



United States Department of Agriculture

OFFICE OF INSPECTOR GENERAL





### What Were OIG's

#### Objectives

Our objective was to evaluate the effectiveness of the Department's activities related to providing assistance to beginning farmers and ranchers. We focused on program coordination and measurement of performance across the Department and not on the implementation of the beginning farmers and ranchers activities by the USDA agencies.

#### What OIG Reviewed

We reviewed beginning farmers and ranchers assistance offered through FSA, NRCS, NIFA, RMA, RD, and OAO, focusing on funding in FYs 2012 and 2013.

#### What OIG Recommends

The Department should oversee the beginning farmers and ranchers initiative, which includes ensuring that the agencies support this initiative, developing measurable outcomes and goals, and overseeing the completion of OAO's mandated duties pursuant to the 2008 Farm Bill.

## **The Office of Inspector General reviewed the Department of Agriculture's direction, strategy and implementation of its beginning farmers and ranchers assistance.**

### What OIG Found

The Secretary of Agriculture has emphasized providing assistance to beginning farmers, and USDA agencies have provided significant financial resources and technical support to beginning farmers to assist in the establishment and sustainability of farming operations.

However, the Department had not developed an integrated and coordinated strategy to ensure that the Secretary's direction was effectively implemented during the time period of this review. We found that the Department lacked sufficient performance goals, direction, coordination, and monitoring to ensure success. This has been a longstanding problem. In 1982 and again in 2007, the Government Accountability Office (GAO) reported that the Department needed to measure its effectiveness for its beginning farmers and ranchers assistance. As a result, USDA cannot ensure that the \$3.9 billion of beginning farmers' assistance in FYs 2012 and 2013 has achieved effective and measurable outcomes. In addition, the Department had not provided the Office of Advocacy and Outreach (OAO) with the necessary oversight or resources to effectively accomplish its mandated duties.

However, USDA is moving in the right direction. In early 2014, the Deputy Secretary brought together representatives from across the Department to focus on assisting beginning farmers and ranchers. USDA also unveiled a new website that provides a centralized, one-stop resource where beginning farmers and ranchers can explore the variety of USDA assistance designed to help them succeed.

The Department generally agreed with our findings and recommendations, and we accepted management decision on all seven recommendations.





United States Department of Agriculture  
Office of Inspector General  
Washington, D.C. 20250



DATE: May 13, 2015

AUDIT  
NUMBER: 50601-0003-31

TO: Krysta Harden  
Deputy Secretary

ATTN: Karla Thieman  
Chief of Staff to the Deputy Secretary

FROM: Gil H. Harden  
Assistant Inspector General for Audit

SUBJECT: USDA Beginning Farmers and Ranchers Programs

This report presents the results of the subject audit. Your written response to the official draft report, dated April 23, 2015, is included in its entirety at the end of this report. Your responses and the Office of Inspector General's position are incorporated into the relevant sections of the report. Based on your written responses, we are accepting your management decision for all audit recommendations in the report, and no further response to this office is necessary.

In accordance with Departmental Regulation 1720-1, final action needs to be taken within 1 year of each management decision to prevent being listed in the Department's annual Agency Financial Report. Please follow your internal agency procedures in forwarding final action correspondence to the Office of the Chief Financial Officer.

We appreciate the courtesies and cooperation extended to us by members of your staff during our audit fieldwork and subsequent discussions. This report contains publically available information and will be posted in its entirety to our website (<http://www.usda.gov/oig>) in the near future.



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# Background and Objectives

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## Background

The Department of Agriculture's (USDA) efforts to support individuals who seek to enter farming date back to the 1970s, when Congress introduced legislation designed to further this objective. Through testimony and initiatives, the Secretary of Agriculture has stressed the importance of beginning farmers<sup>1</sup> to the future of farming in America. In a hearing before the Senate Committee on Agriculture, Nutrition, and Forestry on June 30, 2010, Secretary Tom Vilsack proposed setting a goal to add at least 100,000 additional beginning farmers by 2012.<sup>2</sup> Beginning farmers and ranchers are generally defined as those who have operated a farm or ranch for 10 years or less, regardless of age, and who materially and substantially participate in the operation of the farm.<sup>3</sup>

Beginning farmers are involved in a wide range of farm activities, including raising livestock, cultivating organic crops, and growing traditional commodities. Their population is diverse and can include traditional family farmers, former farm managers, individuals transitioning between careers, retirees, "hobby" farmers, immigrants, and socially disadvantaged farmers.

Many beginning farmers face multiple challenges, including obtaining capital to purchase farmland and fund their operating costs. Because beginning farmers tend to operate smaller farms and have more limited resources than experienced farmers, they may find it difficult to obtain conventional credit. Additionally, the rising cost of farmland, driven in part by farm subsidies and increasing competition for farmland from urban development and for producing energy crops, may make it difficult for beginning farmers to obtain land. Beginning farmers may not be as knowledgeable about effective farming practices, financial and risk management practices, marketing opportunities, and available Federal and local assistance programs.

USDA supports beginning farmers primarily through its financial assistance programs. USDA's Farm Service Agency (FSA) provides loans to farmers who have cash flow or collateral shortcomings that keep them from qualifying for commercial loans. Since the mid-1990s, USDA has reserved portions of its loan funds for beginning farmers.<sup>4</sup> In addition, USDA's Natural Resources Conservation Service (NRCS) provides financial and technical assistance to beginning farmers for conservation practices. The Farm Security and Rural Investment Act of 2002 authorized the Secretary of Agriculture to provide beginning farmers with up to 90 percent of the cost of implementing conservation practices under two key NRCS

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<sup>1</sup> The terms "beginning farmers and ranchers" and "beginning farmers" will be used interchangeably in this report. Thus, unless otherwise indicated, the term "beginning farmers" includes beginning ranchers, too.

<sup>2</sup> *Expanding Our Food and Fiber Supply Through a Strong U.S. Farm Policy: Hearing Before the S. Comm. on Agric., Nutrition, & Forestry*, 111th Cong. 6 (2010) (statement of Tom Vilsack, Secretary of Agriculture).

<sup>3</sup> See, e.g., 7 U.S.C. § 1991(a)(8), (11) (definition used in Farm Service Agency's (FSA) farm loan programs); 7 U.S.C. § 3319f (definition used in National Institute of Food and Agriculture (NIFA)'s Beginning Farmers and Ranchers Development Program (BFRDP)); 7 U.S.C. § 1502(b)(3) (definition used for Risk Management Agency (RMA) assistance).

<sup>4</sup> Beginning in fiscal year 1994, USDA was required to target a certain percentage of its loans for beginning farmers. See Agricultural Credit Improvement Act of 1992, Pub. L. No. 102-554, § 20, 106 Stat. 4142, 4159-61 (codified at 7 U.S.C. § 1994).

programs—the Environmental Quality Incentives Program and the Conservation Security Program.<sup>5</sup> More established farmers are limited to receiving up to 75 percent of their costs. Beginning farmers may also benefit from grant programs<sup>6</sup> that provide assistance for training, education, outreach, production, marketing, and financial risk management. The Agricultural Act of 2014,<sup>7</sup> commonly known as the 2014 Farm Bill, reauthorized many existing beginning farmers’ assistance programs and generally increased funding to these programs (see Exhibit A).

In 1982, the Government Accountability Office (GAO) reported that little information was available to demonstrate the effect existing farm programs were having on beginning farmers.<sup>8</sup> Again in 2007, GAO noted USDA could not demonstrate the effectiveness of its support for beginning farmers because it had not developed a crosscutting, Departmental strategic goal for its beginning farmers efforts. GAO also reported that USDA tracks the number of farmers it assists and the dollars they receive, rather than its progress toward achieving a particular outcome for beginning farmers.<sup>9</sup> Although the Department generally agreed with the recommendations, in the Department’s response to the report, it did not state a completion date and specific actions to accomplish the recommendations.

USDA’s Office of Advocacy and Outreach (OAO) was created through the 2008 Farm Bill and established in October 2009. The 2008 Farm Bill mandated specific OAO duties, among which was to measure the outcomes of the programs and activities of the Department related to beginning farmers and ranchers.

We initiated this audit to examine the Department’s recent activities related to beginning farmers and ranchers.

## Objectives

Our objective was to evaluate the effectiveness of the Department’s activities related to program coordination and measurement of performance for the assistance provided to beginning farmers and ranchers. For six of its key agencies, we reviewed whether the beginning farmers and ranchers’ classification was being applied consistently and whether the outreach efforts for beginning farmers and ranchers were adequate.

Our original audit objectives also included evaluating whether the benefits of the beginning farmers and ranchers’ classification were being directed to eligible participants and whether those benefits were being duplicated. We suspended those objectives because the results of our initial audit work indicated that we should shift our focus to address the Department’s program

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<sup>5</sup> Pub. L. No. 107-171, §§ 2001, 2301, 116 Stat. 134, 230-231, 255 (codified at 16 U.S.C. § 3838c (Conservation Security Program) and 16 U.S.C. § 3839aa-2 (Environmental Quality Incentives Program)).

<sup>6</sup> Beginning Farmers and Ranchers Development Program grants administered by the National Institute of Food and Agriculture; Value-Added Producer Grants administered by Rural Development; and Education and Outreach awards administered by the Risk Management Agency.

<sup>7</sup> Pub. L. No. 113-79, 128 Stat. 649.

<sup>8</sup> GAO Report 118410, *Assistance to Beginning Farmers*, May 14, 1982.

<sup>9</sup> GAO Report GAO-07-1130, *Beginning Farmers: Additional Steps Needed to Demonstrate the Effectiveness of USDA Assistance*, September 18, 2007.

coordination and measurement of performance, and not the implementation of the beginning farmers and ranchers activities by the USDA agencies. We will consider evaluating benefit duplication and eligibility in future audit work.

## **Finding 1: USDA Needs an Integrated and Coordinated Strategy for its Beginning Farmers Initiative**

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The Secretary of Agriculture has emphasized providing assistance to beginning farmers; however, the Department had not developed an integrated and coordinated strategy to ensure that the Secretary's direction was effectively implemented during the time period of this review. USDA agencies provided significant financial and technical support to beginning farmers and ranchers, totaling approximately \$3.9 billion in FYs 2012 and 2013 – see Exhibit A. However, the Department lacked effective performance goals and measures, as well as direction, coordination, and monitoring to ensure that this initiative was effectively accomplished.

First in 1982, and again in 2007, GAO reported that the Department needed to measure its effectiveness for its beginning farmers assistance.<sup>10</sup> Again in 1999, 2004, and 2005, the Advisory Committee on Beginning Farmers and Ranchers<sup>11</sup> recommended similar steps. To assist USDA in accomplishing these goals, Congress authorized the establishment of OAO in the 2008 Farm Bill;<sup>12</sup> however, the Department did not provide the necessary oversight or resources to ensure OAO effectively accomplished its mandated responsibilities. Consequently, the Department has reduced assurance that the beginning farmers assistance is effectively measured. This occurred in part because the Department did not properly oversee and monitor a beginning farmers assistance strategy or ensure OAO effectively accomplished its mandated duties. Additionally, the Department did not ensure that OAO either (1) had adequate resources or (2) effectively used the resources it was provided. Also, OAO was not provided adequate authority to work across mission areas of the Department. As a result, USDA can neither ensure that the \$3.9 billion of beginning farmer assistance in fiscal years (FYs) 2012 and 2013 has achieved effective and measurable outcomes nor determine if three decades of beginning farmers assistance has resulted in sustainable farming operations.

USDA Departmental Regulation 9700-001 sets forth policy with regard to the establishment of strategies, systems, and a Departmental framework for achieving and maintaining the viability of beginning farmers and ranchers.<sup>13</sup> In 2008, Congress mandated the establishment of USDA's OAO to perform a number of duties. For example, OAO is required to measure the outcomes of the programs and activities of the Department related to beginning farmers. The Government Performance and Results Act (GPRA)<sup>14</sup> Modernization Act of 2010 requires a balanced set of performance indicators to be used in measuring or assessing progress toward each performance

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<sup>10</sup> GAO Report 118410, *Assistance to Beginning Farmers*, May 14, 1982 and GAO Report GAO-07-1130, *Beginning Farmers: Additional Steps Needed to Demonstrate the Effectiveness of USDA Assistance*, September 18, 2007.

<sup>11</sup> In the mid-1990s, the Advisory Committee on Beginning Farmers and Ranchers was established to advise the Secretary on beginning farmer issues. See Pub. L. No. 102-554, § 5(b), 106 Stat. 4142, 4143-44, *set forth as a note after* 7 U.S.C. § 1929.

<sup>12</sup> Food, Conservation, and Energy Act of 2008, Pub. L. No. 110-246, § 14013(a), 122 Stat. 1651, 2212-15 (codified at 7 U.S.C. § 6934).

<sup>13</sup> USDA Departmental Regulation 9700-001, *Small Farms and Beginning Farmers and Ranchers Policy*, August 3, 2006.

<sup>14</sup> GPRA Modernization Act of 2010, Pub. L. No. 111-352, § 3, 124 Stat. 3866, 3867-71 (codified at 31 U.S.C. § 1115(b)(6)).

goal, including, as appropriate, customer service, efficiency, output, and outcome indicators.<sup>15</sup> Office of Management and Budget (OMB) Circular A-11 strongly encourages the use of outcome-based performance measures.<sup>16</sup>

As we noted earlier, USDA agencies provide significant financial resources (see Exhibit A) to beginning farmers to assist in the establishment and sustainability of farming operations, which includes education, credit, conservation, and risk management assistance. In FYs 2012 and 2013, FSA alone provided almost \$3.4 billion of assistance to beginning farmers. Specifically, at the end of FY 2013, 70 percent of beginning farmers<sup>17</sup> had agricultural credit through FSA's farm ownership and operating loans. FSA also introduced the microloan program in January 2013 to target smaller producers with lower loan amounts and less paperwork. In FY 2013, 67 percent of microloans obligated went to beginning farmers. Also, from 2000 to 2010, FSA nearly doubled its loan assistance to beginning farmers, minorities, and women to about \$2 billion per year. The 2014 Farm Bill, authorized NRCS to support new and expanded incentives for beginning farmers to participate in USDA conservation programs, including setting aside a portion of conservation funds for beginning farmers. In addition, NIFA's long term goal of its education assistance is to help beginning farmers to start farming and to stay in farming.

We found, however, that despite the considerable resources and effort provided by USDA agencies, the Department lacked sufficient performance goals, direction, coordination, and monitoring to ensure success. The Department has not implemented GAO's recommendation to develop a performance goal to measure the effectiveness of USDA's beginning farmers assistance and had not implemented an effective strategy to coordinate beginning farmers' assistance across agency lines. In addition, the Department had not provided OAO with the necessary oversight or resources to effectively accomplish its mandated duties, outlined in the 2008 Farm Bill, and its duties related to overseeing the Advisory Committee on Beginning Farmers and Ranchers.

### **Implementation of GAO Recommendations to Measure Performance**

The Department is unable to gauge the effectiveness of its beginning farmer activities in creating economically sustainable operations because USDA has not implemented GAO recommendations related to measurement of performance for the beginning farmers' programs. The Department took some initial steps in addressing recommendations from GAO's 2007 report<sup>18</sup> by tasking OAO to develop a crosscutting Departmental strategic performance goal; however, an adequate measure of program performance was not developed. This Departmental performance goal was not developed because the Department did not: (1) provide adequate oversight or resources of OAO to ensure it completed its task; (2) support OAO by requiring senior officials of the Department and agencies to participate in the development of this

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<sup>15</sup> Government Performance and Results Act (GPRA).

<sup>16</sup> OMB, *Preparation, Submission, and Execution of the Budget*, Circular A-11, § 200.21, July 26, 2013 and July 25, 2014. In part, Circular A-11 sets forth agency requirements of the GPRA Modernization Act and the Administration's approach to performance management including requirements for agency strategic plans.

<sup>17</sup> Based on the 2007 Census of Agriculture.

<sup>18</sup> GAO Report GAO-07-1130, *Beginning Farmers: Additional Steps Needed to Demonstrate the Effectiveness of USDA Assistance*, September 18, 2007.

performance goal; and (3) ensure the development of a standard definition of beginning farmers. Without a cross-cutting Departmental strategic performance goal, USDA cannot measure outcomes of its many programs and activities that provide assistance to beginning farmers.

There has been a longstanding need for the Department to measure the effectiveness of its beginning farmers assistance, a need that dates to a recommendation from a 1982 GAO report.<sup>19</sup> More recently, the Advisory Committee on Beginning Farmers and Ranchers, discussed later in this report, recommended this type of analysis in 1999, 2004, and 2005. In 2007, GAO reviewed the key steps USDA had taken to help beginning farmers and assessed the Department's actions to measure the effectiveness of these steps.<sup>20</sup> In this 2007 review, GAO determined USDA could not demonstrate the effectiveness of its support for beginning farmers. GAO noted USDA tracks the numbers of farmers it assists and the dollars they receive, rather than its progress toward achieving a particular beginning farmer outcome. GAO recommended that USDA develop a crosscutting, Departmental strategic goal for its beginning farmers efforts.

Subsequent to its 2007 report, GAO noted work had been started on the recommendation with the establishment of OAO in 2009.<sup>21</sup> OAO's mandated purpose was to improve the viability and profitability of beginning farmers or ranchers and it was given the responsibility of monitoring the goals and objectives of the Department with respect to beginning farmers. OAO worked through the Small Farms and Beginning Farmers and Ranchers Workgroup (Work Group),<sup>22</sup> tasking it with identifying the desired outcomes of beginning farmers assistance for the Department. In 2011, OAO "[d]eveloped a proposal to develop a single USDA measure of service to beginning farmers and ranchers." As OAO officials explained, "[t]hrough leadership of the [Work Group], OAO is gathering data on which programs have or could have data on beginning farmers and ranchers participation. Once all of the programs with data are compiled[,] OAO will create an index and establish a Departmentwide performance goal relative to the index."<sup>23</sup> However, since 2011, no significant work to accomplish this task has been completed and OAO could not provide a documented plan for completing the mission of the Work Group. Some agency officials who attended the initial Work Group meetings indicated that top-level officials did not fully participate and the meetings were disjointed, unproductive, and not the best use of their time.

GAO's 2007 report recommended USDA link the Departmental beginning farmer performance goal with the related agency performance goals. However, the agencies with beginning farmers assistance currently do not have performance measures in their strategic plans that adequately measure the effectiveness of their individual agency's beginning farmers assistance. Three agencies (FSA, RMA, and NRCS) have performance measures related to assisting or reaching out to underserved or socially disadvantaged applicants. However, these performance measures are

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<sup>19</sup> GAO Report 118410, *Assistance to Beginning Farmers*, May 14, 1982. In this report, GAO recommended "The Secretary of Agriculture should direct USDA to evaluate the impact of existing programs which help farmers enter the agricultural sector." Even though this report was issued in 1982, GAO's website states the recommendation is still valid but the agency "refuses" to take action.

<sup>20</sup> GAO Report GAO-07-1130, *Beginning Farmers: Additional Steps Needed to Demonstrate the Effectiveness of USDA Assistance*, September 18, 2007.

<sup>21</sup> This was noted on GAO's website as a comment to an open recommendation.

<sup>22</sup> The Small Farms and Beginning Farmers and Ranchers Workgroup is comprised of USDA employees.

<sup>23</sup> Explanatory Notes to the 2013 USDA Budget Request.

not specific to beginning farmers. The metrics used by these agencies to measure success are output-based and not designed to convey whether the assistance has long-term benefits. This occurred because the Department provided insufficient direction to the agencies for defining consistent and measurable outcomes for the various beginning farmer programs. For example, FSA, which administers about 90 percent of the Department's beginning farmers assistance, has a goal of providing a financial safety net for farmers to sustain economically viable agricultural production, but the agency has no outcome-oriented performance measures to gauge the effectiveness of its assistance. FSA also has a performance measure that tracks the percentage of loans to socially disadvantaged applicants. This measure, while not specific to beginning farmers, is an output-oriented measure and does not indicate whether producers receiving FSA loans have established sustainable farming operations. There are similar issues with respect to RMA and NRCS strategic goals and performance measures as they relate to beginning farmers.

Another major obstacle in measuring the effectiveness of beginning farmer assistance is the Department's lack of a standard definition of "beginning farmers." GAO did not associate the lack of a standardized beginning farmer definition with the inability to measure performance; however, GAO did analyze the different definitions in its 2007 report and provided a detailed account of the differences. Each agency we reviewed had its own definition, sometimes incorporating program eligibility requirements into the definition. While we noted some common themes in the definitions (such as using 10 years of farming experience to define the limit),<sup>24</sup> there were subtle differences between the definitions which rendered them quite distinct. We found that the definition for FSA's farm loan programs, NIFA's Beginning Farmers and Ranchers Development Program (BFRDP), and RMA's assistance are mandated by law,<sup>25</sup> but that USDA has the discretion to establish the definition for its other programs. OIG maintains that differing definitions make developing a crosscutting Departmental performance goal for beginning farmers assistance very difficult.

We discussed the development of a performance goal with OAO. An OAO official conveyed that the Department's 2014-2018 Strategic Plan includes established goals and objectives, with performance indicators, to assist in monitoring agency progress on increasing the participation of small, beginning, or socially disadvantaged farmers or ranchers. OAO referred to Strategic Goal 1, which is to "Assist Rural Communities to Create Prosperity so They Are Self-sustaining, Repopulating, and Economically Thriving." However, this goal is applicable to the entire rural community and not specific to beginning farmers. GAO recommended that the Department adopt a crosscutting, Departmental strategic goal for beginning farmers that specifies the desired outcomes for assistance to beginning farmers. We concluded that the goal OAO pointed to does not address GAO's concern.

In addition, the associated outcome of Strategic Goal 1 is to effect an "[i]ncrease in median net farm income and median non-metro household income." While this is an appropriate outcome, the indicators USDA uses to measure the accomplishment of this Strategic Goal are inconsistent

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<sup>24</sup> *But see* 7 U.S.C. § 1502(b)(3) (for crop insurance purposes, defining a beginning farmer or rancher as someone who has not "actively operated and managed a farm or ranch with a bona fide insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than 5 crop years, as determined by the Secretary.").

<sup>25</sup> *See* 7 U.S.C. § 1991(a)(8), (11) (FSA); 7 U.S.C. § 3319f (NIFA); 7 U.S.C. § 1502(b)(3) (RMA).

with that goal. USDA measures the percentage of beginning, racial and ethnic minority, and women farmers, as financed by USDA. This is not crosscutting in nature because it is FSA that primarily finances beginning farmers, as such this goal would only be applicable to one agency, and not USDA as a whole.

Additionally, since a loan is not the same as income, there is little correlation between increasing the percentage of beginning, racial and ethnic minority, and women farmers financed by USDA, and the outcome of increasing median net farm income and median non-metro household income. Finally, like the goal itself, this measure cannot be solely attributed to beginning farmers since the metric measures the income of all farmers, including established farmers. Because only 22 percent of family farms are considered beginning farmers (2011 data),<sup>26</sup> the metric would be heavily weighted toward established farmers.

Therefore, we concluded that the Department did not take the steps necessary to adequately measure the effectiveness of its beginning farmers assistance. Specifically, the Department did not measure outcomes of the programs and activities for beginning farmers by creating a cross-cutting Departmental performance goal or establish a standardized working definition of “beginning farmer” to be used across the Department.

### **Implement an Effective Coordinated Strategy**

Although the Secretary has made it a priority to help beginning farmers, USDA lacked an effective formal strategy to achieve this goal by the time period covered in this review. This lack of an integrated and coordinated strategy resulted in a disjointed effort by USDA agencies to coordinate outreach efforts for beginning farmers assistance, and performance measures developed by the agencies did not solely relate to gauging the effectiveness, or outcomes, of its beginning farmers assistance.

**Coordinating Outreach Activities:** OAO’s efforts to coordinate outreach activities for beginning farmers assistance throughout the Department were ineffective. This occurred because the Department did not adequately oversee OAO’s effort to coordinate beginning farmer outreach efforts across agency lines or direct agencies to devote sufficient time and senior-level officials to assist OAO in accomplishing an integrated and coordinated action plan. In addition, the Department had not issued a Departmental Regulation or other policy document requiring agencies to work with OAO to achieve the Department’s beginning farmers goals.

In the 2008 Farm Bill, Congress mandated OAO to perform two duties that specifically relate to establishing a coordinated outreach effort across the Department. These duties were to (1) develop and implement a plan to coordinate outreach activities and services provided by the Department, and (2) assess the effectiveness of Department outreach programs. We found that OAO could not show it was accomplishing either of these mandated duties.

Agency officials indicated that OAO’s coordination meetings lacked focus and direction and had no common goal. Some agency managers stated nothing productive was coming out of these

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<sup>26</sup> USDA defines 98 percent of all U.S. farms as family farms. *Beginning Farmers and Ranchers At A Glance*, 2013 edition.

meetings, so they sent employees who did not have the authority to make commitments on behalf of their agencies. OAO also stated that, at times, agencies sent interns to the meetings, instead of top-level managers. We also found that some senior-level managers were not aware that the push to promote beginning farmers came from the Department and Congressional intent. One official said he would have dedicated more attention had he known this was a Departmental initiative.

**Agency Performance Measures:** USDA agencies have not established performance measures in their strategic plans that focused directly on gauging the effectiveness, or outcomes, of its beginning farmers assistance. For example, RMA states that it is committed to assisting rural communities in creating prosperity, so that they are self-sustaining and economically thriving. RMA provides education and outreach to help farmers in underserved States and communities manage the risk related to agricultural production. RMA measures success by noting the number of producers reached with risk management education information. Not only is this measure not specific to beginning farmers, it is based on output and simply records how many producers attended RMA's workshops.

### **OAO Needs to Implement Its Mandated Duties**

OAO did not effectively accomplish four of seven essential duties assigned to it in the 2008 Farm Bill.<sup>27</sup> This occurred because the Department did not adequately oversee OAO to ensure it implemented its duties. Also, there was no Departmental Regulation or other policy document from the Office of the Secretary instructing that all agencies were to work with OAO in accomplishing the Department's goal to assist beginning farmers.

Substantive progress towards accomplishing three of OAO's seven essential duties has been made, which include: (1) providing input to the agencies and offices on programmatic and policy decisions, (2) recommending new initiatives and programs to the Secretary, and (3) carrying out other related duties that the Secretary determines to be appropriate. For example, OAO stated it is providing input to the agencies through its Small Farms and Beginning Farmers and Ranchers Workgroup and coordinator meetings and recommending initiatives to the Secretary such as the Minority Farm Registry. In addition, OAO maintains it is at the forefront of Secretarial Outreach initiatives, including responding to data calls, providing information regarding outreach programs, and participation in outreach programs and events.

However, after 5 years<sup>28</sup> of existence, OAO officials could not provide us with evidence supporting how they have accomplished four of the seven essential duties mandated by the 2008 Farm Bill:

- *Establish and monitor the goals and objectives of the Department to increase participation in programs of the Department by small, beginning, or socially disadvantaged farmers or ranchers.*

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<sup>27</sup> See 7 U.S.C. § 6934(b).

<sup>28</sup> Explanatory Notes to the 2013 USDA Budget Request explain that OAO was established in October 2009.

When OIG inquired as to the status of this duty, OAO responded that the Department's *2014-2018 Strategic Plan* includes established goals and objectives, with performance indicators, to assist in monitoring agency progress on increasing the participation of small, beginning, or socially disadvantaged farmers or ranchers. However, as noted previously in this report, this performance indicator was only linked to FSA programs and not to beginning farmer activity across all of USDA. OAO officials also could not provide us with any definitive evidence that they are working towards successfully accomplishing this duty.

- *Assess the effectiveness of Department outreach programs.*

OAO claims it uses several methods to assess the effectiveness of Department outreach plans, including: (1) Quarterly OAO Outreach Partners meetings, (2) Monthly Outreach Coordinator meetings, and (3) bi-monthly OAO Grant Recipient Meetings. Also OAO says it attends outreach and program events and meets with partners and stakeholders to collect feedback on program effectiveness to determine if OAO is meeting their needs. However, OAO officials could not provide any minutes of these meetings and they did not document any of the work it had performed to carry out this function. OAO officials also stated they do not have the staff to review all agency outreach plans or the enforcement authority to require changes for the plans they determine to be insufficient.

- *Develop and implement a plan to coordinate outreach activities and services provided by the Department.*

OAO stated that it created the Outreach Coordinator initiative and also exchanged information with its partners, farmers, ranchers, and other interested parties via email blasts, the *Stay Connected* quarterly newsletter, and posting information on their website. However, OAO officials stated they do not have the resources to develop a coordinated Departmental outreach plan for beginning farmers. They stated they have been trying to do this through the Small Farms and Beginning Farmers and Ranchers Workgroup, but this effort has not been documented.

- *Measure outcomes of the programs and activities of the Department on small farms and ranches, beginning farmers or ranchers, and socially disadvantaged farmers or ranchers programs.*

OAO stated that the performance measures for the Department are published in the *Strategic Plan* and reported based on the data the agencies submit to the Office of Budget and Program Analysis. As previously discussed, we do not believe that the information in the *Strategic Plan* sufficiently addresses this duty. OAO officials also stated they do not have the resources to measure the effectiveness of beginning farmers assistance across agency lines. OAO was also unable to provide us with requested information regarding what data they requested from other agencies as part of the Work Group, which was supposed to be the mechanism used to achieve this objective.

OAO stated its resources are limited. OAO provided us an account of their resources that shows for FY 2012 they had 6 full-time equivalent workers and were appropriated \$1,187,582. Also, for FY 2013, they had 7 full-time equivalent workers and were appropriated \$1,275,491. During this time, OAO attempted to carry out its responsibilities by holding various interagency meetings and working groups. However, OAO could not provide minutes of these meetings or other definitive evidence supporting the extent of its efforts to implement its duties.

Overall, OAO did not adequately implement four of its seven essential duties mandated in the 2008 Farm Bill, in part because the Department had not adequately overseen this implementation. OAO indicated it has made progress towards meeting its duties; however, it has not sufficiently documented its efforts towards accomplishing these duties. According to OAO officials, the Department had not provided OAO with the necessary resources to successfully accomplish all of its mandated duties. OAO has also experienced a high level of turnover in its workforce and management and did not have a permanent Director until FY 2012. Initially, OAO's senior officials were on detail and rotated into and out of OAO frequently, which led to the agency not having developed a mission statement, guidance, direction, or a timeline to successfully implement its goals.

Due to these issues, OIG concluded that 5 years have elapsed since OAO was established and the agency is still in the early stages of accomplishing the tasks mandated by Congress. In order for OAO to carry out its mandate, the Department needs to analyze the resource needs of OAO and adjust its resources accordingly. In addition, the Department needs to ensure OAO has the authority to work across the mission areas of the Department.

### **Advisory Committee on Beginning Farmers and Ranchers**

The Agricultural Credit Improvement Act of 1992 created the Advisory Committee on Beginning Farmers and Ranchers.<sup>29</sup> The committee was established to provide the Secretary advice on the development of coordinated beginning farmers assistance; methods for maximizing new farming and ranching opportunities; methods of encouraging States to participate; administration of the program; and other methods of creating new farming or ranching opportunities. It was expected that the committee, comprised primarily of non-USDA members, would meet annually.

FSA oversaw the committee from its first meeting on August 31, 1999,<sup>30</sup> until the 2008 meeting. During that period, the committee met every year, except 2003, and made over 100 recommendations to the Secretary, of which USDA acted on nearly half. For example, the committee recommended that the Department create a position in the Secretary's office to oversee beginning farmers activities; establish the Office of Advocacy and Outreach at the Departmental level to report directly to the Secretary; and develop and implement a Departmental policy statement that establishes measurable goals and objectives for USDA and each of its mission areas.

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<sup>29</sup> Section 5.b of the Agricultural Credit Improvement Act, January 3, 1992.

<sup>30</sup> The committee had not met prior to 1999 due to a major reorganization of USDA and turnover in top USDA positions.

As directed by the 2008 Farm Bill, OAO began oversight of the committee upon OAO's creation in 2009. Since OAO assumed oversight responsibility, it has not convened the Advisory Committee on a regular basis. Since 2009, the Advisory Committee has met three times, once in 2010 and twice in 2014. This occurred because the Department had not sufficiently monitored OAO's functions to ensure the committee was meeting regularly. In addition, the Department did not require OAO to put forth policy and procedures stating how it would oversee the committee.

OAO officials stated that the committee would have met earlier than 2014, but they did not want to convene the meeting while members' terms were expiring. When FSA oversaw this committee, FSA held meetings even when committee members' tenures were expiring, and had the committee elect new members.

OAO has not adequately fulfilled its responsibilities with regard to the Advisory Committee on Beginning Farmers and Ranchers and valuable input is not reaching the Secretary's office as often as possible. We believe the Department should hold OAO accountable for completing its required oversight duties as it pertains to the Advisory Committee.

We concluded that USDA's beginning farmers assistance initiative lacked sufficient performance goals, direction, coordination, and monitoring. This occurred in part because the Department did not effectively oversee a beginning farmers assistance strategy or ensure OAO effectively accomplished its mandated duties. Aspects of the issues discussed in this report were communicated to the Department, and went unaddressed, as far back as 1982.

During our review, we noted that USDA has started to move in the right direction. In early 2014, the Deputy Secretary brought together representatives from across the Department to focus on assisting beginning farmers. At the time of audit fieldwork, the goals and objectives of this effort had not been defined, but we are encouraged by the support of top-level USDA officials.

In addition, USDA unveiled a new website<sup>31</sup> that is designed to be a centralized, one-stop resource where beginning farmers and ranchers can explore the variety of USDA assistance designed to help them succeed. This new website has information on how to increase access to land and capital, build new market opportunities, select and use risk management tools, and access USDA education and technical support programs. The Department appears to have recently taken steps in the right direction; however, additional commitment from officials at the highest levels is necessary to ensure success.

We recommend the Office of the Secretary take the following actions:

## **Recommendation 1**

Conduct a review of the Office of Advocacy and Outreach (OAO) to assess the agency's resource needs to perform the duties specified in the 2008 Farm Bill and adjust OAO resources accordingly.

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<sup>31</sup> United States Department of Agriculture "New Farmers" website, accessed June 26, 2014, at <http://www.usda.gov/wps/portal/usda/newfarmers?navid=newfarmers>.

## **Agency Response**

In its response, dated April 23, 2015, the Department stated that OAO will conduct an assessment of its resource requirements with assistance from the Office of Budget and Program Analysis (OBPA). Upon completion of the assessment, resources will be adjusted as part of the budget formulation process if appropriate. The Department estimates this action will be completed by March 30, 2016.

## **OIG Position**

We accept management decision for this recommendation.

## **Recommendation 2**

Provide direction to the agencies in defining consistent and measurable outcomes of the various beginning farmers programs and assistance, using a standardized working definition of “beginning farmer” across the Department.

## **Agency Response**

In its response, dated April 23, 2015, the Department stated that in many cases, its definitions of new and beginning farmers and ranchers are established by law. However, USDA has affirmed a "working definition" of new and beginning farmer across the Department (10 years or fewer). USDA will provide direction to the agencies in defining consistent and measurable outcomes of the various beginning farmers programs and assistance, using this standardized working definition of "beginning farmer" across the Department. In the instances where there are differences in definitions, this will be noted. The Department estimates this action will be completed by September 30, 2015.

## **OIG Position**

We accept management decision for this recommendation.

## **Recommendation 3**

Create a Departmental strategic beginning farmers goal that identifies the desired outcomes for its beginning farmers assistance and links to related agency performance goals.

## **Agency Response**

In its response, dated April 23, 2015, the Department stated that OAO and OBPA will work collaboratively with agencies and offices across USDA to create a Departmentwide goal and identify appropriate performance metrics and targets related to new and beginning farmers and ranchers. This will include a review of current performance metrics and identification of those metrics which best demonstrate the impact of USDA's assistance. After appropriate performance metrics are established, OAO and OBPA will work with the Office of the Secretary (OSEC) to

ensure performance targets are set for agencies, track agency metrics in a single place, and report progress. The Department estimates this action will be completed by September 30, 2015.

### **OIG Position**

We accept management decision for this recommendation.

### **Recommendation 4**

Develop a work plan with milestone dates to measure outcomes of the established goals for beginning farmers assistance in USDA as a whole and achieve commitment by requiring participation from senior officials of the Department and agencies.

### **Agency Response**

In its response, dated April 23, 2015, the Department stated that USDA has initiated a significant body of work in partnership with leadership across the Department to achieve results for new and beginning farmers and ranchers. We will continue to enhance and expand this work, including in the continuing support of work plans with milestone dates to measure progress in meeting established goals. The results of this work will be included in public-facing goals and reports. The Department estimates this action will be completed by September 30, 2015.

### **OIG Position**

We accept management decision for this recommendation.

### **Recommendation 5**

Direct agencies across all mission areas to work with OAO in accomplishing the Department's initiative to assist beginning farmers. Ensure OAO has the authority to work across mission areas of the Department to carry out its goals and duties.

### **Agency Response**

In its response, dated April 23, 2015, the Department stated that OSEC will send a memo to the Department outlining the priority on new and beginning farmers and ranchers and reaffirming roles and responsibilities of OAO and each of the other entities within USDA for accomplishing the Department's initiative to assist new and beginning farmers. Further, OSEC will direct collaboration on meeting new farmer goals and ensure that each entity, including OAO, has authority to work across the Department to carry out its respective goals and duties. The Department estimates this action will be completed by September 30, 2015.

### **OIG Position**

We accept management decision for this recommendation.

## **Recommendation 6**

Develop a timeline to ensure all seven of OAO's mandated duties related to beginning farmers from the 2008 Farm Bill are accomplished, specifically including:

- Establishing and monitoring the goals and objectives of the Department to increase participation by beginning farmers.
- Assessing the effectiveness of Department outreach programs.
- Developing a coordinated outreach plan for activities and services provided by the Department.
- Measuring the outcomes of the programs and activities of the Department.

### **Agency Response**

In its response, dated April 23, 2015, the Department stated that a timeline for implementing all seven of OAO's mandated duties will be developed and approved by the Assistant Secretary for Administration (ASA).

1. OAO and OBPA will work collaboratively with agencies and offices across USDA to monitor the goals and objectives as they relate to new and beginning farmers and ranchers participation in USDA programs.
2. OAO will develop a timeline for assessing the effectiveness of Department outreach programs to be approved by ASA.
3. OAO will develop a timeline for developing a coordinated outreach plan for activities and services provided by the Department to be approved by ASA.
4. OAO and OBPA will work collaboratively with agencies and offices across USDA to identify which metrics best demonstrate the impact of USDA's assistance.

The Department estimates this action will be completed by March 30, 2016.

### **OIG Position**

We accept management decision for this recommendation.

## **Recommendation 7**

Direct OAO to develop and issue policies and procedures for overseeing the Advisory Committee, which includes guidance on how often OAO should convene the Advisory Committee and provide a timeline for delivering recommendations to the Secretary.

## **Agency Response**

In its response, dated April 23, 2015, the Department stated that Advisory Committees are operated and managed in accordance with the Federal Advisory Committee Act (FACA). OAO will work with the Committee Management Officer and the Office of the General Counsel to ensure the meetings occur in compliance with FACA. Committee meetings will be as deemed necessary by the Department. OAO will devise a timeline to deliver recommendations to the Secretary. The Department estimates this action will be completed by March 30, 2016.

## **OIG Position**

We accept management decision for this recommendation.

## Scope and Methodology

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During the course of the audit we interviewed Departmental officials and reviewed six agencies: FSA, NRCS, RMA, RD, NIFA, and OAO. We identified these agencies as having programs assisting, or providing outreach to, beginning farmers. We focused on beginning farmers and ranchers activities for these agencies in FYs 2012 and 2013. During these years, USDA spent about \$3.9 billion on beginning farmers and ranchers related assistance nationwide (see Exhibit A for a breakdown by program).

For each agency, we reviewed whether the beginning farmers and ranchers classification is being applied consistently, if outreach efforts for beginning farmers and ranchers are adequate, and if the Department's activities for beginning farmers and ranchers are effective.

We performed our audit of the beginning farmers and ranchers assistance at each agency's national office in Washington, D.C., one State office, and two local offices. We performed fieldwork for this audit from February 2014 through November 2014. We non-statistically selected Minnesota for our review, based on its high levels of activity for most of the programs under review.

To accomplish our objectives, we identified the agency personnel with direct knowledge of beginning farmer assistance in each agency and discussed the various programs and requirements. We also obtained and reviewed relevant beginning farmer legislation, guidance, handbooks, and regulations. Specifically, we performed the following audit procedures:

- Obtained and reviewed documents, such as the 2008 Farm Bill and prior GAO audits related to USDA beginning farmers and ranchers.
- Reviewed FSA, NRCS, RMA, RD, NIFA, and OAO's published guidance, instructions, handbooks, and regulations related to beginning farmers and ranchers.
- Discussed the beginning farmers programs and requirements with FSA, NRCS, RMA, RD, NIFA, and OAO officials at their respective national offices.
- Discussed the beginning farmers programs and requirements with FSA, NRCS, RMA, and RD officials in St. Paul, Minnesota.
- Discussed the beginning farmers programs and requirements with FSA officials at the county offices in Glencoe and Waite Park, Minnesota.
- Discussed the issues we found during our review with the New and Beginning Farmer and Rancher Program Coordinator.
- Reviewed, assessed, and analyzed audit evidence obtained through government websites, such as Departmental and agency strategic plans, news releases, grant information, Congressional testimony, demographic information, program fact sheets, and budget information.

- Reviewed, assessed, and analyzed audit evidence from audited agencies, such as actual and targeted funding levels, quality assurance elements, meeting notes, and issue papers.

During the course of our audit, we did not rely on or verify information in any agency electronic information system and we make no representation regarding the adequacy of any agency computer systems or the information generated from them.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## Abbreviations

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BFRDP .....	Beginning Farmers and Ranchers Development Program
FSA .....	Farm Service Agency
FY .....	Fiscal Year
GAO .....	Government Accountability Office
GPRA .....	Government Performance and Results Act
NIFA .....	National Institute of Food and Agriculture
NRCS .....	Natural Resources Conservation Service
OAO .....	Office of Advocacy and Outreach
OIG .....	Office of Inspector General
OMB .....	Office of Management and Budget
RD .....	Rural Development
RMA .....	Risk Management Agency
USDA.....	Department of Agriculture

## Exhibit A: Listing of Beginning Farmers Programs and Assistance with Funding Levels

Exhibit A lists the USDA programs and assistance that benefit beginning farmers and ranchers, amounts expended in FYs 2012 and 2013, and budgeted amounts for FY 2014.

USDA Programs and Assistance in FYs 2012 and 2013 That Benefit Beginning Farmers and Ranchers				Annual FY 2014 Farm Bill Budgeted Dollars
Agency	Program	FY 2012 Dollars A/	FY 2013 Dollars A/	
FSA	Farm Loan Programs (direct and guaranteed): - operating loans - farm ownership loans	\$1,713,232,792	\$1,678,788,953	\$2,429,250,000
FSA	Transition Incentives Program	B/ \$8,000,000	B/ \$9,000,000	\$6,600,000
NRCS	Environmental Quality Incentives Program	\$179,294,938	\$188,732,719	\$67,650,000
NRCS	Conservation Stewardship Program	\$11,722,875	\$8,454,802	\$10,331,519
NRCS	Agricultural Management Assistance	\$670,470	\$712,713	\$414,955
NRCS	Agricultural Water Enhancement Program	\$4,468,469	\$6,374,239	C/ \$0
NRCS	Chesapeake Bay Watershed Initiative	\$6,545,103	\$7,228,967	C/ \$0
NRCS	Wildlife Habitat Incentive Program	\$3,211,359	\$6,453,125	C/ \$0
RD	Value-Added Grants Program	\$2,389,762	D/ \$4,945,030	\$2,760,000
NIFA	Beginning Farmer and Rancher Development Program	\$18,120,832	C/ \$0	\$20,000,000
RMA	Targeted States Program	\$2,029,543	\$244,218	E/ \$0
Grand Total		\$1,949,686,143	\$1,910,934,766	\$2,537,006,474

A/ Unless otherwise noted, these amounts are dollars expended on beginning farmers and ranchers assistance.

B/ Congress authorized a \$25 million budget for this program in the 2008 Farm Bill. We could not locate a breakdown in USDA's budget of how this \$25 million would be spread out across the time period of the Farm Bill. However, we did find an estimate reportedly from the Congressional Budget Office showing a budgeted breakdown by year.

C/ This program was not authorized for this fiscal year.

D/ This figure includes FY 2014 grants.

E/ Neither the 2014 Farm Bill nor USDA's budget specified a funding level for this program.

**USDA'S  
RESPONSE TO AUDIT REPORT**





United States Department of Agriculture

Office of the Secretary  
Washington, D.C. 20250

April 23, 2015

AUDIT

NUMBER: 50601-0003-31

TO: Gil Harden  
Assistant Inspector General for Audit  
Office of the Inspector General

FROM: Krysta Harden /s/  
USDA Deputy Secretary

SUBJECT: USDA Beginning Farmers and Ranchers Programs

This letter responds to your request for management's response to the audit recommendations in the draft audit report No. 50601-0003-31.

USDA appreciates OIG's review of the issue of new and beginning farmers and ranchers, which is a top priority of focus and work for the Department of Agriculture. This report, which reviews work undertaken by the Department within the Fiscal Years 2012 and 2013, will help inform and guide our work moving forward.

As you noted in your report, USDA has undertaken a comprehensive initiative to enhance and target our support of new and beginning farmers. Across the Department, leaders are working to implement and effectively administer new assistance through the 2014 Farm Bill, align our programmatic resources to best serve the new generation of agriculture (many of whom may have different needs than previous generations), and modernize our customer service. We are also uniting our resources that communicate the results of our programs and are working to make them public facing as soon as possible, per the notations that follow.

Again, we thank OIG for your attention to the matter of new and beginning farmers. These recommendations, in part, underscore the work underway at USDA to enhance, modernize, and provide meaningful assistance to new and beginning farmers and ranchers.

If you have any questions or need additional information, please contact my office at (202) 720-6052 or Lilia McFarland, USDA's New and Beginning Farmer and Rancher Coordinator, at [lilia.mcfarland@osec.usda.gov](mailto:lilia.mcfarland@osec.usda.gov).

Enclosure

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The U.S. Department of Agriculture provides the following responses to the audit recommendations:

RECOMMENDATION 1: Conduct a review of the Office of Advocacy and Outreach (OAO) to assess the agency's resource needs to perform the duties specified in the 2008 Farm Bill and adjust OAO resources accordingly.

DEPARTMENT RESPONSE: OAO will conduct an assessment of its resource requirements with assistance from the Office of Budget and Program Analysis (OBPA). Upon completion of the assessment, resources will be adjusted as part of the budget formulation process if appropriate.

DATE CORRECTIVE ACTION WILL BE COMPLETED: March 30, 2016

RECOMMENDATION 2: Provide direction to the agencies in defining consistent and measurable outcomes of the various beginning farmers programs and assistance, using a standardized working definition of "beginning farmer" across the Department.

DEPARTMENT RESPONSE: USDA notes that in many cases, its definitions of new and beginning farmers and ranchers are established by law. However, USDA has affirmed a "working definition" of new and beginning farmer across the Department (ten years or fewer). USDA will provide direction to the agencies in defining consistent and measurable outcomes of the various beginning farmers programs and assistance, using this standardized working definition of "beginning farmer" across the Department. In the instances where there are differences in definitions, this will be noted.

DATE CORRECTIVE ACTION WILL BE COMPLETED: September 30, 2015

RECOMMENDATION 3: Create a Departmental strategic beginning farmers goal that identifies the desired outcomes for its beginning farmers assistance and links to related agency performance goals.

DEPARTMENT RESPONSE: OAO and OBPA will work collaboratively with agencies and offices across USDA to create a department wide goal and identify appropriate performance metrics and targets related to new and beginning farmers and ranchers. This will include a review of current performance metrics and identification of those metrics which best demonstrate the impact of USDA's assistance. After appropriate performance metrics are established, OAO and OBPA will work with the Office of the Secretary (OSEC) to ensure performance targets are set for agencies, track agency metrics in a single place, and report progress.

DATE CORRECTIVE ACTION WILL BE COMPLETED: September 30, 2015

RECOMMENDATION 4: Develop a work plan with milestone dates to measure outcomes of the established goals for beginning farmers assistance in USDA as a whole and achieve commitment by requiring participation from senior officials of the Department and agencies.

DEPARTMENT RESPONSE: USDA has initiated a significant body of work in partnership with leadership across the Department to achieve results for new and beginning farmers and ranchers. We will continue to enhance and expand this work, including in the continuing support of work plans with milestone dates to measure

progress in meeting established goals. The results of this work will be included in public-facing goals and reports.

DATE CORRECTIVE ACTION WILL BE COMPLETED: September 30, 2015

RECOMMENDATION 5: Direct agencies across all mission areas to work with OAO in accomplishing the Department's initiative to assist beginning farmers. Ensure OAO has the authority to work across mission areas of the Department to carry out its goals and duties.

DEPARTMENT RESPONSE: OSEC will send a memo to the Department outlining the priority on new and beginning farmers and ranchers and reaffirming roles and responsibilities of OAO and each of the other entities within USDA for accomplishing the Department's initiative to assist new and beginning farmers. Further, OSEC will direct collaboration on meeting new farmer goals and ensure that each entity, including OAO, has authority to work across the Department to carry out their respective goals and duties.

DATE CORRECTIVE ACTION WILL BE COMPLETED: September 30, 2015

RECOMMENDATION 6: Develop a timeline to ensure all seven of OAO's mandated duties related to beginning farmers from the 2008 Farm Bill are accomplished, specifically Including:

1. Establishing and monitoring the goals and objectives of the Department to increase participation by beginning farmers;
2. Assessing the effectiveness of Department outreach programs;
3. Developing a coordinated outreach plan for activities and services provided by the Department; and,
4. Measuring the outcomes of the programs and activities of the Department.

DEPARTMENT RESPONSE: A timeline for implementing all seven of OAO's mandated duties will be developed and approved by the Assistant Secretary for Administration (ASA).

1. OAO and OBPA will work collaboratively with agencies and offices across USDA to monitor the goals and objectives as they relate to new and beginning farmers and ranchers participation in USDA programs.
2. OAO will develop a timeline for assessing the effectiveness of Department outreach programs to be approved by ASA.
3. OAO will develop a timeline for developing a coordinated outreach plan for activities and services provided by the Department to be approved by ASA.
4. OAO and OBPA will work collaboratively with agencies and offices across USDA to identify which metrics best demonstrate the impact of USDA's assistance.

DATE CORRECTIVE ACTION WILL BE COMPLETED: March 30, 2016

RECOMMENDATION 7: Direct OAO to develop and issue policies and procedures for overseeing the Advisory Committee, which includes guidance on how often OAO should convene the Advisory Committee and provide a timeline for delivering recommendations to the Secretary.

DEPARTMENT RESPONSE: Advisory Committees are operated and managed in accordance with the Federal Advisory Committee Act (FACA). OAO will work with the Committee Management Officer and the Office of the General Counsel to ensure the meetings occur in compliance with FACA. Committee meetings will be as deemed

necessary by the Department. OAO will devise a timeline to deliver recommendations to the Secretary.

DATE CORRECTIVE ACTION WILL BE COMPLETED: March 30, 2016

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