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August 5, 1974

file
MB0
Agriculture

MEMORANDUM FOR: JOE WRIGHT
FROM: JIM JURA
SUBJECT: August 9 Management Conference Agenda

Would you please review the following and give me a call as soon as possible to discuss any changes. The next management conference between the Department of Agriculture and the Office of Management and Budget will be held on Friday, August 9, 1974, from 2:00 until 4:00 PM in the Secretary's Conference Room (218A). Attendees will be:

OMB

Roy Ash
Fred Malek
Frank Zarb
Wes Sasaki

John Hill

Ron Landis

Judy Liersch
Jim Jura

Domestic Council

Norm Ross

USDA

Secretary Butz
Under Secretary Campbell
Joe Wright (Administration)
Clayton Yuetter (International Affairs
and Commodity Programs)
William Feltner (Marketing and Consumer
Services)
Robert Long (Conservation, Research
and Education)
Will Erwin (Rural Development)

A summary of the agenda, with pertinent comments and an appropriate time schedule is as follows:



2:00 - 3:15

- o Discussion and possible resolution, of the three FY 75 objectives which have not been finalized:
 - Farm income and exports
 - Agricultural research
 - Rural development

3:15 - 3:45

- o Discussion of OMB concerns which were not reflected in USDA's submission of their FY 75 objectives.
 - Rural housing
 - New Federalism in rural development

3:45 - 4:00

- o Description, by OMB, of how USDA can properly utilize the MBO program as a management tool.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

August 15, 1974

MEMORANDUM TO: ROY ASH
FRED MALEK
FRANK ZARB

SUBJECT: USDA Management Conference

Please file ref
to discuss the Presidential objectives

The first FY 1975 Management Conference with USDA has been rescheduled for tomorrow, August 16, from 10:00 a.m. to 12:00 noon in the Secretary's Conference Room.

As a follow up to our meeting with you last Thursday, we have made some changes in the agenda. The agenda for tomorrow's meeting is as follows:

10:00 - 11:15

Discussion of unresolved issues relating to USDA
FY 75 objectives

- Farm income
- Agricultural research
- Rural development
- Extension Service - Inputs/Outputs

11:15 - 11:45

Discussion of OMB concerns beyond the USDA FY 75
objectives

- New federalism in rural development
- Rural development and housing

USDA FY 75 appropriations

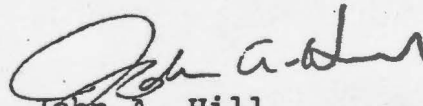
11:45 - 12:00

OMB support of USDA on policy issues which cut across
agency lines



Attendees from USDA are expected to be:

- Secretary Butz
- Joe Wright (Administration)
- Clayton Yeutter (International Affairs and
Commodity Programs)
- Bob Long (Conservation, Research and Education)
- William Erwin (Rural Development)
- Don Paarlberg (Agricultural Economics)



John A. Hill
Deputy Associate Director
Natural Resources, Energy
and Science



EXECUTIVE OFFICE OF THE PRESIDENT

*Mr. Ross*OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DATE: August 7, 1974

REPLY TO

ATTN OF: MD/NRES

SUBJECT: Briefing Material, USDA Presidential Objectives Conference

• Roy Ash
Fred Malek
Frank Zarb

A Presidential Objectives Conference with the Department of Agriculture will be held on Friday, August 9, from 2:00 to 4:00 p.m. in the Secretary's Conference Room. Attendees will include:

Executive Office

Roy Ash

Fred Malek

Frank Zarb

John Hill

Wes Sasaki

Ron Landis

Judy Liersch

Jim Jura

Norm Ross, Domestic Council

USDA

Secretary Butz

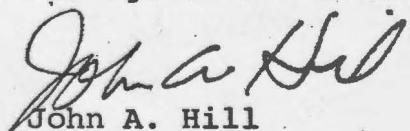
Joe Wright (Administration)

Clayton Yeutter (International
Affairs and Commodity Programs)William Feltner (Marketing and
Consumer Services)Paul Vander Myde (Conservation,
Research and Education)

Jim Bostic (Rural Development)

J. Dawson Ahalt (Agricultural
Economics)

The agenda and briefing materials are attached.



John A. Hill
Deputy Associate Director
Natural Resources, Energy
and Science

Attachments



AGENDA

2:00 - 3:15 p.m.

Discussion of unresolved issues related to FY 75 objectives

- Farm income and exports (Butz & Yuetter)
- Agricultural research (Vander Myde)
- Rural development (Bostic)
- Forest Service Environmental Plan for the Future (Vander Myde)

3:15 - 3:45 p.m.

Discussion of OMB concern with issues not reflected in
USDA FY 75 objectives

- Rural housing
- New Federalism in rural development

3:45 - 4:00 p.m.

Discussion of the use of MBO within USDA and OMB's
role in supporting and assisting the Department with
their MBO program



I. Of the 10 FY 75 Presidential Objectives USDA has submitted:

- 2 were combined
- 6 were accepted (Tab A)
- 3 have unresolved issues (Tab B)

The three objectives with unresolved issues are:

A. AGRICULTURAL RESEARCH

- OBJECTIVE

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.

- OMB POSITION

This objective is primarily concerned with studies and coordination efforts rather than desired research outputs of a Presidential level of concern such as enhanced agricultural productivity. We believe that this should be considered a Departmental objective instead of a Presidential objective.

B. RURAL DEVELOPMENT

- OBJECTIVE

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.

- OMB POSITION

The rural development goal setting process must involve State and local governments as well as the Federal Government. We believe that USDA should give the highest priority to developing a process whereby states can develop and express State/local rural development goals and priorities. The present objective and milestones do not include measures to ensure this.

C. FOREST SERVICE ENVIRONMENTAL PLAN FOR THE FUTURE

- OBJECTIVE

The USDA, Forest Service will complete a draft long-term Forestry Plan called the Environmental Program for the Future. The draft plan should be 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.

- OMB POSITION

We have no objection to the objective itself. We do feel, however, that a milestone should be added which would formally tie OMB into the review process which is a regular requirement under the Executive Branch clearance process. USDA interprets this as "approval" action rather than "review" action and maintains that it would give us "veto power" over their plan.

II. Discussion of OMB concern with issues not reflected in USDA's FY 75 objectives

In attempting to maximize the integration of the MBO approval with the budget process, we have identified certain key issues which will probably surface in our budget planning but which have not been identified by USDA as Presidential objectives.

At this conference we would like to discuss issues related to rural housing and New Federalism in rural development.

III. The final item on the agenda deals with the use of MBO within USDA and OMB's role in supporting and assisting the Department on broad policy issues which cross agency lines. Secretary Butz has two main concerns in this area:

- That early policy decisions on broad national issues (such as land use, welfare programs, rural development, etc.) are sometimes made without sufficient interagency coordination to assure that all appropriate agency views are fully taken into account in arriving at such decisions.
- The interfaces between the MBO process and the budget process are not as consistent as A-11 calls for.



Objective #1. To develop and announce major 1975 crop year farm commodity programs designed to assure the efficient production of sufficient quantities of major agricultural commodities to provide:

- adequate domestic supplies at reasonable consumer price levels
- 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.

A. Development of Programs:

Programs 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.



B. Agricultural Exports:

Efforts will be continued 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). Projected commodity values are:

<u>Commodity</u>	<u>Projected Dollar Value of Exports (million dollars)</u>
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

Value of exports will be monitored quarterly as follows:

<u>Date of Report</u>	<u>Period Covered</u>	<u>Target Value (million dollars)</u>
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 #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 and attain enactment thereof.

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 #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 #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 assistance 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 assist rural residents to obtain 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.) (\$613 million of financing will be Insured Loans, \$1,386 million will be REA Guaranteed Loans.)



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. About $\frac{1}{2}$ of the program will be directed toward the lowest income families which are eligible for and seek assistance under USDA rural housing programs. (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. 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.



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 providing 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 #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.



Management Conference

- Issues

- Direct Payments - as much as \$1 Billion
Mechanism or decision making for payments (conflict of Interest)
- P.L. 480 Program (Item for Staff Meeting)
- Export Controls
- Long range planning process - involve President (sure)
- USDA will put out information on Indian programs (Conservation programs for example exclude Indians)
- 4:00 Butz negotiate with ^{Whittington} ^{Leadership}

Agenda | President meeting on Tuesday (1974 Repackaging in REAP)
Policy Issues involved. [Conservation Payments]

- If we talk specifics should have Cole input.
 - Butz will cut no deals today
 - Court order in REAP
- * President will review Budget ceilings and personnel.
he we involved. (Do we review)
- Legislation to scale down Food Programs.
(Cotton, wool, Rice, peanuts)





UNITED STATES
DEPARTMENT OF AGRICULTURE

Presidential Objectives

FISCAL YEAR 1975



Explanation Of Milestone Symbols

These pages present the USDA Presidential Objectives and the significant milestones related to those objectives. Milestones are scheduled on those dates on which either (a) major events are expected to occur which will have impact on the objective or (b) dates established for periodic review of progress towards the objectives.

- THERE ARE TWO TYPES OF MILESTONES SHOWN WITH THESE SYMBOLS:

-  Those which USDA has the ability to achieve with little or no action outside the Department.
-  Those which are contingent wholly or in part on major actions outside USDA.

- THE MILESTONE SYMBOLS ARE ENTERED ON THE CHARTS AS:

Hollow symbols ( , ) to show scheduled events, and

Solid symbols ( , ) to show the milestone was achieved.

- SCHEDULED MILESTONES ARE NOT MOVED FROM ONE MONTH TO ANOTHER. CHANGES IN TIME ARE SHOWN BY ADDING SYMBOLS AND ARROWS. FOR EXAMPLE:

   Revised Schedule

   Achieved Early

   Achieved Late



Contents

The following pages contain the fiscal year 1975 Presidential Objectives of the Department of Agriculture. Development of these objectives involved the participation of both USDA agencies and Assistant Secretaries with comments and suggestions from the Office of Management and Budget. Coordination was provided by the Operations Review and Analysis staff of the Office of Management and Finance. The objectives are:

<u>TOPIC</u>	<u>PAGE</u>
1. Farm Commodity Programs	1
2. Commodity Legislation	3
3. Timber and Environment	4
4. Long Range Planning for Management of Forested Lands	5
5. Agricultural Research	6
6. Food Stamps — Quality Control	8
7. Rural Development Goals	9
8. Ongoing Rural Development Programs	10
9. Management	13



1. FARM COMMODITY PROGRAMS

Objective #1. Announce major farm commodity programs for the 1975 crop year designed to assure the efficient production of sufficient quantities of major agricultural commodities to provide:

- *Adequate domestic supplies at reasonable consumer price levels,*
- *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	1974						1975					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
▪ <i>Wheat, Feed Grains, Soybeans, and Cotton</i> Forward Secretarial recommendations to OMB for Executive Branch clearance and discuss at management conference, as necessary. Announce programs to public.	○	○										
		□										
▪ <i>Rice</i> Forward Secretarial recommendations to OMB for Executive Branch clearance and discuss at management conference, as necessary. Announce programs to public.					○	□						



1. FARM COMMODITY PROGRAMS, Continued

MILESTONES	1974						1975					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<i>Dairy</i> Forward Secretarial recommendations to OMB for Executive Branch clearance and discuss at management conference, as necessary. Announce program to public. <i>Exports</i> Review value of achieved exports quarterly and provide reports and recommendations for management conferences, as necessary. Projected cumulative value of exports are: - By September 30, 1974 — \$4.2 billion - By December 31, 1974 — \$9.5 billion - By April 30, 1975 — \$14.3 billion - By June 30, 1975 — \$19.0 billion								○	□			
					○				○			○



2. COMMODITY LEGISLATION

Objective #2. Submit to the Congress proposed legislation to (a) provide target prices for rice, peanuts and extra long staple cotton, and (b) to amend the Agriculture and Consumer Protection Act of 1973 by eliminating provisions for disaster payments, and attain enactment thereof.

MILESTONES	1974						1975					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Forward USDA proposed legislation to OMB for clearance.					○							
Legislation submitted to Congress.							□					
Review status of legislation and provide reports and recommendations to management conferences, as necessary.									○			○



3. TIMBER AND ENVIRONMENT

Objective #3. To continue timber and environmental programs in National Forests in support of lumber price stability without diminishing future yield and with consideration of environmental impact. This will be accomplished in fiscal year 1975 when:

- *Lumber supplies are supplemented through National Forest sales of 11.8 billion board feet from the regular timber program and 900 million board feet from the salvage timber program; and*
- *Future yield and environmental impact are protected by reforestation and timber stand improvement on 850,000 acres of National Forest land, and management plans, including environmental impact statements, are completed for 24 National Forest areas.*

MILESTONES	1974						1975					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Review program progress and provide reports and recommendations to management conferences, as necessary. Program targets include:									○			○
Timber sales												
Salvage timber sales												
Reforestation and TSI												
Management Plans												
Total Federal Costs:												
Timber Sales												
Reforestation and TSI												
Review status of Natural Resources Defense Council suit and make reports and recommendations to management conferences, as necessary.					○				○			○



4. LONG RANGE PLANNING FOR MANAGEMENT OF FORESTED LANDS

Objective #4. Improve the management of the Nation's public and private forested lands by the preparation of a long range plan containing alternative courses of action which consider social, economic, and environmental impact and provide the basis for more effective coordination in the planning of Federal and non-Federal forest management.

MILESTONES	1974						1975					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
1. Release draft Environmental Program for the Future to private, state and local organizations and other Federal agencies.		○										
2. Obtain responses.						□						
3. Review responses and provide key issues and recommendations for consideration by management conference.									○			
4. Revise plan to incorporate comments, as necessary, and develop output and activity goals for alternative low, moderate, and high program levels.*												○

*Final publication is scheduled for fiscal year 1976.



5. AGRICULTURAL RESEARCH

Objective #5. Develop a national system for planning, evaluating and coordinating agricultural research.

The Federal agricultural research program now totals over \$400 million annually. It is essential that a national system be developed so as to focus the program on areas which will — over time — realize the greatest positive research results. This includes more abundant supply, more economical, and safer agricultural products for the country. Since Federal, state and private concerns are all involved in agricultural research, it is therefore necessary to work cooperatively with these institutions, to develop an integrated national system. Actions to be taken include: identification of appropriate roles and missions; review of methods to improve research coordination; and assessment of current planning methods.

Progress in 1975 should lead to increased research efficiency and shifts in funding to provide appropriate program emphasis. In addition, the national research system will provide USDA with the necessary management framework to establish future year Presidential research objectives which are directly related to increasing farm productivity and/or quality. Specific actions to be taken in fiscal year 1975 include:

1. *The National Planning Committee of the Agricultural Research Policy Advisory Committee (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.*
2. *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 Agricultural Research Service (ARS) research, as well as 80 reviews of research conducted under the Cooperative State Research Service (CSRS) program. These reviews will enable program managers to focus on the inter-relationship of research within, and outside USDA.*
3. *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: (a) changes for increasing the efficiency of CRIS by establishing a system for CRIS to supply more useful data on a timely basis and (b) alternate ways of providing adequate financial support for CRIS.*
4. *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.*



5. AGRICULTURAL RESEARCH, Continued

MILESTONES	1974						1975					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
1. <i>Develop recommendations for coordinated research policy.</i> ▪ Appoint staff to develop report. ▪ Develop schedule of work plan. ▪ Staff report to National Policy Committee. ▪ Final report to ARPAC, review by ARPAC and begin implementation.	●	○								○		○
2. <i>Program reviews and workshops.</i> ▪ Identify and schedule reviews, and workshops. ▪ Complete 14 ARS reviews and 25 CSRS reviews. ▪ Complete all reviews.		○					○					○
3. <i>CRIS Improvement.</i> ▪ Appoint review committee. ▪ Draft Committee report. ▪ Issue final report and obtain approval for implementation.	●									○		○
4. <i>Update research planning and evaluation system.</i> ▪ Develop schedule for updating. ▪ Complete 25 most important program applications. ▪ Complete all 75 program applications.			○				○					○
5. <i>Review program progress and provide report and recommendations to management conferences, as necessary</i>					○				○			○

6. FOOD STAMPS – QUALITY CONTROL

Objective #6. To ensure that persons who are eligible for food stamps are not wrongfully denied them and those who are not eligible under the law are not certified as eligible. The objective will be met by installing a National and local quality control system in every state, D.C., Puerto Rico, Guam and the Virgin Islands in order to pinpoint excessive errors in the certification process.

MILESTONES	1974						1975					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
▪ Training Distribute to Food and Nutrition Service (FNS) regional quality control staff (40) revised instructions and training material. Complete material training session for regional quality control staff. Complete training sessions (54) for state and local personnel. ▪ Monitoring System Complete the design for regional monitoring of local operations and train regional staff. Complete field tests (2) of the regional monitoring system and install a national system. Plan for audit in 1976. ▪ Review Review program progress and provide reports and recommendations to management conferences, as necessary.	○		○	○					○			
					○				○			○

7. RURAL DEVELOPMENT GOALS

Objective #7. To formulate Administration goals regarding rural 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	1974						1975					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
▪ Rural Development Service will furnish proposed goals to Assistant Secretary for Rural Development. ▪ Proposed goals transmitted to OMB. ▪ Discuss outstanding issues at management conference. ▪ OMB will provide final Administration decisions.							○	○	○ □			



8. ONGOING RURAL DEVELOPMENT PROGRAMS

Objective #8. 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.

- **Human Resources Development.** The objective of programs in this category is to assist rural communities in improving their technical capacity to conduct their own local development programs.
- **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 assistance to encourage rural economic development through private enterprise.
- **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 services, adequate housing) needed to establish a solid base for industrial development and to assist rural residents to obtain the amenities available in more highly developed areas.
- **Environmental Improvement.** The objective of programs in this category 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.

MILESTONES	1974						1975					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
▪ Human Resources Development 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.) 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.)												○
									○			



8. ONGOING RURAL DEVELOPMENT PROGRAMS, Continued

MILESTONES	1974						1975					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Economic Development 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 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.) Provide electricity to an additional 190,000 rural residents. (Report quarterly on progress toward this target, final report July 31, 1975.) (\$618 million of financing will be from REA Insured Loans, \$1,386 million from REA Guaranteed Loans.) 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.) 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.)												○
												○
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												○
												○



8. ONGOING RURAL DEVELOPMENT PROGRAMS, Continued

MILESTONES	1974						1975					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<i>Community Facilities, continued</i> Provide for construction or renovation of approximately 120,000 housing units in rural areas, at least twenty percent of which will be existing housing. About one-half of the program will be directed toward the lowest income families which are eligible for and seek assistance under USDA rural housing programs. (Report quarterly on progress toward this target, final report July 31, 1975.)												○
<i>Environmental Improvement</i> Complete 55 small watershed work plans. (Report quarterly on progress toward this target, final report July 31, 1975.) Initiate 25 new Resource Conservation and Development Planning Starts.			○									○
<i>Review</i> Review program progress and provide reports and recommendations to management conferences, as necessary.					○				○			○



9. MANAGEMENT

Objective #9. 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 (1) replace individual computers previously operated by agencies of the Department, (2) provide ADP service to every agency of the Department together with a common information data base, (3) a communications capability to permit the transfer of operations of one computer center to another, and (4) provide 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	1974						1975					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
▪ Centralized accounting Complete system project plan and concept study. Submit accounting principles and standards to GAO for approval. <i>*Full implementation of system is projected for late in FY 1976</i>					○							○

9. MANAGEMENT, Continued

MILESTONES	1974						1975					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Centralized computers Award major hardware contract for upgrading equipment. Develop information system plan. Deliver first compatible system. <i>*Implementation of compatible systems is projected for early fiscal year 1977.</i> Agricultural service centers Initiate operations at first 100 pilot centers. Review operations at first 100 pilot centers and approve State Administrative Committee recommendations for an additional 200-300 pilot centers. Complete audit of initial centers and report to the Secretary. Approve State Administrative Committee recommendations for an additional 300-400 centers. Management by objectives Select fiscal year 1975 Secretarial objectives. Publish and distribute first Secretary's Management Report describing the Department's management program including 1974 accomplishments and 1975 planned achievements. Submit fiscal 1976-1980 program and financial plan to OMB with objectives identified for all programs and Presidential Objectives recommended. Implement tracking system and initiate internal quarterly reports on Secretarial objectives. Schedule and provide staff support for management conferences with OMB including internal USDA conferences on Presidential and Secretarial objectives about one week prior to OMB conferences, and follow-up with OMB top policy staff on outstanding issues about one week after OMB conferences.						○						○ ○
		○				○			○			○
		○ ○		○ ○								
				○ ○	□				□			□



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

August 23, 1974

Received
Aug. 28-
ref

MEMORANDUM TO: ROY ASH
EARL BUTZ
PHIL CAMPBELL

FROM: FRANK ZARB *gz*

SUBJECT: USDA Management Conference

Attached are brief notes from the recent Management Conference held at USDA. The following are action items that were identified during the conference:

Disaster Payments

USDA will investigate the possibility of a conflict of interest problem existing when local officials determine the amount of these payments and who is eligible for them.

Transfer of Food and Nutrition Service from USDA to HEW

OMB has the responsibility to resolve this issue.

USDA Programs and Indians

USDA will review those programs which involve Indian people, to insure that administration of those programs is consistent with National Indian Policy.

Our next meeting is scheduled for Thursday, November 21 at 2:00 p.m. *noted*

Attachment

CC:
Assistant Secretary Wright
Assistant Secretary Long
Assistant Secretary Yuetter
Assistant Secretary Erwin
Assistant Secretary Feltner
John Hill
Don Crabill
✓ Norm Ross



NOTES ON USDA MANAGEMENT CONFERENCE

A USDA Management Conference was held on Friday, August 16, 1974, at 10:00 a.m. in the Secretary's Conference Room. All FY 75 objectives were discussed with emphasis on the following items.

Disaster Payments

Don Crabill suggested that the danger of a possible conflict of interest problem exists in this program since local officials determine the amounts of these payments and who is eligible for them. Clayton Yuetter pointed out that the Federal Government exercises control over the program through appraisers, but agreed to study the situation to determine if there is a problem.

Long Range Planning for Management of Forest Lands

Secretary Butz agreed that the President should have an opportunity to review this report while it is in the draft stage.

Agricultural Research

The importance of obtaining research information before developing a planning and evaluation system was agreed upon along with the importance of this objective.

Food Stamps

Mr. Ash stated that the transfer of the Food and Nutrition Service from USDA to HEW should be, and will be, a management objective for OMB. Frank Zarb agreed to pursue the subject within OMB.

Rural Development

Wil Erwin pointed out the difficulty of deciding if our goals in this area should be general or specific. All agreed that to be specific on goals in this area is very difficult.

Mr. Crabill pointed out the importance of the rural development goal setting process involving State and local governments as well as the Federal Government. Wil Erwin described the USDA's field organization in this area and how proper coordination



with state and local officials is supposed to take place. He also pointed out how difficult it is for the rural population to relate to the Federal Government and why the Extension Service is important in linking them together.

USDA Programs and Indians

USDA will soon release a special publication explaining what the different programs within USDA have to offer Indians. Frank Zarb mentioned the importance of coordinating these programs with other Federal agencies.

Bob Long pointed out that some USDA programs should be reviewed to determine if they are consistent with National Indian policy. Secretary Butz asked that this review be undertaken promptly.

