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USDA 2012 Agricultural Outlook Forum
February 23
PANEL DISCUSSION BY FORMER SECRETARIES OF AGRICULTURE
(Transcript-Part 1)

SEC. TOM VILSACK (moderator): We started the group off with a quiz to see if they could figure out the chronological order.

[Laughter]

I think they all succeeded. That's good.

Again, let me take this opportunity to thank the former Secretaries for taking the time and making the effort to be here today. It's really a historic event for us, and maybe even an historic event for a cabinet department of any kind to have this many former secretaries in one place at one time.

I'm going to do my best to try to allow these folks an opportunity to share their views with you this morning, and then you all will have the opportunity at the second effort to ask questions.

I'm going to ask the first question, and it's actually going to be a multiple choice kind of question. You can answer any part or all of what I'm about to ask. I think it's important for us to hear from you as to what you think American agriculture's greatest opportunity might be in the future, or what you might be most concerned about in terms of a problem or a barrier that it may face that troubles you.

Either one or both of those.

Secretary Block, I wonder if I could start with you. And we'll just go down the line and hear from all the secretaries.

SEC. JOHN R. BLOCK: Thank you very much, Mr. Secretary. Let me just say before I make my little talk here that we very much appreciate this opportunity to be here and to address this audience and at least put our thoughts on the table. We used to do it more often than we do now, but we still do when we get a chance. And thank you for giving us this opportunity.

As far as the future of agriculture and the opportunities we face, very quickly I'll just say that everybody needs to eat. There's a growing demand for food in the world, and, hey, that's what we do. We produce the food. So I think we're in great shape. There are going to be ups and downs, but I think that's a great opportunity for us, and I have no reason to think that we won't take advantage of it.

The other part of the question was What are the challenges? There are a lot of challenges, but I just want to focus on one that I see. I think a challenge is that we have

critics out there that criticize modern commercial agriculture. Modern commercial agriculture is what is feeding the world now, and we're not going to feed it without supporting modern commercial agriculture with new technology, whatever it might be. And yet we find that genetic engineering is criticized and challenged. There are some critics that, they don't even know what they're talking about. They don't rely on science. They just try to scare people. And unfortunately we've got a generation each year that's further removed from the farm, and they don't understand, so that they are willing to be brainwashed, as a lot of people are already in Europe.

I think this is a risk. I think we've got to rely on sound science, and science will get us there. And when the Food and Drug Administration says something's all right and safe, it's safe; and so on and so forth. I'll give you a couple examples, a couple other examples besides the attack you've seen on GE crops.

Irradiation. Mike Espy, when you were in there, and we had this e-coli problem, and you said, Well, maybe we ought to look at irradiation to kill e-coli, because it does. And there are countries all over the world that use it. And, man, we were just beaten up because he brought that idea up. They were, "Oh, no, irradiation, my God, you're going to glow in the dark." Well, they didn't say that.

[Laughter]

But it was close.

And one other example is that ammonium hydroxide; it's naturally occurring in most foods, widely used in food processing in lots of foods, but it was just beaten up too and criticized in the *New York Times* making bad copy about ammonium hydroxide by putting a tiny amount in meat processing it kills the e-coli. We can't do that, throwing the fear into everyone. And I think if we rely on science, agriculture's got a better future. But we have to guard and protect against the hysteria that some people are throwing out there to try to put a roadblock in front of modern agriculture that uses new technology.

And that's my speech.

SEC. VILSACK: Very good.

[Applause]

SEC. CLAYTON K. YEUTTER: Mr. Secretary, no speeches from me. We don't have time, and we can just say amen to what Jack had to say, because I think we all agree with that. Not surprisingly, I would add an international dimension to this, Mr. Secretary. And by the way, this is just a fantastic audience. For some reason we didn't get this many people when I was secretary.

[Laughter]

My congratulations, and it's great to have you all here.

But I wanted to be sure we don't get lulled into complacency by thinking we can sell everything we produce here at the U.S. We've had an enormous benefit from ethanol as you know, and I'm a proponent of renewable fuels coming out of agriculture. But we better be careful as to our dependence on that in the total demand picture for American agriculture products.

Saying that another way, we've got to continue to work with exports. We've got to continue to work with exports in a very vigorous way, and those markets don't open automatically. It takes a lot of hard work. And we've got a lot of people around the world, notwithstanding the demand for food, who would still like to cut off American exports if they can—the European Union with its precautionary principle in the food safety area, GMOs and other things being a classic example of this, the export subsidies that the European Union used to use in massive amounts, as I mentioned in that video you just saw.

And we've got to have disciplines on those kinds of practices so that we can continue to have open markets around the world and open up even more than we have today.

And in that regard, I would simply mention that Asia is where the action is. We need to focus on those Asian markets. We've got a chance to do that now with the Trans Pacific Partnership negotiations and that ought to be one of the highest priorities of the U.S. government over the next couple of years. Okay?

SEC. VILSACK: Thank you.

[Applause]

SEC. ALPHONSO "MIKE" ESPY: Well, after these tones of Clayton Yeutter, I'm afraid you're going to have to hear the scratchy tubes of Mike Espy. But I want to thank you, Secretary Vilsack, for inviting me here. I think it's an incredible opportunity, and it's something I did not want to miss today despite the issues that I'm going through with my voice today.

The greatest challenge facing U.S. agriculture today really is in the halls of Congress, in the budget negotiations and in the agricultural committees. We've been hearing difficult conversations about drops in appropriations for these commodity programs, and I think our policies really are going to have to change.

You know, we've moved from an area of tight supplies based on surpluses where we can be confident in our policies of supporting our prices. I think in this changing environment where the American taxpayers are really concerned about effective uses of their tax dollars, amidst all the discussions of the climbing debt and deficits, I think that our farm programs are really going to have to change.

And they are going to have to be made less expensive, and they're going to have to assure the taxpaying public that we're doing all we can do to make our overall programs a lot more effective and efficient. I think what we're going to have to do is reorganize the commodity programs like we did, structure reforms to the bureaucracy itself, during my term in office, where we can make sure we have the direct payment programs related to direct payments and countercyclical payments and ad hoc disaster payments and crop insurance all in one pot to make it more like a whole farm risk insurance type of approach, to really protect farmers from cataclysmic drops in their revenue, because we know that is what they are concerned about.

So I think the biggest challenge today is an immediate challenge, and that is to take whatever budget number comes from the Senate and House appropriation committees and budget committees and try to change our programs to conform to that number which is certainly going to decrease by a precipitous degree. Thank you.

SEC. VILSACK: Thanks, Mike.

[Applause]

SEC. VILSACK: Dan?

SEC. DANIEL R. GLICKMAN: Thank you, Tom. First of all, there's nobody here with a tofu cream pie, is there?

[Laughter]

Because Mike Espy's shirt, it would fit better on than mine. In any event, thank you so much.

First I want to make this comment. I spend a lot of my time trying to promote bipartisanship, which has been fairly tough in the modern world. This is by far and away the most bipartisan agency of government. Look at us; look at the people out here in this room.

[Applause]

And the battles in agriculture are not mostly partisan; they're mostly geographic and they're economic battles, and for a lot of reasons we don't face the hostility and bitterness and lack of civility that other places do. And you've done a great job in pursuing that, and it's not easy working with a Congress that sometimes isn't always compatible with the views of where you want to go.

But I saw, I think, the reason why. Because in the movie today it showed your people out there working with people, and we touch people's lives often in a positive way at USDA. And you don't get this bitterness towards government that you tend to get in other parts of our system. So I think that's a tribute to the way agriculture programs are

implemented, the people orientation to them. And I just think that's going to maintain the strength, hopefully, of this department and food policy in the future.

I think the biggest challenge, quite frankly, is a research budget which is not going up. You look at the challenges of food safety, feeding a hungry world—we're going to have to double food production—of pests, of climate challenges, of water shortages, of lack of arable land. And you look at the world 20 and 30 and 40 years out, and you wonder, "Do we have the capability of producing a new Green Revolution? Do we have the resources? Are the taxpayers willing to publicly fund these things in order that we invest in the long-term future of this business like we did in the 1960s?"

I think that is the most fundamental challenge we face. And I think the problem we have is the debate is just focused on this perennial discussion of how much subsidy payments should be going out to farmers. I mean, that just dominates everything we hear. And I realize as an old member of Congress and somebody who's worked on these issues that that's not an unimportant issue. But it's not the only issue that we ought to be talking about.

And so the research budget where the Department has performed some of the most incredible advances in the history of the world, we need to figure out a way to work both within USDA, within the government as a whole, and with the private sector in promoting a research budget to ensure that agriculture 30 years from now can address these challenges of food security, globalization, pest, disease, disaster, climate change, and all the nutritional issues that we have to deal with.

So that would be my answer. And thank you very much.

[Applause]

SEC. VILSACK: Ann?

SEC. ANN E. VENEMAN: Well, thank you. Let me add my words of thanks along with the others for this great opportunity. It's a little hard when you follow five of your colleagues who basically say everything.

But let me just echo a bit what was in the film, and that is I think both the challenge and the opportunity is a growing world population—9 billion projected from today's 7 billion by 2050 and 10 billion projected by the end of the century. It's an opportunity because demand for agriculture products will continue to be high, particularly with rising incomes along with the growing population.

But it's also a challenge. As Dan says, how do we continue to have the technology to feed the growing population and the increased demand?

I think there's also as a challenge a lack of nexus among various issues that are critical to the world today. So how do we create that understanding of how important the

environment and climate change are to a productive future agriculture in the world, and particularly the issue of water. With agriculture using as much as 90 percent of the world's water, how do we continue to address the issues of global water supply at a time when that is probably one of the biggest challenges?

As Dan says also, the growing issues of nutrition. We have around the world 925 million people who are chronically hungry, but we now have 1.5 billion who are overweight, 500 million of whom are obese. And so we have to look not only at the issue of agriculture and producing calories, but what are the nutrients, how is nutrition impacting the population, both from a hunger perspective and from an overweight and therefore impact on the health system perspective?

I want to expand a bit on this issue of the research funding, but actually I think the challenges to the budget, not just on the subsidy side but also I think one of the biggest challenges is on the discretionary spending side of USDA's budget. Some is mandatory, the farm programs and so forth—but the discretionary funding is what protects American agriculture. It's your APHIS programs, your Food Safety Program, your research budgets. And I think that is a big threat when we look at the budget challenges that we have to protect those programs that protect American agriculture.

[Applause]

SEC. VILSACK: Senator, I know you heard that last comment, so –

SEN. MICHAEL O. JOHANNIS: Yeah, I did. I should start out and say I was in an Ag hearing just a few days ago, and the Secretary was there. And the conversation turned to prices and how prices had gone up over the last few years. And my colleagues at the end of the dais, Senator Thune and Senator Hoeven, jotted a note and passed it down to me and it said, "Prices are higher than when you were secretary. It just proves that Secretary Vilsack is a far better Ag Secretary."

[Laughter]

And that's on my side of the aisle.

Great question. You know, here's what I would say on the opportunity side of things. A remarkable time for U.S. agriculture. Prices are very, very strong. We see tremendous demand for what we do, and we do it very, very well. Our farmers have just gotten better and better, and the science has gotten better and better, and the technology. And so we're just really in this very unique spot. Pick your area, and it looks like a very, very solid future. It could be bio-fuels, it could be bio-products, it could be the very traditional role for agriculture where you raise cotton or corn or soybeans or fruit or vegetables; but it all looks pretty good.

On the concern side, I'd offer a couple of quick thoughts on that. I just got back from home, and I do a lot of town halls. And I just did three on Monday. What's happening in

our nation is very real. People are asking fundamental questions about the role and purpose of a federal government versus states rights and individual rights, and these are very, very personal issues to them. And they are grappling with this at a time when our nation's debt is just unbelievable. I mean, I was doing a presentation on Tuesday for a group of students at Pious High School on budgetary issues, and the point I made to them is, I'll be 62 this year, and these issues certainly affect me, but they affect them more. And what a sad legacy we are leaving for our kids, this much debt. So I think what it's really about is priorities. I mean that is why we're elected. And on the concern side, I think we've got a tremendous challenge to make the case that food security is about national security.

Chuck Grassley really says it best. He says something like, "We are seven meals away from total chaos." You know if you don't eat the next seven meals, you're going to be hungry and turn to something very radical, very violent probably to solve that problem.

I'll wrap up with this. I just got back from Africa recently, and if there's another item in the concern area that underscores the national security point, there are too many people, in the world with this abundance, who are starving. And we struggle to get them food because of the political instability that is generated by that chaotic situation. Somehow we've got to lead the world in that effort, and we've got to be able to make the case that really food security is a national security issue. And that's why we need to continue to invest in what we do.

[Applause]

SEC. EDWARD T. SCHAFER: Thank you, Mr. Secretary. I really appreciate the hospitality that you've shown us, a chance to get together with our colleagues and visit about agriculture issues. And it's kind of interesting to go through the different perspectives of secretaries based on the things they faced when they were sitting in your chair now.

But I too believe that the opportunities in agriculture arise in the growth of the global marketplace. As we see the populations exploding around the world, as we see the emerging middle classes especially in Brazil and India and China and Russia, consumers' habits are changing. People are learning to eat different foods.

But as was mentioned a couple of times here, there are many, many places in this world where people are still going hungry—5 million kids die every year because a they don't have enough to eat; 9 million people are undernourished in the world. I mean, there's too much going on where the food isn't in the right places.

And so it really creates an opportunity for agriculture and especially for USA agriculture to provide not only food but also expertise around the world to increase our food supplies. The danger in that I believe lies with the same thing. As Mike mentioned, food security is an issue; and any government leader, whether they are elected or a dictator or

a military coup or whatever, any leader of a country understands that hungry people makes for unstable governments.

And as we see hunger continue to go across many, many communities around this globe, people are saying, “We need to do everything we can to increase food production.” And as they do that, they are clear-cutting forests and not paying attention to water, and it’s just kind of “Anything we can do to increase food production so people don’t go hungry.”

And that really, it provides an arena where people, leaders will rape the land and exploit the people for food production so that they can have a stable government. That’s against the values of the people of the United States of America; that’s against the principles of this government.

And again I believe it falls on the backs of the American farmers. As we produce the food and the fuel and feed and fiber that we export across the world, we now have to say, “How can we increase food production yields without more land, without more water?”

And we need to shift not only our products, but we need to ship our expertise, our technology, and our experiences to others so that we can increase food production to provide that security around the world so that people can generate enough nutrition to feed the population.

SEC. VILSACK: Excellent point.

[Applause]

SEC. VILSACK: I’m struck as I listened to every single Secretary give a slightly different answer to that question that there was one central concept, which is the issue of productivity. And that gets us into the comments that were made earlier about the dispute or argument that’s taking place within agriculture about production methods. So I would be interested in anyone who wants to volunteer their thoughts about this. How can we create a better conversation among agriculture? And then how can we create a better conversation between agriculture and the rest of the nation about the steps that will be required to increase productivity? There’s obviously tension and animosity on this issue and passion on this issue. But I’d be interested in your thoughts. How can we create a better conversation?

Dan, we’ll start with you and then we’ll go to John.

SEC. DAN GLICKMAN: Well, actually I’m involved in an effort right now, got a little advertisement called “Agree” where the largest foundations in the world have come together to actually try to do just that. How can we provide transparency and discussions on issues like modern technology, genetic engineering, the role of rural America in this process, how we deal with a hungry world. The theory of this is that I think it was Ed Schafer or maybe Mike Johanns said that too often in agriculture we talk to ourselves.

I remember when I was on the Ag Committee and people who weren't on the Ag Committee used to come in and we'd say, "Get out of our sandbox; this is our area. We don't want you involved in it." The truth of the matter is, and I think it was Napoleon said, "War is too important to be left to the generals." Well, the truth of the matter is, these are very important subjects; they affect food consumption, food safety, nutrition, national security, health issues, just a myriad of things.

And so one of the ways I think we do this is, one, being transparent, being open, being willing to engage in discussions, making sure we have the facts on our side, having an effective research budget, talking to all sorts of people, and making the point that what the food and agriculture community does in the world is as important as health security, energy security. It's a critically important issue.

Now there will always be folks with an axe to grind; we know that. That's the way of the world. And the only way you can deal with that is the truth, the facts, and not be opaque and not be unwilling to talk to other people who have different ideas.

I think you've done a great job at this, in the biofuels area and the GMO area. And so I think as the Bible says, "The truth shall make you free," but in this case it's hard when people have different perspectives on how to do it. But we've got to be open to the realization that we can't hide from other perspectives. People do care about food safety, about consumer-related issues; but they also want to have enough food to eat. And we've got to be out there consistently drip, drip, drip with the facts.

And I think in doing that, I think we'll be able to use good science to get the right information out to people and then have good public policy as a result of that.

SEC. VILSACK: John?

SEC. JOHN R. BLOCK: First of all, a lot of good comments up and down the line. It is important. Look how many people we have here. This could be a start. The Department of Agriculture, to get the right message out. So this is a start. We've got a lot of people to reach.

We have the 150th birthday on May 15. We can celebrate it then too, agriculture's contribution, what we can do, how we need to use modern technology and everything to feed the world. Maybe we ought to think about, and this was suggested in a UN report—when they talk about sustainability in there and then talk about "green biotechnology," Well, you know, listen. The critics, they stole the word "green" and they use "sustainability" all the time. We can't sustain the population of the world without new technology. Green biotechnology—let's figure out some creative ways to sell our product. That's just an idea.

SEC. CLAYTON YEUTTERS: I really wanted to say amen to everything that Dan had to say on that subject because we do have to get the facts out. That's the first thing.

There is too much emotion and too little demonstration of facts in all of these issues. We got to try to take some of that emotion out where we can. You've got a lot of NGOs these days, Non Governmental Organizations, who are on your back, Mr. Secretary, much more so than when I was secretary or when Dan was secretary.

And when they say the wrong things, as they often do, and a lot of them do a lot of great things too, but they all have their own agendas. And when they say the wrong things, we got to call them on it and we've got to bring forth in an effective way the facts that are relevant to that situation and to deal with it.

And it's not only do we have to do that domestically; we've got to do it around, internationally as well.

SEC. VILSACK: Very good. Mike, I think you had your hand up, and then we'll go to Ed.

SEC. MIKE ESPY: Yes. My comment on this is: the way to promote the conversation is to focus on the next generation, the farmers who are in the 1890 schools, the land grant schools, who really want a future in agriculture right now. And I think, the population of farmers are growing older. We don't have anybody coming in to replace them. So I think the conversation right now belongs in the schools, elementary schools and universities and beyond, to let them know that farming is not just worry, toil and trouble; but it's a very diverse occupation that's involved in agriculture and that there is a future—and to let them know that by the year 2050, and I think we've all sort of made this comment—there are signs by 2050 that the world population is going to increase by 39 percent. Thomas Malthus said I think 200 years ago that he feared that the growth in human population is that we're going to outgrow our ability to feed ourselves.

So young people must know that because of increased research, increased technology, better seed varieties, our ability to bring technology to indigenous countries which really cannot feed themselves right now, that there's a place for them, an occupation for them, and that there's a future for them.

SEC. VILSACK: Ed, we'll go to you, and then I've got a real quick question for Mike and Ann, and then I think this part of the session will end, and we will invite folks to take the 3 by 5 cards, write down your question, and there will be folks at the door on the way out that you can hand it to.

SEC. ED SCHAFER: As I was listening to my colleagues here talk about basically communication of science and effort, I had a thought, and it's based on—Nancy and I have four children—it's based on our children, all of whom have rented **Food Inc.**, you know, and then hosted it on Facebook and little things here and there. That's a film that exploits, or magnifies isolated incidences. It's got some underlying issues of exploitation of labor and big corporate farming and things like that. But our children are looking at that and the things that are floating around the social media, and they are saying, "Maybe some of that's true."

And I was just wondering if maybe USDA could create some kind of social media effort on science-based facts on food safety and the protocols that are done and the research efforts that are in place, that we could kind of move around out there among the young people who want to be assured that we have a safe, secure food supply in this country. Maybe we need to have some counterbalance to the underground information that's out there that your agency could provide.

SEC. VILSACK: Interesting thought. Very good.

To Mike and Ann, part of this involves research, and I'm interested in your thoughts about how we at USDA can do a better job of advocating to senators and representatives about the importance of that Ag budget on research—because as has been mentioned it's been flat-lined or it certainly hasn't kept pace with NIH or the National Science Foundation. Why, and what can we do to correct that?

Ann, this is your opportunity to lobby, Ann. Please.

[Laughter]

SEC. ANN VENEMAN: Well, it goes back a bit to what I was talking about before, and that is the research budget. And some of these other budgets that really impact the safety and protection of our food supply are discretionary programs. And as we've looked at the budget cuts that have come along, really it's the discretionary funding that they go to first because it's hard to get to the mandatory programs without a change in the law.

But when you look at the fact that you absolutely need these programs, and you need the research that supports the protection of our food supply, the productivity of our food supply, the diversity of our food supply—I mean just looking at the last question I think one of the things, and I agree that communication is critical, is that there's not one food system that's sort of homogeneous in this country. It's many food systems of people who are producing large acreage farms and people doing direct-to-marketing.

You talked about the farmers markets today. I think the research really has to support not only the new technologies, the food safety protection technologies, the things that will really create the future of the food supply, and the diversity for what it is in this country and around the world.

I think the other thing that's important to think about is that more and more we've also looked at – you talked about the hungry people, and many parts of Africa are having another famine. I think the President's Feed the Future Initiative is extremely important in this regard, to help more production in places where people are hungry and supplement it with emergency food aid where necessary. I think all of that needs to be part of the dialog as we look at issues of research and how we actually make the food system globally more productive.

SEC. VILSACK: Convinced Senator, to increase that research?

SEC. MIKE JOHANNNS: You know, what I should just do is say, “Gee, you made a great point; what was I thinking when I voted up?”

[Laughter]

SEC. JOHANNNS: Ann makes a great point though. Here’s what I would tell you, and this is what I pointed out all week. If you look at our federal budget, 82 percent of the spending is in just five programs: Medicare, Medicaid, Social Security, National Defense, and Interest on the Debt. So what ends up happening, you know, who wants to raise their hand and reform Medicare? Or Social Security? Or, you know, and I could go on and on.

So what ends up occurring is the discretionary budget across the board, doesn’t matter which department you are, gets hammered. And there are certain things that kind of go to the top of the list to get hammered first because you’re trying to get really big numbers out of a very small piece of the federal budget. So without making this too much of a global budget issue, we’ve got to come to grips with how we are allocating our resources in this nation.

And then it does kind of get me back to, it really is going to be about priorities. This is not sustainable—trillion dollar deficits aren’t going to work. They will crush our economy. There’s just no doubt about it. So you’ve got to be able to make the case that what we are doing is really about national security. If you don’t believe me, just study parts of the world where there isn’t that food security; they live in a constant state of chaos.

I’d like to make one last point as we wrap up this part. You know, I am so convinced about this food security, national security issue that if there’s one thing I could ask all 2,000-and-some people who are here is, to commit that feeding people, whether here or in another part of the world, is something that you should do whether you’re a conservative member, a liberal member, a moderate member, a Republican, a Democrat, an Independent, and build a coalition to support that.

At the end of the day it helps; it makes a difference. And people live, and it’s good for agriculture. And you’ll have a far better chance of having some stability in parts of the world where, quite honestly, today we just don’t have that. And I am part of a group that’s trying to build a coalition to make that case. I don’t care if you’re the most conservative senator in the Senate—voting to provide aid to feed people is just simply the right thing to do. And it doesn’t matter if you’re the most liberal person, the same holds true.

SEC. DAN GLICKMAN: Mike, I just hope the presidential candidates heard your speech.

SEC. MIKE JOHANNIS: Thank you.

[Applause]

SEC. VILSACK: I think you all will agree that as you listen to the thoughtful comments of these former secretaries, you can understand why previous presidents had the confidence in these individuals to lead a wonderful and extraordinary agency. I want to thank them. We're going to take a break for a few minutes, come back and try to respond to as many of your questions as we can.. 3 by 5 cards, hand them to the folks at the doors.