocational agriculture teacher at Whiteville High School and worked in the Brunswick County School system from 1982-1984. He is a retired 1st Sgt. from the US Army Reserves and holds a Master’s Degree in Agricultural Education from A&T State University in Greensboro, NC.

KEY STAKEHOLDERS

Appalachian Regional Commission (Partner – RD administers ARC funding)
Golden LEAF Foundation (Partner)
North Carolina Rural Economic Development Center (Partner)
North Carolina Housing Finance Agency (Partner)
North Carolina Department of Commerce (Partner)
North Carolina Electric Membership Corporations (Funded)
NC Housing Coalition
SERCAP
Habitat for Humanity (Partner)

The Conversation Fund/Resourceful Communities (Funded)
The Support Center (Funded)
NCACDC (Cooperative Agreement/Receives funding)
The Network (NCCED) (Cooperative Agreement/Receives funding)
Operation Spring Plant (Cooperative Agreement/Receives funding)
RADA (Cooperative Agreement/Receives funding)
Whitaker Small Farms Group (Cooperative Agreement/Receives funding)

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Gay Jarvis Brothers, Public Affairs Specialist/SD Secretary
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STATE PROFILE

North Dakota has a population of 756,927 people spread across 69,000 square miles. Of its 53 counties, 81 percent are defined as rural, but just 27 percent of North Dakotans live in those rural counties. The economy revolves around energy and agriculture, with tourism in third place. The state is home to five culturally vibrant, economically challenged tribal nations. Rural Development’s programs are a critical funding piece for every rural community in the state. Since 2010, $2.8 billion has been invested in North Dakota to build vibrant, sustainable communities by supporting business development, essential community facilities, utility infrastructure and affordable housing.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 220 East Rosser Ave., Rm 208, Bismarck, ND 58502-1737
- **Number of other offices:** Five Area Offices
- **Total workforce:** 44 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed and Direct Programs
  - Rural Energy for America Program
  - Rural Business Development Grant Program
  - Water and Waste Disposal Loan and Grant Program
  - Business and Industry Loan Guarantee Program
- **List of programs centralized within the state:** All Rural Development programs in North Dakota are centralized out of the state office

HOT TOPICS

- Preserving affordable rural housing and cracking the code for SFH lending in Tribal communities
- Developing the local food infrastructure
- Alleviating statewide childcare shortage with Community Facility assistance
- Delivering mental health counseling services into remote areas with Tele-Health grant assistance
Ryan Taylor, Director

Taylor was appointed by the President to serve as State Director for USDA Rural Development in North Dakota. Prior to joining USDA, Taylor served in the North Dakota Senate for 10 years and was the former minority leader. Taylor also started his own business, Sandhill Communications, which offered marketing services for agriculture clients across the U.S. and Canada. Throughout his career, Taylor has continued to run his family’s fourth-generation ranch. He is widely known for his syndicated column, “Cowboy Logic” and has also authored three books.

KEY STAKEHOLDERS

Southwest REAP Zone (Funded)
CONAC REAP Zone (Funded)
Vision West (Partner)
NDSU Extension Service (Partner)
ND Assoc. of Rural Electric Co-ops (Funded)
ND Assoc. of Telecom Co-ops (Partner)
South Central Regional Dakota Council (Funded)
Red River Regional Council (Funded)
Spirit Lake Nation (Funded)
Turtle Mountain Band of Chippewa (Funded)

Standing Rock Sioux Tribe (Funded)
Mandan Hidatsa Arikara Nation (Funded)
Lewis & Clark Regional Dev. Council (Funded)
Bank of North Dakota (Partner)
ND Dept. of Commerce (Partner)
ND Housing Finance Agency (Partner)
ND State Agriculture Department (Partner)
ND Independent Community Bank Association (Partner)

KEY CAREER STAFF

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STATE PROFILE
In its 20 year history, USDA Rural Development has provided $3 billion to rural Nebraska. Nebraska has 77,000 square miles with a population (2010 census) of 1.8 million, with 500,000 in rural areas. It is a rural state geographically and an urban state demographically. The state has an increasing minority population, with the majority (72 percent of Limited English Proficiency) Spanish speaking. The state has only one persistent poverty county, Thurston, which is home to two of Nebraska’s four federally recognized tribes. Challenges facing rural Nebraska are unemployment and lack of housing.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** Federal Building 100 Centennial Mall North Lincoln, Nebraska 68508
- **Number of other offices:** Four Local Offices
- **Total workforce:** 48 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed Program
  - Single Family Housing Direct Program
  - Community Facility Direct Program
  - Community Facility Guaranteed Program
  - Water and Waste Disposal Loan and Grant Program
- **List of programs centralized within the state:** All programs are centralized. In addition, Civil Rights, Human Resources, Appraisal Services and Management Control are part of the Midwest Regionalization.

HOT TOPICS
The agency in Nebraska will need to continue to right-size the staff in field offices and at the state office. If regionalization does not continue, Nebraska will need to hire a management control officer and an appraiser. Several of the programs are also short-staffed and 17 of the 48 employees on board September 30, 2016 are retirement eligible. Thirteen of the staff are new hires since 2015.

Nebraska is facing serious housing shortages in its rural communities, particularly in workforce housing. We have greatly increased our outreach to communities on our rural housing programs in the last six months and will need to continue to do so.

Current partnerships with non-profits, federal, state and local governments are crucial to the continued success of USDA Rural Development in Nebraska and will need to be maintained and enhanced.
Maxine Moul, Director

Ms. Moul is a journalist and was publisher and CEO of Maverick Media, Inc. in Syracuse, NE from 1971 to 1990. In 1990, she was elected Lt. Governor of Nebraska. From 1993 to 1999, she was Director of the Nebraska Department of Economic Development. She then served as President of the Nebraska Community Foundation and was Coordinator of EndowNebraska from 2007 to 2009. She was appointed Nebraska State Director by President Obama on June 29, 2009.

KEY STAKEHOLDERS

<table>
<thead>
<tr>
<th>NIFA – State Finance Agency (Partner-approx. 30% of GRIT activity with NIFA and 25% of MFFH)</th>
<th>Midwest Assistance Program (MAP) (Funded by RD for technical assistance)</th>
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<tbody>
<tr>
<td>Nebraska Realtors Assoc. (Partner)</td>
<td>Rural Futures Institute (Partner)</td>
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<tr>
<td>Nebraska Mortgage Assoc. (Partner)</td>
<td>Nebraska Extension (Partner)</td>
</tr>
<tr>
<td>REACH Affiliates (Partner-provides homebuyer education)</td>
<td>Nebraska Bankers Association (Partner)</td>
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<td>Nebraska Departments of Environmental Quality (NDEQ), Health and Human Services, Economic Development and Agriculture (Partner)</td>
<td>UNL Manufacturing Extension Center (Partner and partially funded by RD)</td>
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<tr>
<td>NPPD (Partner on Energy)</td>
<td>Center for Rural Affairs (Partner and partially funded by RD)</td>
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<td>UNL Food Processing Center (Partner)</td>
<td>Housing &amp; Urban Development (Partner)</td>
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<tr>
<td>Partnership for Rural Nebraska (Partner)</td>
<td>Federal Home Loan Bank (Partner)</td>
</tr>
<tr>
<td>Nebraska Rural Water Assn (Funded by RD for technical assistance)</td>
<td></td>
</tr>
</tbody>
</table>

KEY CAREER STAFF

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STATE PROFILE

New Jersey is a small state geographically with significant housing and economic development challenges in our rural communities. Rural Development programs continue to help almost any rural need; from housing to agriculture, improvements in infrastructure, support for public health and safety, or promoting economic development throughout the Garden State.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 8000 Midlantic Dr., Ste. 500N, Mt. Laurel, NJ 08054
- **Number of other offices:** Four Area Offices
- **Total workforce:** 36 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed and Direct Programs
  - Rental Assistance for MFH
  - Water and Waste Disposal Loan and Grant Program
  - Intermediate Relending Program
  - Community Facility Direct Loan Program
  - Rural Energy for America Program
- **List of programs centralized within the state:** Single Family Housing Guaranteed & Business Programs

HOT TOPICS

Significant demand for WEP programs which will far exceed our state allocation.

Lengthy foreclosure process in NJ (3-4 years) creates public concern with vacant properties.
Howard Henderson, Director

In August 2009, Howard Henderson was appointed by President Obama to serve as New Jersey State Director for USDA Rural Development. He has held multiple positions throughout Rural Development since 1974, including Acting Chief of Staff for Rural Housing Service from November 2013 to July 2014. Henderson earned his Master’s in Public Financial Management from American University in Washington, D.C. and his bachelor’s degree in Agricultural Economics from Rutgers University.

KEY STAKEHOLDERS

NJ Department of Agriculture
Delaware Bay Authority
NJ Department of Community Affairs
NJ Mortgage Bankers Assoc.
NJ Realtors Assoc.
New Jersey Environmental Infrastructure Trust
New Jersey Department of Environmental Protection

Rutgers University:
- Food Innovation Center
- Aquaculture Center

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STATE PROFILE

New Mexico maintains the highest poverty rate in the nation and an economy that has grown at an anemic rate since the Great Recession. New Mexico Rural Development maintains a vital role in supporting that economic recovery by funding crucial projects in housing, business, and utilities programs. The state’s large size and high needs requires high-cost, labor-intensive work. During the Obama Administration, our investments exceeded $2 billion in the state. On two occasions our total program output was larger than the State of New Mexico’s entire capital outlay budget.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 6200 Jefferson, NE Albuquerque, NM 87122
- **Number of other offices:** Four Area Offices
- **Total workforce:** 43 Full Time Staff
- **Top 5 Most used programs:**
  - Water and Waste Disposal Loan and Grant Program
  - Single Family Housing Guaranteed and Direct Programs
  - Rural Business Development Grant Program
  - Business and Industry Loan Guarantee Program
  - Rural Energy for America Program
- **List of programs centralized within the state:** Single Family Housing Guaranteed Program

HOT TOPICS

Working toward full expenditure of funds and the development of better quality applications in the Water and Environmental Program.

Increase Single Family Housing loan production, guaranteed outreach and making 504 repair process easier for customers.
New Mexico RD State Office Fact Sheet

Terry Brunner, Director

On September 3, 2009 Terry Brunner was appointed to the position of State Director for USDA Rural Development by President Barack Obama. Prior to his appointment, Mr. Brunner served as Senior Advisor in New Mexico to the President's 2008 campaign. He also served as U.S. Senator Jeff Bingaman's youngest and longest-serving State Director from 2003-2009. Mr. Brunner holds both a B.A. from the University of Arizona and a M.A. from the University of New Mexico in Latin American Studies.

KEY STAKEHOLDERS

New Mexico State University
Rural Water Association
Rural Community Assistance Corp
Tierra del Sol Housing
New Mexico Council of Governments
Stronger Economies Together regions
New Mexico State Legislature
Navajo Nation
New Mexico Main Street
New Mexico Association of Counties
New Mexico Municipal League

All Indian Pueblo Council
Thornburg Foundation
Cooperative Extension Service
SW Affordable Housing Group
La Montanita Co-op
Southwest Regional Housing
CEL Labs
The Loan Fund
WESS
Souders Miller Engineering
Colonias Development Council

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STATE PROFILE

Nevada is the 7th largest state in the nation, and the most mountainous state on the continental U.S., with over 85% of it under federal land management, and with 27 federally recognized tribal governments. Our geography and demography result in a widely dispersed set of communities, tribal colonies, and reservations, eagerly served by Nevada’s RD workforce of 27 mighty souls. We actively use the three legs of the RD stool – Affordable Housing, Business Development, and Community Infrastructure - throughout our state, guided by the “seat of our stool”, the Community and Economic Development Approach.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 1390 S. Curry Street, Carson City, Nevada 89705
- **Number of other offices:** Four Field Offices
- **Total workforce:** 27 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed Program
  - Single Family Housing Direct Program
  - Community Facility Program
  - Business and Industry Loan Guarantee Program
  - Water and Waste Disposal Loan and Grant Program (dependent on SEARCH grants)
- **List of programs centralized within the state:** All programs are centralized, with the caveat that our three field offices have specialists with Direct 502/504 loan approval authority

HOT TOPICS

The Housing Team has experience a great deal of personnel changes within the last two years. As of 9/24/16, the Housing Program Director position is not filled; however, strong individuals fill the Single Family and Multi-Family Coordinator positions. It will be necessary to check in soon and see where team formation is in terms of training, outreach, Partnership Initiative.

RD Nevada has done in depth work with Nevada’s tribes across all/most programs and through our Community Economic Development work. It will be essential to check in with staff on tribal projects and initiatives, as well as meet the leadership of the Intertribal Council of Nevada.

The Nevada RD Team engaged in an in-depth strategic planning process and produced an FY 16 & 17 State Strategic Plan – it is a great roadmap for RD in Nevada.
Sarah Adler, Director

Born and raised in Grand Rapids, Michigan, educated at Williams College in Massachusetts, Sarah Mersereau came west to Carson City, Nevada, as a VISTA volunteer in 1980. She received her Masters’ in Public Administration from the University of Nevada, Reno. She co-directed the Rural Office of the Nevada Commission on Economic Development until 1993, when she became the first ever Nevada State Director for the then Farmers Home Administration. From 2000-2008, she served as a high school English teacher and administrator in the Carson City School District.

KEY STAKEHOLDERS

**Intertribal Council of Nevada**

**Infrastructure for Nevada Communities (INC)**
 *(multi-agency infrastructure roundtable)*

**Nevada Lending Partners** *(multi-agency capital access working group)*

**Nevada Rural Housing Authority**

**Rural Community Assistance Corporation**

**Nevada Rural Water Association**

**Western Nevada Development District**

**Governor’s Office of Economic Development**

**Rural Regional Development Authorities** *(contact Governor’s Office of Economic Development for current)*

**Nevada Association of Counties**

**Nevada League of Cities**

**Community Coalitions**

**Key Federal Agency Partners:**

- HUD, Reno office and SW Office of Native American Programs
- Bureau of Indian Affairs
- Indian Health Service
- Economic Development Administration

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STATE PROFILE

New York Rural Development serves a large, diverse geography that encompasses nearly all of New York outside of the New York City metro area. Approximately 40,000 of New York’s more than 47,000 square miles of land area is considered rural, and roughly 6 million people reside in rural New York. Upstate New York is home to major population centers, large tracts of very rural, isolated areas with high levels of poverty and limited employment opportunities, and a broad range of settlement densities between those extremes. Agriculture, forests, and the Adirondack Park are the major land uses in New York.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 441 South Salina Street, Syracuse NY 13202
- **Number of other offices:** Ten Area Offices
- **Total workforce:** 100 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed Program
  - Single Family Housing Direct Program
  - Single Family Home Repair Program
  - Water and Waste Disposal Loan and Grant Program
  - Community Facility Direct Loan Program
- **List of programs centralized within the state:** Business & Industry loan guarantee program, Rural Energy for America Program, Value-Added Producer Grant program, Intermediary Relending Program, and the Rural Microentrepreneur Assistance Program.

HOT TOPICS

The steady loss of highly experienced career staff and their institutional knowledge, primarily to retirements, with limited ability to fill vacant positions timely and proactively.
Stanley (Lee) Telega, Director

Stanley “Lee” Telega brings more than 35 years of agricultural experience to USDA Rural Development. Lee holds a B.S. in animal science from The Pennsylvania State University and a M.S. in dairy cattle nutrition from the University of Tennessee. He dairy farmed in West Virginia, and later managed the University of Missouri research & teaching dairy operation prior to moving to New York. Lee served for 24 years as a Senior Extension Associate at Cornell University, fostering cooperation among farmers, rural residents and community leaders to implement best practices and generate prosperity for New Yorkers. He also served as senior agricultural and rural policy advisor to then-Senator Hillary Clinton.

KEY STAKEHOLDERS

NY Rural Water Assn (Technical assistance, funded by RD National Office)
NY Water Environment Association (Technical assistance)
RCAP Solutions (Technical assistance for rural water and wastewater projects, Funded)
NYS Environmental Facilities Corp (Funding partner)
NYS Rural Housing Coalition, Inc. (Partner)
Habitat for Humanity of NYS (Partner)
NYS Affordable Housing Coalition

National Union Bank of Kinderhook (High-volume B&I borrower)
NYS Office of Homes & Community Renewal (co-funders)
NYS Department of Agriculture & Markets
NYS Broadband Program Office
St. Regis Mohawk Tribe, Akwesasne housing Authority (partner for SFH loans on tribal lands)
US Small Business Administration

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STATE PROFILE

In Fiscal Year 2016, USDA Rural Development invested nearly $684 million to support affordable housing, create jobs and promote economic opportunity in rural Ohio. The Buckeye State is among 10 states with a rural population of nearly 30 percent. Ohio agriculture contributes to a sector that supports one in 11 jobs nationwide, provides American consumers with more than 80 percent of the food we consume, ensures that Americans spend less of their paychecks at the grocery store than most people in other countries, and supports markets for homegrown renewable energy and materials. This past year, we’ve obligated nearly $51 million in Rural Business and Cooperatives program funding, more than $72 million in Community Programs funding, about $13.4 million in Water and Environmental funding, and more than $547 million in Rural Housing Service program funds.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 200 North High Street, Room 507, Columbus, Ohio 43215
- **Number of other offices:** Four Area Offices
- **Total workforce:** 99 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed Program
  - Single Family Housing Direct Program
  - Water and Waste Disposal Loan and Grant Program
  - Community Facility Direct Loan Program
  - Business and Industry Loan Guarantee Program
- **List of programs centralized within the state:** With the exception of the 9003 Program (Bio-refinery, BioChemical and Biobased Product Manufacturing Assistance Program), all Business & Cooperative Programs are centralized at the state level. Within Community Programs, Community Facilities and Water and Environmental Programs are state-centralized. Rural Community Development Initiative (RCDI), Solid Waste Management Grants (SWMG), Distance Learning and Telemedicine Grants (DLT) and Broadband programs are managed from the national office. All Housing Programs are centralized within the state.

HOT TOPICS

Business and Cooperative Programs: [Unrestricted REAP applications](#) (more than $20,000 but less than $500,000) must be received by March 31, 2017. The State Director will need to determine if he/she intends to award additional points to applicants in the following categories: projects in under-represented technologies; projects which promote geographic diversity; projects which promote members of un-served or underserved communities; projects that help implement a priority of the President or Secretary of Agriculture, and/or those which support applications from U.S. military veterans.

Rural Housing Service: No specific Ohio-centric key issues are identified. However, on a national level, work continues on changes to the [Single Family Housing Guaranteed Loan program](#) to charge lenders a fee to use the Guaranteed Underwriting System (GUS) to offset the cost of program enhancements.
J. Anthony (Tony) Logan, Director

Tony Logan was appointed state director for USDA Ohio Rural Development in November 2009. Logan formerly served as chief legal counsel for the Ohio Department of Natural Resources, where he managed the legal affairs of 11 ODNR divisions. In partnership with the governor’s energy advisor, the Ohio Energy Office and the Ohio Power Siting Board, Logan also oversaw ODNR’s wind policy initiatives. He began his career in state government as an assistant attorney general in the Division of Criminal Activities. He migrated to the state Department of Agriculture as deputy director for Legal and Legislative Affairs and later, as assistant director. Logan is a native of Trumbull County, where his family continues to farm.

KEY STAKEHOLDERS

Key stakeholders for Community Programs:
The Ohio Rural Water Association
The Great Lakes Rural Community Assistance Program
The Small Communities Environmental Infrastructure Group

Lender: Ag Credit of Bowling Green
Energy: Ohio Farm Bureau Federation

Key stakeholders for Rural Housing Programs:
Ohio Capital Corporation for Housing
Ohio Housing Finance Agency
Ohio Mortgage Bankers Association
Community Action Commission of Fayette County

Key stakeholders for Business & Cooperative Programs:
The Ohio State University’s College of Food, Agricultural and Environmental Sciences

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STATE PROFILE

Oklahoma is one of the ten “most rural” states in the nation. Rural Oklahoma is home to the state’s top economic industries: energy and agriculture. However not all regions of rural Oklahoma have benefited from these job-creating and wealth-producing industries. Nearly half of Oklahoma was designated as persistent poverty USDA StrikeForce Counties. These economically distressed counties are generally home to the highest percentages of American Indians of any counties in the nation. Oklahoma ranks second nationally in American Indian population. Oklahoma’s USDA Rural Development team invests enormous resources and time in seeking to better serve such historically underserved populations.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 100 USDA, Suite 108, Stillwater, OK 74074
- **Number of other offices:** Nine Field Offices
- **Total workforce:** 67 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed Program
  - Business and Industry Loan Guarantee Program
  - Water and Waste Disposal Loan and Grant Program
  - Community Facility Re-Lending Program
  - Community Facilities Loan and Grant Programs

HOT TOPICS

It is highly likely that the Administrative Program Director will retire in January 2017. This, in combination with a State Director vacancy, will lead to significant instability and potentially unchecked performance and disciplinary problems with several employees. Three of the other five supervisors (Program Directors) are also seriously considering retirement this January. This looming leadership vacuum is already leading to an uptick in performance and disciplinary incidents. If the Administrative Program Director retires as is highly anticipated, the remaining supervisors are unlikely to be able to capably serve as Acting State Director, understand the disciplinary procedures available to them as a supervisor, and exercise the strength necessary to carry through with disciplinary actions. It may be essential to detail a very assertive, experienced supervisor to serve as Acting State Director for out-of-state. Without a detail of a strong-willed supervisor, RD OK will spiral into dysfunction and dueling complaints and grievances among coworkers.
Ryan McMullen, DIRECTOR

McMullen’s appointment as State Director made him the nation’s youngest Presidential appointee to such a post within USDA. During his tenure, McMullen oversaw the investment of $5 billion to RD customers. McMullen previously served in the State Legislature, where he became the youngest legislator in Oklahoma history ever elected to House leadership. McMullen is a sixth generation Oklahoman, raised on the family farm outside the town of Burns Flat. He graduated from Oklahoma State University as a Top Ten Senior Man with a degree in Agricultural Economics.

KEY STAKEHOLDERS

Choctaw Nation Promise Zone
Oklahoma Black Historical Research Project (Partner for Minority Outreach)
Oklahoma Tribal Conservation Advisory Council (Partner for Tribal Outreach)
Affordable Housing Providers of Oklahoma (RD MFH Properties Assoc.)
Oklahoma Rural Water Association (Assoc. of Rural Water Districts)
Cooperative Extension Service (Partner)
Association of County Commissioners (Partner)
Rural Action Partnership Program (Partner)
Rural Enterprise Inc. (REI) Oklahoma (Partner in Housing & Business)
Oklahoma Housing Finance Authority (Partner in SFH & MFH Finance)

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STATE PROFILE

Oregon is the ninth largest state in the U.S., yet it is only the 27th most populous. Outside of a handful of urban centers, the majority of the state is rural. Poverty is a significant issue with the state ranking 34th in household income. Rural economies have been significantly impacted by the recent precipitous drop in logging, one of the state’s primary industries. Agriculture, tourism, and technology are also major contributors to the state economy. More than half of all land is publicly owned, creating unique challenges for rural economic development. Much of the state is also experiencing a critical housing shortage. A variety of public and private partners are actively engaged in improving rural economic prosperity.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 1220 SW 3rd Avenue, Suite 1801, Portland, OR 97204
- **Number of other offices:** Five Area Offices
- **Total workforce:** 51 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed Program
  - Business and Industry Loan Guarantee Program
  - Single Family Housing Direct Program
  - Water and Waste Disposal Loan and Grant Program
  - Multi-Family Housing Rental Assistance program
- **List of programs centralized within the state:** Single Family Housing Loans, Loan Guarantees, Repair Loans and Grants, and Mutual Self-Help Housing Technical Assistance Grants; Multi-Family Housing Loans, Loan Guarantees, Rental Assistance, Housing Preservation Grants, Farm Labor Housing Loans and Grants, and Rural Housing Site Loans; Intermediary Relending Program; Rural Business Investment Program; Rural Economic Development Loans and Grants; Rural Microentrepreneur Assistance Program; Socially-Disadvantaged Groups Grants; Value Added Producer Grants; Rural Cooperative Development Grants; Advanced Biofuel Payments; Rural Energy for American Program; Rural Community Development Initiative Grants; Emergency Community Water Assistance Grants; Household Water Well System Grants; Solid Waste Management Grants; Water & Waste Disposal Revolving Loan Funds; and Water & Waste Technical Assistance & Training Grants.

HOT TOPICS

Portland State University will use Rural Development funds and assistance to assess what is working and what needs to be developed for public-private collaboration in rural communities facing economic issues/conflict in areas dominated by federal land ownership. Rural Development is also aligning partners and funding to build local capacity to develop affordable and workforce housing plans in areas with low housing stock, poverty, and complex development issues.

Rural Development has provided $50,000 for Oregon Rural Development Council (ORDC) to support a multi-entity, cross-sector rural partnership that interfaces frequently with active leadership from the State Director. ORDC is working with the Idaho and Washington Councils to develop a regional strategy for the Pacific Northwest for fiscal year 2017.

Oregon is developing processes to lend on new manufactured homes in mobile home co-ops to address the health and financial burdens of high-poverty homeowners.
Vicki L. Walker, Director

Vicki Walker was appointed the Oregon State Director for USDA Rural Development by President Obama in November 2009. Prior to her appointment, Ms. Walker served for ten years in the Oregon State Legislature, in both the House and the Senate. She also operated her own court reporting firm for 25 years. Ms. Walker attended Lane Community College and has a B.S. degree from the University of Oregon. She currently lives in Eugene, Oregon, with her husband, Steve.

KEY STAKEHOLDERS

Governor’s Regional Solutions Teams (program and policy alignment)
Economic Development Districts (12 in Oregon: revolving loan fund lenders, grant recipients, technical assistance providers, regional planning)
Association of Oregon Counties (partner, stakeholder organization)
League of Oregon Cities (partner, stakeholder organization)
Rural Community Assistance Corporation (grantee, technical assistance provider)
Oregon Business Council (stakeholder organization)
Oregon Association of Water Utilities (technical assistance provider)
The Ford Family Foundation (co-funder)
Rural Development Initiatives, Inc. (grantee, technical assistance provider)
University of Oregon Community Service Center and RARE Program (partner)
Oregon State University Rural Studies Program (partner)
CASA of Oregon (borrower, grantee)
Energy Trust of Oregon (co-funder)
Sustainable Northwest (grantee)
Ecotrust (partner, grantee)

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STATE PROFILE

Rural Development in Pennsylvania is a catalyst for real change in the hundreds of diverse rural communities throughout the state. Rural Development has a program for anyone inhabiting rural Pennsylvania—whether they be a community developer looking to usher in alternative energy solutions to their constituents in the coal region, an agricultural producer looking to take advantage of the famous and fertile Lancaster farmland, or simply a would-be homebuyer determined to make the American dream a reality.

STATE PROGRAM DELIVERY STRUCTURE

• **State Office Location:** 359 East Park Drive, Harrisburg, PA 17111-2747
• **Number of other offices:** Nine Area Offices
• **Total workforce:** 87 Full Time Staff
• **Top 5 Most used programs:**
  - Single Family Housing Direct Program
  - Single Family Housing Guaranteed Program
  - Community Facility Loan and Grant Program
  - Rural Business Development Grant program
  - Rural Energy for America Program
• **List of programs centralized within the state:** Single-Family Housing Guaranteed Loan Program & Single-Family Housing Direct Loan Program

HOT TOPICS

Existing Multi-Family Housing projects will continue to be repaired utilizing the programs MFH Revitalization Demonstration Program in combination the programs 538 Guaranteed loan program and the state funded Low Income Housing Tax Credit program. Substantially more Pennsylvania properties qualify for this program over the Revitalization Demonstration Program and the availability of private funds for such projects are significantly greater.

There are two delinquent properties in PA – Berlin Manor and Salisbury Manor, and both have already been recommended to OGC and DOJ for foreclosure actions. RD PA also has one REO property (Edgewood Apartments) which we are working to sell within the program by year end.

From FY 2012 through FY 2016, RD PA has done 5 Community Facility - university projects (Mansfield, West Chester, Clarion, East Stroudsburg and Slippery Rock) with combined obligations totaling $266,595,000 in Direct Loans and $31,783,600 in Guaranteed Loans. We are currently processing for FY2017 and expect the Indiana University of PA to total $176,000,000 in Direct Loans and $30,000,000 in Guaranteed Loans.
Tom Williams, Director

Thomas (Tom) Williams was appointed in July, 2009 by the Obama Administration as State Director of USDA Rural Development-Pennsylvania. Mr. Williams previously served as a congressional aide to former U. S. Congressman Paul Kanjorski (PA-11th) for 13 years. Mr. Williams received his B.A. from Wilkes University, and his M. A. degree from Bloomsburg University.

KEY STAKEHOLDERS

Center for Rural Pennsylvania
PA Downtown Center
PA Office of Rural Health
RULE-Rural-Urban Leadership Program
Altoona Blair County Development Corporation
The Progress Fund
The Northwest Commission
Northern Tier Regional Planning Commission
Northeastern Pennsylvania Alliance
WEDCO (Wayne County Development Corporation)

SEDAC Council of Governments
Keystone Development Center
Monroe County Industrial Development Authority
Hazleton CANDO
Quad 3 Engineers
Penn’s Northeast
Penn. Housing Finance Agency

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STATE PROFILE

As the island economy shrinks and financing sources idle in a wait and see mode, the RD Puerto Rico role as a key stakeholder for the growth of Puerto Rico has grown exponentially. RD housing loan programs account for over 43% of the mortgage market in PR, while the Water and Community Facilities Programs have become one of the main funding sources of infrastructure projects for the local government and the municipalities.

STATE PROGRAM DELIVERY STRUCTURE

- State Office Location: 654 Muñoz Rivera Ave. Suite 601 San Juan PR 00918
- Number of other offices: Six Field Offices
- Total workforce: 58 Full Time Staff
- Top 5 Most used programs:
  - Single Family Housing Guaranteed and Direct Programs
  - Water and Waste Disposal Loan and Grant Program
  - Community Facility Direct Loan Program
  - Rural Energy for America Program
  - Business and Industry Loan Guarantee Program
- List of programs centralized within the state: Single Family Housing Guaranteed Loan Program, Multifamily Housing Loan Program (loan making), Business Programs and Water and Environmental Programs.

HOT TOPICS


Redevelopment of Former Roosevelt Roads Navy Base – Significant east region plan development.

Puerto Rico Aqueduct and Sewer Authority Water Program Debt Restructure / Course of Action development.
Jose Otero-Garcia was appointed State Director of Puerto Rico August of 1999 and reappointed by President Barack Obama. Prior to becoming State Director, he served as Puerto Rico’s Commissioner for Municipal Affairs from 1996 to 1999 and as its Deputy Commissioner from 1995 to 1996. Graduate and Postgraduate studies are from Boston College and University of Puerto Rico. He holds a BA and a Law Degree.

KEY STAKEHOLDERS

Mortgage Banker Association PR Chapter
*(Partner: reunites all key lending participants of the Guaranteed Loan program)*

Puerto Rico Bankers Association *(Partner)*

Southeast Affordable Housing
Management Agents (SAHMA) *(MFH Program Partner)*

Corporación para el Financiamiento Empresarial del Comercio y de las Comunidades (COFECC) *(Partner/ Funded - Manager and intermediary of Micro loans programs)*

CooPACA (Credit Union) *(Partner/ Business Guaranteed Loan program)*

PR Department of Agriculture *(Partner)*

Puerto Rico Aqueduct and Sewer Authority (PRASA) *(Partner/Funded Biggest borrower of Water Program)*

Puerto Rico Government Development Bank *(Partner)*

Local Redevelopment Authority *(Partner)*

University of Puerto Rico *(Partner)*

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STATE PROFILE

South Carolina is still a largely rural state with more than 44% of population living in rural and small cities. This represents many opportunities that can be brought about through RD investments. In fact, since 2009, RD has invested nearly $7 billion in South Carolina’s rural communities. Our investments improved infrastructure, hospitals, schools, public safety, businesses and created many jobs, however, more work needs to be done due to these SC’s statistics: Poverty rate-24.5% (14.8% USA); education ranking- #43; health ranking- #39; unemployment rate for rural areas -7.8% (5.7% urban)

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 1835 Assembly Street, suite 1007, Columbia, SC 29201
- **Number of other offices:** Four Area Offices and Four Local Offices
- **Total workforce:** 83 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed Program
  - Community Facility Direct Loan Program
  - Water and Waste Disposal Loan and Grant Program
  - Business and Cooperative Programs
  - Single Family Housing Direct Programs
- **List of programs centralized within the state:** Single Family Housing Guaranteed and Business Programs.

HOT TOPICS

1. Education, schools and workforce development in rural counties
2. Unemployment rate and job creation in rural areas
3. Access to health care facilities and broadband in rural South Carolina

South Carolina’s most significant initiatives are: Promise Zone, StrikeForce and the development of I-95 Corridor. The I-95 Corridor in SC consists of 17 counties. Although presently undeveloped, the region has opportunities for economic development and job growth through the development of bioenergy, agriculture and forestry. Southern Carolina Alliance is a lead agency for the PZ and since 2015 our agency invested more than $115 million in the PZ region. These investments created jobs and improved economic conditions of the region. SC StrikeForce Team works continuously with organizations located in the StrikeForce counties to increase partnership and participation in all USDA programs.
Michele J. Cardwell, Director

Michelle Cardwell joined USDA, Rural Development in 1991 following a career in the banking industry. Ms. Cardwell was named Acting State Director for Rural Development in 2015 and also serves as the Community Programs Director for Community Facilities (CF) and Water and Environmental Programs (WEP). Under her leadership as Community Programs Director, South Carolina consistently ranked high nationally in terms of CF and WEP loans and grants invested. Ms. Cardwell has more than 24 years of service with the Rural Development.

KEY STAKEHOLDERS

Southern Carolina Regional Development Alliance (lead organization for the Promise Zone initiative—partner and recipient of RD funding)

Raymond James & Associates (Investor/Lender SC Community Loan Fund—recipient of funding/Partner)

WestTown Bank and Trust (Lender)

CresCom Bank (Lender/Partner)

United Community Bank (Partner)

SC Association of Regional Councils (Partner)

Aiken Electric Cooperative—recipient of funding
Westown Savings Bank (Partner)
South Carolina Association for Community Economic Development (Partner)

SC Rural Water Association—partner (recipient of RD funding)
Greystone Servicing Corporation (Lender)

SC Association of Realtors (Partner)

SC Chamber of Commerce (Partner)
Western Carolina Higher Education Commission (recipient of RD funding)

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STATE PROFILE

The 58 RD South Dakota employees located in seven area offices and the State Office deliver Business, Community/Utility and Housing Programs to 844,877 residents in 66 counties. In 2015 we invested over $258 million in rural South Dakota with our 6 year investment total surpassing $2.69 billion. Administrative budget authority in FY2015 was just over $5.9 million.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 200 4th Street, SW Room 210 Huron, SD 57350
- **Number of other offices:** Seven Area Offices
- **Total workforce:** 58 Full Time Staff
- **Top 5 Most used programs:**
  - Water and Waste Disposal Loan and Grant Program
  - Community Facility Programs
  - Single Family Housing Direct Program
  - Rural Energy for America Program
  - Multi-Family Housing Program
- **List of programs centralized within the state:** All programs in SD are centralized.

HOT TOPICS

Pine Ridge Ag Economy (PRAE)

State Organization Structure needs to be improved for Program Delivery

502 Relending & 502 Guaranteed Lending on Trust Land pilots
Bruce Jones, Acting Director

Mr. Jones was appointed acting State Director in February 2015. Mr. Jones began a career with USDA in 1983 holding positions ranging from Loan Specialist to Assistant to the State Director. A graduate of South Dakota State University with degrees in Agricultural Business and Commercial Economics, Mr. Jones builds active partnerships to bring critical funding and planning to projects in SD, totaling $229.4 million investments with American Indian tribes and over $2.69 Billion in total investments.

KEY STAKEHOLDERS

Nine federally recognized South Dakota Tribes
1. Cheyenne River Sioux Tribe
2. Crow Creek Sioux Tribe
3. Flandreau Santee Sioux Tribe
4. Lower Brule Sioux Tribe
5. Oglala Sioux Tribe
6. Rosebud Sioux Tribe
7. Sisseton Wahpeton Oyate
8. Standing Rock Sioux Tribe
9. Yankton Sioux Tribe

Inter-Lakes Community Action Partnership (ICAP) (Partner)
Grow-SD-statewide non-profit (Partner)
Rural Electric Economic Development, Inc (REED) (Partner)
Northeast Council of Governments (Partner)
1st District-Community Planning and Economic Development (Partner)

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STATE PROFILE

USDA Rural Development in Tennessee is focused on attracting investors to rural America with housing, business, and infrastructure loans and grants to create jobs and strengthen rural economies with an emphasis on areas plagued by persistent poverty. Since 2009, the agency has assisted more than 1.5 million Tennessee families and businesses in 230 communities in all 95 counties of Tennessee, investing more than $6.6 billion through affordable loans, loan guarantees and grants.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 3322 West End Avenue, Suite 300, Nashville, TN 37203
- **Number of other offices:** Eight Area Offices
- **Total workforce:** 111 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed Program
  - Single Family Housing Direct Program
  - Community Facility Program
  - Business and Industry Loan Guarantee Program
  - Water and Waste Disposal Loan and Grant Program
- **List of programs centralized within the state:** Guaranteed Housing Programs

HOT TOPICS

The TN office has at least 18 people that will be eligible to retire within the next 12 months, including 2 area directors, the CP Program director and the Assistant to the State Director. We have a very young workforce left to carry on.

Several leases are up for renewal including the State Office. The new Knoxville and Chattanooga leases are effective January 1, 2017. Jackson and Cookeville leases are expected to be complete by January 2017.

Office of General Council is reviewing four TN faith based colleges for Eligibility Determination.
Bobby Goode, Director

Bobby Goode was appointed on August 25, 2009, by President Barack Obama to serve as USDA RD State Director for Tennessee. Prior to being appointed State Director, Mr. Goode served West Tennessee as Area Director in Union City. During the last seven years, Mr. Goode has led TN RD to invest in jobs, infrastructure, community development, homeownership and affordable rental housing which assisted more than 1.5 million TN families and businesses in 230 communities in all 95 counties of TN, investing nearly $8 Billion through affordable loans, loan guarantees, and grants.

KEY STAKEHOLDERS

Tennessee Department of Economic & Community Development (Partner)
Tennessee Development Districts (Partner)
Tennessee Department of Agriculture (Partner)
Tennessee Farm Bureau (Partner)
Tennessee Association of Utility Districts (Partner)
Tennessee Housing Development Agency (Partner)
West Tennessee Industrial Association (Partner)
Tennessee Valley Authority (Partner)
Electric Cooperatives and Systems (Funded & Partner)
200+ Private Lenders (Partner)

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**STATE PROFILE**

With 254 counties and 1,254 miles of border with a foreign country, Texas Rural Development serves a very diverse population and geographic area in which it administers over 40 different federal programs with 152 FTE’s. We strive to build communities where people want to live, work, worship, raise a family, recreate, and educate with access to healthy foods through local and regional food systems.

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**STATE PROGRAM DELIVERY STRUCTURE**

- **State Office Location:** 101 South Main Street, Suite 102, Temple, Texas 76501
- **Number of other offices:** 25 Area Offices
- **Total workforce:** 152 Full Time Staff
- **Top 5 Most used programs:**
  - Community Facility Program
  - Business and Industry Loan Guarantee Program
  - Water and Waste Disposal Loan and Grant Program
  - Single Family Housing Guaranteed Program
  - Single Family Housing Direct Programs
- **List of programs centralized within the state:** B&I Guarantee and Guaranteed Rural Housing programs

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**HOT TOPICS**

The effect of Multi Family Housing virtual positions on morale and program delivery.

Additional training for FY17 subsequent to our state meeting held in FY16.

The effects of a liberal telework policy on a field based organization with limited human capital and a large statewide geographical area.
Paco Valentin, Director

In July 2009, the Obama Administration appointed Paco Valentin the Texas State Director of Rural Development. Mr. Valentin has dedicated his professional career to working for agricultural and rural interests. For 36 years, he has worked with USDA in various leadership capacities, including his tenure as Area Director and serving as the Texas Program Director for Rural Utilities Service. During his tenure as State Director, Rural Development has provided over $11.6 billion in rural investments throughout Texas.

KEY STAKEHOLDERS

- Texas A&M AgriLife Extension Service (Partner)
- Economic Development Administration (Partner)
- University of Texas – San Antonio (Partner)
- Texas Department of Agriculture (Partner)
- Texas Association of Regional Councils (Partner)
- Small Business Administration (Partner)
- Texas Association of Council of Governments (Funded)
- Rural Rental Housing Association of Texas (Funded)
- Habitat for Humanity (Partner)
- Texas Rural Water Association (Funded)
- Texas Secretary of State (Partner)
- Texas Commission on Environmental Equality (Partner)
- Communities Unlimited (Funded)
- Texas Association of Community Development Corporations (Partner)
- University of Texas- Pan American

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STATE PROFILE

USDA Rural Development is the grantor, lender and guarantor of more than half a billion dollars of investment in rural Utah annually. We typically finance over 2500 single-family home purchases each year. Utah RD produces about 10% of the nation's Self-Help housing. The vast majority of land in our rural counties is federally managed. This produces unique economic development opportunities as well as challenges. The counties that depend upon oil, gas, and mining leases suffer boom and bust cycles that are a barrier to creating resilient, locally controlled business. RD faces the challenge of assisting rural counties in transitioning to more sustainable economic options.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 125 South State St Room 4311, Salt Lake City, UT 84138
- **Number of offices:** Seven Area Offices
- **Total workforce:** 36 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed Program
  - Single Family Housing Direct Programs
  - Business and Industry Loan Guarantee Program
  - Water and Waste Disposal Loan and Grant Program
  - Community Facility Direct Loan Program
- **List of programs centralized within the state:** Housing; CF; WEP; B&I

HOT TOPICS

Outreach to maintain critical partnerships with Governor’s Office of Economic Development, Utah Housing and Community Development, Governor’s Rural Partnership Board, Utah Division of Indian Affairs and tribal governments and The San Juan Foundation partnership with RD, HHS and state agencies to break the cycle of intergenerational poverty in a persistent poverty county.

Continue the newly begun cooperative effort with the state to direct some of the Wasatch Front growth to rural communities.

Fill critical vacancies (State Engineer)
Dave Conine, Director
Prior to his 2009 appointment as Rural Development’s Utah State Director, Dave Conine worked as a Rural Development Specialist for RCAC. His experience also includes working as Economic Development Director for the Paiute Indian Tribe of Utah, Community Development Director for North Bend, Washington, he also served as Associate State Planner in the Utah Governor’s Office of Planning and Budget. Mr. Conine’s educational background includes architecture major at Cooper Union in New York City followed by a move to Salt Lake City where he completed his BS with majors in fine arts and geology followed by graduate work in urban and regional planning.

KEY STAKEHOLDERS

Governor’s Office of Economic Development (Partner)
RCAC (Funder/Partner)
All eight Tribal Governments (Funder/Partner)
Bear River Assoc. of Govts (Funder/Partner)
Uintah Basin Assoc. of Govts., (Funder/Partner)
Southeastern Utah Assoc. of Govts. (Funder/Partner)
Six County Assoc. of Govts. (Funder/Partner)
Neighborhood Nonprofit Housing (Funder/Partner)
Self-Help Homes (Funder/Partner)
Housing Authority of Southeastern Utah (Funder/Partner)
Community Rebuilds (Funder/Partner)
Mountainlands Community Housing Trust (Funder/Partner)

San Juan Foundation (Partner)
State of Utah Broadband Project (Partner)
Rural Water Association of Utah (Partner)
Utah Community Impact Board (Partner)
Utah State University Western Rural Development Center (Partner)
Five County Assoc. of Govts (Funder/Partner)
Envision Utah (Partner)
BLM State Office (Partner)
Utah Division of Indian Affairs (Partner)
Utah Division of Housing & Community Development (Funder/Partner)
Olean Walker Housing Loan Fund (Partner)

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STATE PROFILE

Virginia’s rural and remote regions stretch from coalfields in the southwest part of the state to oyster farms on the Eastern Shore and Chesapeake Bay. The state is more suburban and affluent in its northern regions. Industries that once supported Virginia’s rural and overall economies – tobacco, coal, textiles, manufacturing – have left the state or are shrinking exponentially. Virginia’s statewide poverty rate is 11.5% versus an 18.8% rate for its Appalachian region, and nearly 1 in 4 people in a dozen rural Virginia counties live in poverty.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 1606 Santa Rosa Road, Suite 238, Richmond, VA 23229
- **Number of other offices:** 13 Field Offices
- **Total workforce:** 80 Full Time Staff
- **Top 5 Most used programs:**
  - Business and Industry Loan Guarantee Program
  - Single Family Housing Guaranteed Program
  - Summer Food Service Program
  - Community Facility Direct Loan Program
  - Stronger Economies Together (SET): 3 SET Phase V regions; 2 SET Phase III regions
- **List of programs centralized within the state:** All Business Programs and the Single Family Housing Guaranteed Loan Program

HOT TOPICS

Three key career leadership positions are currently vacant: Area Director, Area 4; Program Director, Community Programs; and Program Director, Single Family Housing and need to be filled soon.

We are in early stages of securing a $182 million community facilities loan for upgrades and construction at a Virginia Hospital. If obligated, it will be the largest community facilities loan ever originated in Virginia.

After hiring or promoting 26 employees in FY16, it will be essential to continue to communicate training, development and support opportunities as well as succession planning.
Janice Stroud-Bickes, Acting Director

Janice Stroud-Bickes has worked in civil service for nearly 30 years and served USDA Rural Development as an Area Director, Community Programs Director and Assistant to the State Director. As an Area Director in southeastern Virginia, she tripled the loan and grant origination of that area. As a Community Programs director in Virginia, she nearly doubled the program’s investments from $23.6 million in 2014 to $45.4 million in FY2015. She became Acting State Director in September 2016.

KEY STAKEHOLDERS

**Va. Housing Development Authority** *(Largest partner, SFH & MFH programs)*

**Habitat for Humanity Virginia** *(502 loan packager; bulk REO property purchase)*

**Department of Environmental Quality** *(Partner in sewer loans/grants)*

**Va. Department of Health** *(Partner in water treatment loans/grants)*

**Va. Cooperative Extension** *(MOU to partner in SET delivery; outreach in energy efficiency and local foods)*

**Va. FAIRS** *(Cooperative development and local foods)*

**Tobacco Revitalization Commission** *(Partner in CF and RBS loans/grants)*

**Appalachian Regional Commission** *(Partner in WEP, CF, SFH, RBS loans/grants)*

**Southeast Rural Community Assistance Project** *(Partner in WEP, SFH loans/grants)*

**FAHE (502 loan packager)*

**Va. Resources Authority** *(Partner in water and sewer loans/grants)*

**Virginia State University** *(Partner in VAPG and REAP outreach to disadvantaged groups)*

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STATE PROFILE

Rural Development plays a large role in most community and economic development projects in Vermont and New Hampshire. Both states have limited state and philanthropic resources to invest in innovative new approaches to rural housing, job creation, energy and agricultural challenges, making RD a necessary player in all deals. The states have the second and third oldest populations in the country, and rural Vermont and New Hampshire incomes have underperformed even comparable rural incomes nationwide.

STATE PROGRAM DELIVERY STRUCTURE

- State Office Location: 87 State Street, Suite 324, PO Box 249, Montpelier, VT 05601
- Number of other offices: Six Field Offices
- Total workforce: 51 Full Time Staff
- Top 5 Most used programs:
  - Single Family Housing Guaranteed and Direct Loan Programs
  - Water and Waste Disposal Loan and Grant Program
  - Rural Business Development Grant Program
  - Multi-Family Rental Assistance Program
  - Community Facility Direct and Guaranteed Loan Programs
- List of programs centralized within the state: Business, Multi-Family, and Single Family Guaranteed Programs.

HOT TOPICS

RUS recently obligated a $46 million Energy Efficiency and Conservation Loan Program loan to Vermont Energy Investment Corp in FY15. The State of Vermont Public Service Board, Vermont Energy Investment Corporation and RUS continue to negotiate final loan documents and work plans. The State Director must remain actively engaged as an advocate for the loan’s success.

A $150 million redevelopment of the century-old Balsams hotel in Dixville Notch, NH may hinge on a $20 million B&I deal that the State Director has been developing for two years. The project is in the final stages, but due to complexity needs State Director involvement.

Approved in FY16 in VT/NH, a Section 515 Opioid Pilot Program will begin housing people right about the transition. The State Director must help maintain relationships and ensure success.
Ted Brady, Director

Ted Brady was appointed as State Director in September of 2013 and also serves as the chair of the Vermont Council on Rural Development. Mr. Brady previously served as Sen. Patrick Leahy’s senior economic development, community development, and housing and transportation field representative for 7 years. He has a degree in Journalism and Political Science from St. Michael’s College in Colchester, Vermont, where he was a volunteer EMT and captain of St. Michael’s Fire and Rescue -- Vermont’s busiest volunteer ambulance service. Brady lives with his wife and two sons in Williston, Vermont.

KEY STAKEHOLDERS

Northern Forest Center
(RBDG+RCDI recipient / Coop Agreements)

Northern Community Investment Corporation
(RBDG/RCDI/IRP/CF Direct facilitator + funded)

Northern Border Regional Commission
(Partner in economic development)

Vt. Agency of Commerce
(Partner in economic development and housing)

Vermont Economic Development Authority
(IRP Funded / partner)

Vermont Council on Rural Development
(RBDG funded / USDA designated RCDC)

UNH Extension
(RBDG funded / convener / validator)

UVM Center for Rural Studies
(Convener / State Data Center / partner)

Vermont Housing and Conservation Board
(RBDG funded / VAPG deal flow coordinator)

Vermont Law School
(Coop Agreement for pushing REAP Guarantee)

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STATE PROFILE

WA State RD serves over 78 rural communities, all 49 counties and approximately 4 million rural residents within the State by consistently deploying $800 million to a $1 billion in loans, guarantees, grants and technical assistance each year in rural areas to help customers meet their goals. We do our Community and Economic Development (CED) work in a way that works with stakeholders, leverages resources and looks to do this in a holistic manner. We use our resources as a catalyst to align our efforts with local needs and priorities.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 1835 Black Lake Blvd., SW Olympia WA 98512
- **Number of other offices:** Seven Area Offices
- **Total workforce:** 68 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed Program
  - Single Family Housing Direct Program
  - Multi-family Housing Programs
  - Business and Industry Loan Guarantee Program
  - Community Facility Programs
- **List of programs centralized within the state:** SFH Guaranteed Loan Program, Community Programs, and Business Programs,

HOT TOPICS

WA RD is understaffed. Current positions not filled include the SFH Program Director, one Business & Community Programs Specialist, One Community Programs Specialist, One Single Family Housing Specialist – and we are at our FTE Ceiling. Architect services also need to be closely managed.

Three hospital projects are under development in our CF program. These are large projects and need to be managed in an efficient way with proficient expertise.

Large numbers of senior staff are nearing retirement within the next 2 - 3 years.
Mario Villanueva, Director

Mr. Villanueva has served the Obama Administration as Washington RD State Director since August 2009 and has over 37 years of private business, nonprofit and federal service experience all involved in community and economic development work in rural communities. Mr. Villanueva has served on numerous state and national task forces, stakeholder boards and rural working groups including the MFH Partnership Alliance, the Regionalization Governance Board and helping establish the Partners for Rural WA rural development council in WA State.

KEY STAKEHOLDERS

US Dept. of HUD *(Partner)*

Partners for Rural WA *(Partner and funded)*

WSU Cooperative Extension Land Grant University *(Partner)*

WA State Housing Finance Commission *(Partner)*

Interagency Assistance Coordinating Council *(Partner and funded)*

Philanthropy NW *(Partner)*

Affiliated Tribes of NW Indians *(Partner)*

USDA State Food & Agricultural Council *(Partner)*

Office of Rural and Farmworker Housing *(Partner and funded)*

US Small Business Administration *(Partner)*

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STATE PROFILE

Wisconsin is a consistent National pace-setter for the delivery of funding for rural business, housing, community facilities, water and waste, and community economic development. We have capable and experienced career employees dedicated to the mission of Rural Development. Program delinquency rates are below average and we regularly exceed National Office program allocations. Our State Office is located in the geographical center of the State, we have six area offices, eighty two full time staff, and invest nearly three quarters of a billion dollars annually in rural Wisconsin.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 5417 Clem’s Way, Stevens Point, WI 54482
- **Number of other offices:** Six Area Offices
- **Total workforce:** 82 Full Time Staff
- **Top 5 Most used programs:**
  - Business and Industry Loan Guarantee Program
  - Single Family Housing Guaranteed Program
  - Community Facility Direct Loan Program
  - Water and Waste Disposal Loan and Grant Program
  - Multi-Family Housing Rental Assistance
- **List of programs centralized within the state:** Community Programs (Community Facilities and WEP), Single Family Housing Guaranteed Loan Program, and all Business Programs.

HOT TOPICS

Due to changing economic currents and rural demographics, there is economic disparity across the rural landscape. The greatest needs in Wisconsin include:

- More broadband services and state of the art technologies.
- More diversified economies.
- Improved rural transportation.
- Better access to rural health care facilities.

More Staff will be needed soon to replace an aging workforce.
Stan Gruszynski, Director

Stan Gruszynski was appointed Wisconsin State Director in August of 2009. Prior to his appointment he directed the Rural Leadership and Community Development program at the University of Wisconsin-Stevens Point College of Natural Resources. From 1996 to 2003 he served as the Director of Public Affairs for USDA Rural Development in WI, and from 1984 to 1994, he represented the 71st District in the WI State Assembly. Mr. Gruszynski has served as a board member on several State-wide conservation, environmental, and citizen organizations. He holds a bachelor’s degree in sociology/political science from Northland College in Ashland, WI.

KEY STAKEHOLDERS

Community Action Agencies (Both funding recipients and partners, across all program levels. RD attends meetings as needed and the annual meeting.)

Community Economic Development Associations (Both funding recipients and partners, across all program levels. RD attends meetings as needed and the annual meeting.)

Regional Planning Commissions (Partners across all program levels. RD attends meetings as needed and the annual meeting.)

Housing Associations (Both funding recipients and partners. RD attends meetings as needed and the annual meeting.)

Lenders - Both Business and Housing Partners. (RD also hosts webinars and workshops to provide education and training on our Guarantee programs. RD also attends annual meetings for WI Bankers Association and WI League of Credit Unions.)

Rural Town and Municipal bodies (Partners across all program levels. RD attends meetings as needed and the annual meetings for related groups.)

WI Rural Water Association (Partner in our WEP Programs. RD meets with WRWA monthly and participates in annual meeting.)

KEY CAREER STAFF

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STATE PROFILE

USDA Rural Development in West Virginia is a dynamic agency charged with delivering more than 40 Federal programs through the Rural Housing Service, Rural Utilities Service and the Rural Business-Cooperative Service. Our investments, which totaled more than $303 million in Fiscal Year 2016, are made in an effort to improve the quality of life for the residents of rural West Virginia. Our employees work diligently to manage resources effectively and efficiently for the benefit of our customers.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 1550 Earl Core Road, Suite 101, Morgantown, WV 26505
- **Number of other offices:** Ten Field Offices
- **Total workforce:** 54 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed Program
  - Water and Waste Disposal Loan and Grant Program
  - Business and Industry Loan Guarantee Program
  - Single Family Housing Direct Program
  - Community Facility Direct Loan Program
- **List of programs centralized within the state:** Single Family Housing Direct & Guaranteed Programs, Community Facilities, and Business and Industry Loan Programs.

HOT TOPICS

West Virginia has realized significant job loss in coal mining jobs and associated supporting industries in the recent past. The agency has engaged with various State and Federal partners to work cooperatively and collaboratively with local communities, specifically in southern West Virginia to identify opportunities for diversification.

USDA Rural Development in West Virginia has been actively engaged with State and Federal partners on flood recovery efforts in the counties impacted by the June 2016 floods. Our staff has been engaged in meetings with the Joint Field Office in Charleston, West Virginia as well as a team organized by the U.S. EDA. In both instances, State and Federal partners are working with local communities to identify needs and match available resources, whether it be technical or financial.

In celebration of National Homeownership Month in June 2016, USDA Rural Development announced a new initiative that will help West Virginia’s low-income residents turn their dreams of homeownership into a reality. Through a memorandum of understanding, the Federation of Appalachian Housing Enterprises (FAHE), a Kentucky-based non-profit that serves Appalachia through affordable housing, community development and job creation, the West Virginia Housing Development Fund and USDA, the Fund became the country’s only state housing finance agency to offer the United States’ Department of Agriculture’s Section 502 Direct Loan Program.
Bobby Lewis, Director

Bobby Lewis is originally from Welch, McDowell County, West Virginia. He attended West Virginia State University, where he earned a Bachelor of Science degree in Business Administration and later a Master of Business Administration degree from West Virginia University. He served as the Mayor of Welch and later as a County Commissioner in McDowell County in the late 1970s, 1980s and early 1990s before accepting an appointment as a State Director in the Farmers Home Administration (FmHA) in 1993. He served in this capacity until 2001 when he left to become the Director of Community Development for the West Virginia Development Office. In September 2009, Bobby was asked by President Obama to return to the position of State Director of USDA Rural Development in West Virginia.

KEY STAKEHOLDERS

WV’s 11 Regional Planning & Development Councils
WVU Extension Service
West Virginia Development Office
West Virginia Municipal League
West Virginia Association of Counties
West Virginia Community Development HUB *(Funded)*
WV Food & Farm Coalition *(Funded)*
West Virginia Rural Water Association
Appalachia Funders Network *(Funded)*

Natural Capital Investment Fund (NCIF) *(Funded)*
Rural Community Assistance Partnership (RCAP) *(Funded)*
WVU Small Farms Center
West Virginia Community Bankers Association
West Virginia Council for Affordable and Rural Housing (CARH)
West Virginia Housing Development Fund
Philanthropy WV *(Funded)*
Federation of Appalachian Housing Enterprises (FAHE)

KEY CAREER STAFF

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STATE PROFILE

Wyoming is a large, very rural state with a population of just under 600,000 that is known for its natural resources, abundant wildlife, and Yellowstone National Park. The state has been hit particularly hard by low prices and reduced demand for oil, coal, and gas. This has resulted in business layoffs, shrinking state revenues and budget shortfalls. As a result, Rural Development has had an opportunity to fund more water, wastewater and solid waste projects, along with new small business development and expansion opportunities. Alternative energy and related products provide further opportunities as many companies are seeking to minimize impact and job loss. Rural Development has focused its efforts on the Wind River Reservation, home of the Northern Arapaho and the Eastern Shoshone Native Americans; Campbell County (coal) and Niobrara County, which FEMA declared a Disaster Area in 2015 due to flooding.

STATE PROGRAM DELIVERY STRUCTURE

- **State Office Location:** 100 East B St. Room 1005, Casper, Wyoming, 82601
- **Number of other offices:** Four Field Offices
- **Total workforce:** 30 Full Time Staff
- **Top 5 Most used programs:**
  - Single Family Housing Guaranteed Program
  - Single Family Housing Direct Program
  - Water and Waste Disposal Loan and Grant Program
  - Business and Industry Loan Guarantee Program
  - Community Facility Direct Loan Program
- **List of programs centralized within the state:** Single Family Housing programs are centralized in the Riverton office.

HOT TOPICS

The Downturn in energy prices for oil, coal and gas has led to layoffs and shrinking state revenues and budget shortfalls. A $465 million revenue shortfall for the upcoming two-year period has been forecast by the state. Over 12,000 documented jobs were lost in 2016.

The Wind River Reservation is the largest poverty region in the state and has been a major priority for RD WY funding this year. The reservation is the home of two tribes who historically do not get along, and are unwilling to agree on joint projects that would benefit both tribes.

Wyoming Constitution prevents cities and towns from encumbering debt, as well as prohibits communities from offering incentives or waiving fees to help offset costs that would make projects more affordable as well as demonstrate community buy-in. This Strong resistance to federal funding and any government intervention or assistance coupled with Low population, large distance between communities, and lack of leadership in our small communities are challenges for RD WY.
Wyoming, Director

Connie Baker Wolfe was appointed to her position by President Obama in July 2014. She has more than 30 years of experience working with nonprofit organizations to address affordable housing, community and economic development needs in rural areas and urban neighborhoods. She has demonstrated exceptional leadership and management practices, working with a variety of organizations at regional, state, city and neighborhood levels.

KEY STAKEHOLDERS

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<tr>
<th>Wyoming Business Council</th>
<th>Wyoming Association of Engineers</th>
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<tbody>
<tr>
<td>State Land and Investments Board</td>
<td>Wyoming Association of Architects</td>
</tr>
<tr>
<td>Wyoming Community Development Authority</td>
<td>Wyoming Association of Municipalities</td>
</tr>
<tr>
<td>Wind River Development Administration</td>
<td>Wyoming Economic Development Association</td>
</tr>
<tr>
<td>Wyoming Bankers Association</td>
<td>Wyoming Board of Realtors</td>
</tr>
<tr>
<td>Wyoming Water Development Commission</td>
<td>Wyoming Mortgage Lenders Association</td>
</tr>
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<td>Wyoming Association of Rural Water Systems</td>
<td>Wyoming Housing Network, Inc.</td>
</tr>
<tr>
<td>Midwest Assistance Program</td>
<td>Guaranteed Lenders</td>
</tr>
<tr>
<td>Wyoming Community Foundation</td>
<td>• First Interstate Bank</td>
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<tr>
<td>Wyoming Chapter National Association of Housing &amp; Redevelopment Officials</td>
<td>• Pinnacle Bank</td>
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<td>Wyoming Rural Development Council</td>
<td>• Community First</td>
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<tr>
<td>Community Action Program</td>
<td>• Buffalo Federal Bank</td>
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<td>Habitat for Humanity</td>
<td>• Wallick &amp; Volk</td>
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<td>• ANB Bank</td>
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