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USDA

Key Activities, FY 1975

FARM INCOME:

Administration policy of relying on the free enterprise economy rather than government payments to produce farm income is continuing.

- . In 1974 total farm income reached the second highest level in history.
- . Meanwhile, government payments have been reduced from \$3.9 billion in fiscal 1973 to an estimate of less than \$500 million in fiscal 1975.
- . The target price concept of the Agriculture and Consumer Protection Act of 1973 provides basic protection should prices fall drastically.
- . Continuing development of export markets insures an outlet for excess farm products with resulting favorable effects on our balance of payments.

The Government stands ready with credit assistance where necessary in support of the nation's farmers.

- . In 1975 we will make an estimated 13,000 farm ownership loans totaling \$350 million.
- . Farm operating loans will be provided to over 51,000 farmers with a total value of \$525 million.
- . Recent legislation providing emergency credit assistance for the nation's cattlemen is being implemented.

AGRICULTURAL PRODUCTION:

Efforts to help farmers increase production to meet national and world needs are continuing.

- . Set asides and other programs to limit production have been eliminated.
- . Agricultural research is being stepped up in key areas including reducing the costs of red meats, improving the genetic resistance to disease in our crucial crops, and making more efficient use of fertilizers.
- . Major efforts are underway to control and/or eradicate pests and diseases that endanger agricultural production. Some of these efforts involve international cooperation such as:
 - work with Colombia and Panama to assure that foot and mouth disease does not gain entry to the U.S.; and



- cooperation with Mexico in moving the screwworm barrier from the Texas-Mexico border to the Isthmus of Tehuantepec.

AGRICULTURAL MARKETING AND CONSUMER SERVICES:

Efforts to improve the marketing system for agricultural products are being stepped up.

- . Market news services for farmers are being expanded with particular reference to:
 - livestock auctions; and
 - fruit and vegetable transactions.
- . Inspection, grading, classing, and standardization programs are being improved with particular reference:
 - better grading standards for fruits and vegetables; and
 - expansion of seed testing activities.
- . Regulation of futures marketing is being strengthened through:
 - ~~expanded market surveillance; and~~
 - more prompt handling of complaints.
- . Surveillance of livestock marketing practices has been stepped up.
- . In 1975, Federal meat and poultry inspection will reach over 8,200 plants compared with 5,700 in 1972.

FOOD AND NUTRITION:

(currently 64% of 49 budget in welfare; was 10% in 1960)

Major expansions in food assistance programs are continuing.

- . Nationwide implementation of the Food Stamp Program will be completed in fiscal year 1975. Since 1972:
 - the number of food stamp project areas has increased by 50% (from 2,130 to 3,156);
 - participation has increased at about the same rate (from 11.1 million to 15.8 million);
 - program expansion along with increases in the value of food stamps have more than doubled program costs (from \$1.8 billion to \$3.9 billion); and
 - during 1975 a review will be made of the diet which is the basis for food stamp allotments.



- Free and reduced price lunches under the Child Nutrition Programs continue to expand. Since 1972:
 - total free lunches served have increased from 1.2 million to 1.6 billion;
 - children receiving free lunches have increased from 7.8 million to 9.5 million.
 - Federally subsidized meals for day care centers and other non-school locations have increased from 176 million to 454 million and children reached have increased from 1.1 million to 2.7 million.

RURAL DEVELOPMENT:

Federal assistance emphasizes local initiative, planning, and decision-making.

- Federal grant funds under Title V of the Rural Development Act (\$3 million in 1974) are helping to support rural development research and extension work at our land-grant colleges.
- Subsidized housing programs for low-income people have been reoriented to emphasize existing housing. This will help to provide assistance to more people while holding Federal costs at reasonable levels. About 120,000 new or renovated housing units are projected in 1975.
- About \$500 million in subsidized credit assistance is being made available to rural communities for water and sewer systems and other essential community facilities. In 1975, 1,200 new or improved water and waste systems will serve 1.6 million rural residents.
- New loan authorities have permitted expansion of rural electric and telephone programs. In 1975:
 - electricity is being provided to an additional 190,000 rural residents; and
 - new, upgraded or improved telephone service is being provided to 495,000 rural residents.
- In 1975, Federal assistance for business and industrial development will help create 20,000 new jobs in rural areas.
- Local initiatives in flood prevention and more efficient use of natural resources will be aided by USDA's Watershed and Resource Conservation and Development Programs.
- USDA will help local officials through its rural development leadership schools. About 220 such officials will go through the schools in 1975.



ENVIRONMENTAL IMPROVEMENT AND RESOURCE DEVELOPMENT AND USE:

These programs are emphasizing balance between the need for increased production and protection of resources.

- . Direct conservation technical assistance is being provided to 1 million individuals and communities each year.
- . Publication of soil surveys, a key element in local land use planning, is being accelerated.
- . Balanced management of our national forests is continuing including:
 - substantial sales of timber to help meet our nation's housing needs (11.8 billion board feet projected in 1975);
 - reforestation of over 800,000 acres a year;
 - Maintenance and improvement of recreation facilities serving over 200 million visitor days per year; and
 - completion of major pollution abatement programs to bring national forests into compliance with State and local requirements.

SUPPORT FOR NON-FEDERAL GOVERNMENTS AND INSTITUTIONS:

Federal financial assistance continues at high levels.

- . Over \$100 million in National Forest revenues are returned to State and local governments each year.
- . Over \$200 million in annual Federal grant funds help to support research and extension work at land-grant colleges.

MANAGEMENT:

Initiatives now underway will greatly improve the Department's ability to manage and coordinate its programs.

- . USDA is developing and installing a comprehensive planning, budgeting, management information and control system which will integrate programs and agencies within a single system. This includes:
 - a common accounting system to replace our present 16 separate systems;
 - a common computer and data base system which will allow agencies to more readily exchange key program information and provide greater consistency of information at the Department level;



- consolidation of USDA offices to replace presently fragmented agency offices and permit one-stop service to citizens and more efficient use of common services; and
 - the installation of a management by objectives system to integrate long-range USDA planning, budgeting, management information and auditing.
- . USDA research programs are being reviewed to develop a system which will permit:
- better planning and tracking of research results;
 - greater coordination of Federal, State and local research efforts; and
 - better identification of high priority areas.
- . USDA is developing better quality control systems for the Food Stamp Program. Such systems will be implemented by the end of this fiscal year and will provide the basis for reducing the error rate in this program.
- . A new long-range plan is being developed for the management of our national forests. When completed, this will permit:
- clearer identification of management options available in achieving a proper balance between production and environmental concerns;
 - greater coordination with State and local land use activities; and
 - clearer analysis of resource requirements.
- . Key high priority areas are being managed on the basis of a new project manager concept which avoids the pitfalls of USDA's fragmented organization structure. These include:
- the accelerated forest insect research program which involves the work of several USDA agencies on the douglas-fir tussock moth, southern pine beetle, and the gypsy moth; and
 - other key areas such as the reclamation of strip mined lands.



TOTAL FARM OUTPUT AND ACREAGE, PRODUCTION, YIELD,
CARRYOVER AND PRICES FOR SELECTED COMMODITIES

ITEM	UNIT	C R O P Y E A R			CHANGE FROM PRIOR	
		1972/73	1973/74	1974/75	YEAR	
			a/	b/	AMOUNT	PERCENT
<u>FARM OUTPUT c/</u>						
Total	1967=100	112	116	124	xx	+ 7
Crops	1967=100	113	119	130	xx	+ 9
Livestock & Products...	1967=100	108	107	110	xx	+ 3
<u>FARM MARKETINGS c/</u>						
Total	1967=100	112	110	112	xx	+ 2
Crops	1967=100	116	118	123	xx	+ 4
Livestock & Products...	1967=100	109	104	104	xx	-0-
<u>ACREAGE</u>						
Planted						
Corn	thous. ac.	66,972	71,611	78,803	+ 7,192	+10.0
Sorghum.....	" "	17,295	19,303	19,017	- 286	- 1.5
Barley	" "	10,639	11,335	9,534	- 1,801	-15.9
Oats	" "	20,178	19,208	18,930	- 278	- 1.4
TOTAL Feed Grains.....	" "	115,084	121,457	126,284	+ 4,827	+ 4.0
Wheat (SRS d/)	" "	47,570	54,260	65,101	+10,841	+20.0
(Wheat-total plantings)	mil. ac.	(54.9)	(59.0)	(70.7)	(+ 11.7)	(+19.8)
Soybeans.....	thous.ac.	46,885	57,297	55,041	- 2,256	- 3.9
Cotton	" "	14,001	12,501	14,806	+ 2,305	+18.4
Rice.....	" "	1,824	2,181	2,377	+ 196	+ 9.0
Tobacco.....	" "	842	892	978	+ 86	+ 9.8
Dry beans	" "	1,487	1,417	1,705	+ 288	+20.3
Sugarbeets.....	" "	1,420	1,282	1,270	- 12	- 1.0
Hay	" "	59,821	62,190	61,613	- 577	- .9
Other crops	" "	6,249	6,850	6,525	- 325	- 4.7
Principal crops (SRS)	" "	295,183	320,327	335,700	+15,373	+ 4.8
Set-aside/diverted.....	" "	61,500	19,500	2,600	-16,900	-86.7
Planted plus set-aside	" "	356,683	339,827	338,300	- 1,527	- .4
<u>CROP PRODUCTION</u>						
Corn	mil.bu.	5,573	5,643	6,674	+ 1,031	+18.3
Feed Grains.....	mil.tons	199.9	205.0	235.0	+ 30.0	+14.6
Wheat	mil. bu.	1,545	1,711	2,073	+ 362	+21.2
Soybeans.....	" "	1,271	1,567	1,540	- 27	- 1.7
Cotton	mil.bale	13.7	13.0	14.2	+ 1.2	+ 9.2
Rice	mil. cwt.	85.4	92.8	111.0	+ 18.2	+19.6
Tobacco.....	mil.lbs.	1,749	1,768	2,005	+ 237	+13.4
Dry beans.....	mil.cwt.	18.1	16.8	20.0	+ 3.2	+19.0
Sugarbeete.....	thous.tons	3,663	3,200	3,000	- 200	- 6.2
<u>YIELD PER HARVESTED ACRE</u>						
Corn	bu.	97.1	91.4	97.0	+ 5.6	+ 6.1
Wheat.....	"	32.7	31.8	32.2	+ .4	+ 1.3
Soybeans	"	27.8	27.9	28.5	+ .7	+ 2.5
Cotton.....	lb.	507	519	490	- 27	- 5.6
Rice.....	"	4,700	4,277	4,700	+ 423	+ 9.9
Tobacco.....	"	2,076	1,983	2,050	+ 67	+ 3.4
Dry beans	"	1,292	1,209	1,250	+ 41	+ 3.4
Sugarbeets	short tons	2.74	2.62	2.53	- .09	- 3.7

ITEM	UNIT	C R O P Y E A R			CHANGE FROM PRIOR	
		1972/73	1973/74	1974/75	YEAR	
			a/	b/	AMOUNT	PERCENT
<u>CARRYOVER (end of yr)</u>						
Corn.....	mil. bu.	709	453	1,018	+ 565	+125
Feed Grains.....	mil. ton	32.4	22.6	39.0	+16.4	+ 73
Wheat.....	mil. bu.	438	170	484	+ 314	+185
Soybeans.....	" "	60	200	240	+ 40	+ 20
Cotton.....	mil. bale	4.0	3.7	4.6	+ .9	+ 24
Rice.....	mil. cwt.	5.1	5.0	15.6	+10.6	+212
Tobacco.....	mil. lbs.	3,277	3,055	3,068	+ 13	e/
Dry beans.....	mil. cwt.	.7	.2	1.6	+ 1.4	+700
<u>SEASON AVERAGE PRICE</u>						
Corn.....	\$/bu.	1.57	2.50	1.75	- .75	- 30
Wheat.....	" "	1.76	4.00	3.50	- .50	- 12
Soybeans.....	" "	4.37	5.55	5.00	- .55	- 9
Cotton, upland.....	¢/lb.	27.3	45.0	45.0	-0-	-0-
Rice.....	\$/cwt.	6.73	14.14	12.00	-2.14	- 15
Tobacco.....	¢/lb.	83.0	89.6	91.5	+ 1.9	+ 2
Dry beans.....	\$/cwt.	11.00	26.10	17.00	-9.10	- 35
Sugarbeets.....	\$/ton	124	177	1.57	- .20	- 11

a/ Carryover and prices estimated.

b/ Projected.

c/ Calendar years 1972, 1973 and 1974.

d/ Harvested acreage of winter wheat; planted acreage of spring wheat.

e/ Less than .5%.

May 1, 1974



FARM INCOME 1/, MARKETINGS AND PRICES, U. S., 1971-74

ITEM	1971	1972	1973	1974 FORECAST <u>2/</u>
<u>Farm Marketings (1967=100)</u>				
All farm products.....	110	112	110	113
Crops.....	113	115	118	123
Livestock & products.....	108	109	104	106
<u>Prices Received by Farmers (1967=100)</u>				
All farm products.....	112	126	172	187
Crops.....	107	115	164	196
Livestock & products.....	116	134	178	179
<u>Aggregate Farm Income (Bil. \$)</u>				
Cash receipts from marketings.....	52.8	60.7	83.4	90.2
Government payments.....	3.1	4.0	2.6	.4
Nonmoney income.....	3.8	4.2	4.5	4.8
Realized gross farm income.....	59.7	68.9	90.5	95.4
Farm production expenses	44.5	49.2	64.4	73.7
Realized net farm income.....	15.2	19.7	26.1	21.7
<u>Farm Income Per Farm (Dol.)</u>				
Realized net income.....	5,233	6,856	9,193	7,692
<u>Personal Income of Farm Population, Per Capita (Dollars)</u>				
From farm sources	1,612	1,879	2,502	
From nonfarm sources.....	1,483	1,657	1,848	
From all sources.....	3,095	3,536	4,350	
<u>Disposable Personal Income From All Sources, Per Capita (Dollars)</u>				
Farm population.....	2,764	3,182	3,913	
Nonfarm population.....	3,643	3,847	4,208	
Farm as % of nonfarm.....	75.9	82.7	93.0	

1/ Farm income estimates are in the process of revision. Proposed revisions for 1959-73 were shown in the February Farm Income Situation. Final revisions will appear in the July Farm Income Situation. The net effect of the revisions will be a reduction in the level of realized net farm income of around \$1-1/2 to \$2-1/2 billion for each year since the mid-sixties.

2/ Based on ERS' May forecast of "most likely" level of farm income. ERS projects the "high" and "low" range in income at \$19 and \$31 billion, respectively. The "high" level could result from a combination of stronger demand and less output (world-wide) than expected, while the "low" level reflects weaker than expected demand combined with larger output resulting from unusually favorable growing conditions.

May 3, 1974



FARM INCOME REVISIONS

During the past year, ERS has been working on revisions in the farm income estimates starting with 1959 data. Proposed revisions were published in the February Farm Income Situation and final revisions will appear in the July Farm Income Situation.

The information for the extensive revisions in farm income estimates came from several sources. Most important was the 1971 Farm Production Expenditure Survey conducted by SRS; the last previous survey of this type covered the year 1955. Census of Agriculture data from the 1964 and 1969 censuses and a special survey of agricultural finance for 1970 were also used. SRS provided updated commodity production, disposition, and income reports for the years 1964-69.

The major revisions are:

- Adding new income and expense accounts for custom work and machine hire.
- Adding a new income account for recreational services.
- Adding new expense accounts for outlays for record keeping and tax return preparation, legal fees, advertising, dues to farm organizations, etc.
- Substantial changes in some existing accounts, such as irrigation expenses, capital outlays and repairs and operations of capital items.

The revisions resulted in higher levels for both income and expenses, with expenses showing the biggest increase. Proposed revisions in realized net farm income are shown below:

YEAR	PUBLISHED (UNREVISED)	PROPOSED REVISIONS	C H A N G E	
			AMOUNT	PERCENT
		(billions of dollars)		(%)
1959	11.4	11.0	- .4	- 3.5
1960	11.7	11.4	- .3	- 2.6
1961	12.6	11.9	- .7	- 5.6
1962	12.6	11.7	- .9	- 7.1
1963	12.6	11.3	-1.3	-10.3
1964	13.1	11.4	-1.7	-13.0
1965	14.0	12.0	-2.0	-14.3
1966	16.3	14.0	-2.3	-14.1
1967	14.2	11.5	-2.7	-19.0
1968	14.7	12.2	-2.5	-17.0
1969	16.8	14.2	-2.6	-15.5
1970	16.8	14.5	-2.3	-13.7
1971	15.2	13.0	-2.2	-14.5
1972	19.7	17.6	-2.1	-10.7
1973	26.1	24.4	-1.7	- 6.5

U. S. AGRICULTURAL TRADE, VALUE OF SHIPMENTS,
FISCAL YEARS 1973-75

COMMODITY AND CATEGORY	FY 1973 (million dollars)	FY 1974 ESTIMATE	PERCENT CHANGE (%)	FY 1975 FORECAST (mil. \$)	PERCENT CHANGE (%)
<u>EXPORTS</u>					
GRAINS & FEEDS.....	5,616	10,286	+ 83	7,127	- 31
FATS & OILS.....	3,507	4,881	+ 39	4,231	- 13
LIVESTOCK AND MEAT PRODUCTS.	1,184	1,448	+ 22	1,080	- 25
FRUITS & VEGETABLES.....	790	1,013	+ 28	1,003	- 1
COTTON, INCLUDING LINTERS...	755	1,281	+ 70	1,332	+ 4
TOBACCO.....	640	700	+ 9	700	-0-
POULTRY PRODUCTS.....	98	135	+ 38	145	+ 7
DAIRY PRODUCTS.....	77	46	- 40	48	+ 4
SUGAR & TROPICAL PRODUCTS...	221	275	+ 24	280	+ 2
TOTAL EXPORTS.....	12,888	20,065	+ 56	15,946	- 21
<u>IMPORTS</u>	7,323	9,500	+ 30		
AGRICULTURAL TRADE BALANCE....	5,565	10,565	+ 90		

April 24, 1974



U. S. AGRICULTURAL EXPORTS, VOLUME OF SHIPMENTS,
MAJOR BULK COMMODITIES 1/, FISCAL YEARS 1973-75

COMMODITY	FY 1973 (1,000 metric tons)	FY 1974 ESTIMATE	PERCENT CHANGE (%)	FY 1975 FORECAST (1,000 MT)	PERCENT CHANGE (%)
FEED GRAINS.....	35,404	39,600	+ 12	37,700	- . 5
WHEAT & FLOUR.....	31,996	32,400	+ 1	26,900	- 17
SOYBEANS.....	13,771	13,600	- 1	15,240	+ 12
OILCAKE & MEAL.....	4,805	4,830	+ 1	5,375	+ 11
RICE.....	1,866	1,900	+ 2	1,850	- 3
COTTON, INCLUDING LINTERS.	1,128	1,260	+ 12	1,260	-0-
ANIMAL FAT.....	1,117	1,060	- 5	1,225	+ 16
VEGETABLE OILS.....	1,060	940	- 11	945	+ 1
FRESH FRUIT.....	988	1,070	+ 8	1,080	+ 1
TOBACCO.....	268	276	+ 3	268	- 3
TOTAL.....	92,403	96,936	+ 5	91,843	- 5

1/ The commodities shown accounted for 95 percent of the volume for all agricultural exports in FY 1972.

April 24, 1974



Objective #1. During fiscal year 1975, USDA will develop and announce major farm commodity programs for the 1975 crop year. These programs will be designed to assure the efficient production of sufficient quantities of major agricultural commodities to provide:

- adequate domestic supplies
- maximum commercial exports
- farm income to be derived from the marketplace at levels needed to assure investments required to utilize production capacity consistent with market requirements, within environmental constraints
- minimum Federal budget outlays for commodity programs
- reduced Federal intervention in agricultural production, domestic marketing, and international trade

Milestones. Programs for key commodities will be developed and announced as follows:

Wheat, Feed Grains, Soybeans, and Cotton:

By July 31, 1974 proposed alternatives will be reviewed within the Office of the Secretary and proposed decisions forwarded for Executive Branch clearance.

By August 31, 1974 Executive Branch clearance and CCC Board approval will be received; and public announcement of the program made.

Rice:

By November 30, 1974 proposed alternatives will be reviewed within the Office of the Secretary and proposed decisions forwarded for Executive Branch clearance.

By December 31, 1974 Executive Branch clearance and CCC Board approval will be received; and public announcement of the program made.

Dairy:

By February 28, 1975 proposed alternatives will be reviewed within the Office of the Secretary and proposed decisions forwarded for Executive Branch clearance.

By March 31, 1975 Executive Branch clearance and CCC Board approval will be received; and public announcement made.



Objective #2. During fiscal year 1975, USDA will draft and submit to the Congress proposed legislation to provide target prices for rice, peanuts, E.L.S. cotton, and to eliminate the disaster payments required by the Agriculture and Consumer Protection Act of 1973.

Milestones.

By November 30, 1974 four legislative packages (rice, peanuts, E.L.S. cotton, and disaster payments) will be developed, reviewed within the Office of the Secretary and submitted to OMB for clearance.

By January 31, 1975 the legislative packages will be cleared by OMB and submitted to the Congress.



Objective #3. During fiscal year 1975, USDA will carry out timber and environmental programs as follows:

- Timber sales of 11.8 billion board feet;
- Reforestation and timber stand improvement on 850,000 acres;
- Sales of salvage timber at 900 million board feet; and
- Completion of 24 management plans and related environmental impact statements.

Milestones.

By December 31, 1974 timber sales will reach 5.9 billion board feet, reforestation and timber stand improvement will be accomplished on 300,000 acres, and harvest of salvage timber will reach 450 million board feet.

By June 30, 1975 timber sales will reach 11.8 billion board feet, reforestation and timber stand improvement will be accomplished on 850,000 acres, and harvest of salvage timber will reach 900 million board feet.

Potential Management Problem: An unfavorable court decision in the Natural Resources Defense Council suit could result in a substantial reduction in timber sales on the grounds that an environmental impact statement was not prepared in connection with the budget. Such a decision would force a complete reexamination of this objective. No estimate is yet available on the date of court action.



Objective #4. The USDA, Forest Service will complete a draft long-term Forestry Plan called the Environmental Program for the Future. The draft plan is a comprehensive, long-range planning effort which sets forth several alternatives for meeting the Nation's future social, economic, and environmental needs from forested lands. The plan includes programs to aid private and State forest land managers through cooperative efforts, program of research to assist in management of private, State, and Federal lands; and programs for improved management of the National Forest System.

Milestones.

By August 15, 1974 USDA will release the draft Environmental Program for the Future for comment by public, State, local, and other Federal agencies.

By December 15, 1974 USDA will receive and consider comments from public, State, local, and other Federal agencies.

By June 30, 1975 USDA will revise the plan to incorporate comments and will develop output and activity goals for low, moderate, and high program levels for administrative regions.

Potential Management Problem: Congress is presently considering a proposed National Forest Planning Act which would impose new planning requirements on the Forest Service. Passage of this bill will require reconsideration of this objective. Conference action on this bill has been completed but it has not been reported to either House. No date for final action has been announced.



Objective #5. USDA will develop a national system for planning, evaluating, and coordinating agricultural research involving Federal, state and industry programs. Action to be taken will include: identification of appropriate roles and missions; review of methods for improving coordination of research; and assessing current planning methods. Progress in 1975 should lead to increased research efficiency and shifts in funding to provide appropriate program emphasis. In addition this will provide USDA with the necessary management framework to establish future year Presidential research objectives which are directly related to increasing farm productivity. Specific action to be taken in fiscal year 1975 includes the following:

- The National Planning Committee of ARPAC will submit a report to ARPAC which describes the issues involved in specialization among regions and states, as well as, between State Agricultural Experiment Stations, Colleges of 1890 and Tuskegee, Cooperating Forestry Schools, and USDA. The report will recommend methods for improving the planning of research to meet regional/national goals, eliminating unnecessary duplication, and increasing coordination of state/federal research programs. Approved recommendations will be implemented beginning June 30, 1975.

Milestones.

By July 30, 1974

Appoint staff members for developing report.

By August 30, 1974

Develop schedule of workplan.

By May 1, 1975 submit

Staff report to NPC.

By June 1, 1975

NPC modification as necessary and submission of final report to ARPAC.

By June 16, 1975

Discuss report at ARPAC meeting.

By June 30, 1975

Begin to implement recommendations.

- During 1975, achieve regional and national coordination of agricultural research by conducting reviews, special studies, and subject matter workshops. Three broad program reviews will be conducted jointly by USDA research agencies and the state institutions. Reports resulting from these broad reviews will be used for implementation in FY 1976. In addition, at least



30 reviews and workshops will be conducted on specific areas of ARS research, as well as 80 reviews of research conducted under the CSRS program. These reviews will enable program managers to focus on the inter-relationship of research within, and outside USDA.

Milestones.

By August 15, 1974

Identify and schedule three joint program reviews, 30 ARS reviews and workshops, and 25 reviews of research conducted under the CSRS program.

By August 30, 1974

Outline plan of work for three joint program reviews.

By January 1, 1975

Schedule remaining 55 CSRS reviews.

By January 15, 1975

Complete 14 ARS reviews and workshops.

By January 15, 1975

Complete 25 CSRS reviews.

By June 30, 1975

Complete all scheduled programs.

- Assess the Current Research Information System (CRIS) and initiate methods for improving the system. A Committee for reassessment of CRIS has been appointed and will be transmitting a report to the Secretary. The Committee will recommend: (1) changes for increasing the efficiency of CRIS by establishing a system for CRIS to supply more useful data on a timely basis and (2) alternate ways of proving adequate financial support for CRIS.

Milestones.

By July 1, 1974

Appoint review committee.

By August 1, 1974

Develop schedule for carrying out Committee charter.

By April 1, 1975

Draft of Committee report.

By June 1, 1975

Issue final report and recommendations.

By June 30, 1975

Obtain approval



Implement improved CRIS program in FY 1976

- Update and improve ARS research planning and evaluation models and methods. During 1975, an overall planning evaluation model will be structured. This model will be applied to at least 75 of the current 300 research programs. The model will contain a statement on current and visualized technology, research approaches, areas of impact, potential benefits, and an implementation plan.

Milestones.

By September 1, 1974

Develop schedule for model application for 75 programs

By September 30, 1974

Develop model for program planning, evaluation and reviews

By January 1, 1975

Complete 25 of the most important program applications

Complete all 75 program applications.



Objective #6. In Fiscal Year 1975, USDA will assure the validity of the food stamp caseload by implementing improved quality control systems in every State and developing a national administrative review system to assure effective program operations at the local level.

Milestones.

By July 31, 1974, the National Office of the Food and Nutrition Service will review and distribute revised instructions on quality control and eligibility criteria and a corresponding training guide on quality control to FNS regional quality control staff personnel. A total nationwide of about 40 people.

By September 13, 1974, the National Office will conduct one national training session for FNS regional office quality control staff personnel on the revised instructions.

By October 31, 1974, FNS regional offices will conduct 54 training sessions for state and local personnel on the revised instructions. One session each per State, Guam, Puerto Rico, Virgin Islands and District of Columbia.

By March 31, 1975, the FNS National Office will complete the initial draft instructions for monitoring project area operations; write the training guide for monitoring quality control systems and conduct training sessions for FNS regional office personnel.

Between March and May of 1975, in conjunction with the Office of Audit, plan an audit for FY 1976 of operational quality control systems. The date is tentative due to not yet having received the results of an audit presently in progress.

By June 30, 1975, the FNS National Office will implement procedures to monitor quality control systems at the national level and the regional offices will conduct two field tests at each of the five FNS' regions of the draft administrative instructions. Results of these tests will be used to update instructions and resolve any remaining problems. FNS regional offices will also begin conducting periodic reviews of each State's quality control system on a minimum annual basis or more often depending on need and available resources in the region.



Objective #7. In Fiscal Year 1975 USDA will establish Rural Development goals in the areas of employment, income, population, housing, and quality of community services and facilities, as required by the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et. seq.).

Milestones.

By January 31, 1975 the Rural Development Service will establish proposed goals for each of the five areas and transmit them for review to the Office of the Secretary.

By February 28, 1975 the Assistant Secretary for Rural Development will review the proposed goals and provide decisions or modifications.

By March 31, 1975 the proposed goals will be reviewed by the Office of Management and Budget which will provide final Administration comments and decisions.



Objective #8. In Fiscal Year 1975, USDA will accelerate the economic and social development of rural areas to achieve better geographic balance of population and growth with emphasis on the categories of: human resources development, economic development, community facilities, and environmental improvement.

Milestones.

Human Resources Development. (The objective of programs in this category is to assist rural communities in improving the technical capacity to conduct their own local development programs.)

By June 30, 1974, provide direct technical support for local rural development efforts through at least 1,400 man-years of direct assistance by the Extension Service. (Report quarterly on level of assistance provided, final report as of June 30, 1975, will be submitted by July 31, 1975.)

By March 31, 1975, strengthen the technical capacity of rural communities to conduct their own development programs by training 220 rural community leaders in two rural development leadership schools. (First school in November 1974, second in March 1975, approximately 110 students each.)

Economic Development. (The objective of programs in this category is to provide jobs and increased income in rural areas through encouragement of rural industrialization and increased business activity by providing credit, investment, and equity capital to encourage rural economic development through private enterprise.)

By June 30, 1975, create 20,000 new jobs in rural areas through an industrial development loan and grant program. (Report quarterly on progress toward this target, final report July 31, 1975.)

Community Facilities. (The objective of programs in this category is to assist rural communities in developing the community facilities (water supply and waste disposal, telephone and electrical service, adequate housing) needed to establish a solid base for industrial development and to secure to rural residents the amenities available in more highly-developed areas.)

By June 30, 1975, provide new, upgraded, or improved telephone service to 495,000 rural residents. (Report quarterly on progress toward this target, final report July 31, 1975) (\$160 million of financing will be from the Rural Telephone Bank, \$140 million will be from REA Insured Loans, \$100 million will be REA Guaranteed Loans.)

By June 30, 1975, provide electricity to an additional 190,000 rural residents. (Report quarterly on progress toward this target, final report July 31, 1975.)



By June 30, 1975, provide 1,200 new or improved water and waste disposal systems serving 1.6 million rural residents. (Report quarterly on progress toward this target, final report July 31, 1975 (\$400 million of financing will be from FmHA loans, \$100 million will be from FmHA grants.)

By June 30, 1975, provide or upgrade a minimum of 400 community facilities serving approximately 5.5 million rural residents. (Report quarterly on progress toward this target, final report July 31, 1975.)

By June 30, 1975, provide for construction or renovation of approximately 120,000 housing units in rural areas, at least twenty percent of which will be existing housing. (Report quarterly on progress toward this target, final report July 31, 1975.)

Environmental Improvement. (The objective of programs in this area is to improve or maintain environmental conditions in rural areas to ensure that economic development is accomplished without sacrificing the environmental qualities of rural America.)

By June 30, 1975, complete 55 small watershed work plans. (Report quarterly on progress toward this target, final report July 31, 1975.)

By September 30, 1975, initiate 25 new Resource Conservation and Development Planning Starts.



Objective #9. During Fiscal Year 1975 continue efforts to assure achievement of a projected value of agricultural exports of approximately \$19 billion to consist of \$18 billion in commercial exports and \$1 billion in concessional exports (P.L. 480). The projected value of \$19 billion is composed of the following:

<u>Commodity</u>	<u>Projected Dollar Value of Exports</u> (million dollars)
Wheat and wheat products	\$4,500
Feed grains (excluding products)	3,500
Soybeans and products	5,000
Animal and animal products	1,400
Cotton (excluding linters)	1,350
Unmanufactured tobacco	775
Fruits and vegetables	1,000
Milled rice	725
Other	750

Milestones. On a quarterly basis, monitor value of exports as follows:

<u>Date of Report</u>	<u>Period Covered</u>	<u>Target Value</u> (million dollars)
October 31, 1974	July - Sept.	\$4,170
January 30, 1975	July - Dec.	9,460
April 30, 1975	July - March	14,335
July 31, 1975	July - June	19,000



Objective #10. The USDA will develop and install a comprehensive planning, budgeting, management information and control system which will integrate all programs and agencies of the Department within a single system. Major segments of this system include:

- A common administrative accounting system to operate on a Department-wide basis and which will replace the 16 separate systems now operated individually throughout the Department.
- A centralized automated data processing system which will replace individual computers previously operated by agencies of the Department and which will provide ADP service to every agency of the Department with a common information data base and a communications capability to permit the transfer of operations of one computer center to another, and which will link field offices throughout the Department with the computer centers.
- The establishment of agricultural offices at field locations which will combine the operations of at least four and sometimes as many as seven separate agencies previously maintaining separate offices at these locations and which will have sufficient workload to permit the use of the communications equipment provided through the central ADP system.
- The development of a Management by Objectives system which will integrate long-range planning, budgeting and management information and audit to assure that program planning is consistent with policy development, integrated with the annual budget, monitored throughout the fiscal year, and subject to uniform audit procedures during the year.

Milestones. (This is a multi-year project; the following milestones relate to fiscal year 1975).

Centralized accounting:

By November 1, 1974 complete system project plan and concept study.

By June 30, 1975 submit accounting principles and standards to GAO for approval.

Centralized computers:

By December 31, 1974 award major hardware contract for upgrading equipment.

By June 30, 1975 develop information system plan.

By June 30, 1975 deliver first compatible system.



Agricultural service centers:

By August 31, 1974 initiate operations at first 100 pilot centers.

By December 31, 1974 review operations at first 100 pilot centers and approve State Administrative Committee recommendations for an additional 400 pilot centers.

By March 31, 1975 complete audit of initial centers and report to the Secretary.

By June 30, 1975 approve State Administrative Committee recommendations for an additional 500 centers.

Management by Objectives:

By August 31, 1975 select FY 1975 Secretarial objectives.

By October 1, 1974 submit FY 1976 program and financial plan to OMB with objectives identified for all programs and Presidential Objectives recommended.

By October 5, 1974 implement tracking system and initiate internal quarterly reports on Secretarial objectives.

