



NEWS RELEASE

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Agriculture Secretary Vilsack Makes Case for Stronger Rural America

Vilsack testifies before House Committee on Agriculture on the 2012 Farm Bill

WASHINGTON, April 21, 2010 - Agriculture Secretary Tom Vilsack today testified on the status of the current Farm Bill and the upcoming 2012 Farm Bill before the U.S. House of Representatives Committee on Agriculture. In his remarks, Vilsack provided a national perspective on the challenges facing rural America based on his travels to rural communities throughout the country. He also discussed the state of agriculture today, the need for a strong farm safety net, and new approaches to create income opportunities and generate wealth in a stronger, more prosperous rural America for generations to come.

Below are excerpts from Secretary Vilsack's prepared testimony:

"Let me start off by acknowledging the hard work of the Members of this Committee and your staff. Having worked diligently with my own staff across the country over the past 15 months to implement the bill, I can now fully appreciate the months of hard work that went into crafting this important piece of legislation. You are all to be commended for the strong bipartisan bill that overcame multiple obstacles before becoming law.

"As you know, the breadth and depth of the Farm Bill is incredible. With the programs and authorities that Congress provided to USDA in the 2008 Farm Bill, we are in turn working to ensure that America's farmers and ranchers have the tools that they need to remain viable and on the farm. It is also with these authorities that we work to fund rural hospitals, schools and fire stations, maintain a safe food supply, and sustain export markets for the commodities produced by our nation's farmers and ranchers. Congress has given USDA an amazing opportunity to assist not only rural America with these tools and authorities, but the world...

2008 Farm Bill Implementation

"I believe that the United States Department of Agriculture and our partnership delivery system have an excellent story to tell in terms of implementing the 2008 Farm Bill. When I became Secretary I inherited the job of implementing the Farm Bill roughly six months after its enactment into law. I believe that USDA has taken aggressive action on every aspect of program delivery, with impressive results for our customers...

"Beyond the implementation of special initiatives under tight timeframes at the beginning of this Administration, I am proud of the overall speed and thorough implementation record of our Department on the Farm Bill. For example, turning to our Commodity programs, USDA quickly published regulations in the Federal Register pertaining to key provisions of the 2008 Farm Bill. These provisions included all Title I provisions related to cotton, the Milk Income Loss Contract (MILC) program, and Farm Loan Programs. We also published regulations related to the Direct/Counter-Cyclical Payment Program (DCP) and the Average Crop Revenue Election (ACRE) Program, as well as payment limitation reform.

"In 2009, USDA published nine Farm Bill regulations in the Federal Register, including all Title I sugar provisions, Marketing Assistance Loans and Loan Deficiency Payments (MAL & LDP), and the Biomass Crop Assistance Program (BCAP) Notice of Fund Availability, as well as the Conservation Reserve Program, Livestock Indemnity Program, Farm Storage Facility Loan Program, Emergency Livestock Assistance Program (ELAP), Livestock Forage Program (LFP), and the Supplemental Revenue Assistance Payments Program (SURE).

"Mr. Chairman, the volume, complexity, and public policy impact of these provisions are great. Beyond the sheer number of rules and provisions that have been developed, deployed, and implemented, a massive volume of work has gone into appropriately weighing the voices of farmers, ranchers, and other constituents. In addition, economic analyses and environmental impact considerations, as well as an assessment of civil rights and business impacts, have been thoroughly considered. Combined with these efforts, the achievements of our Department in successfully delivering these key programs to farmers and ranchers are all the more impressive...

"Mr. Chairman, through successive Farm Bill legislation, Congress has provided the critical tools to ensure that America has access to a safe, affordable food supply and basic building blocks of the American economy. You and all of the Members of this Committee are to be commended for your staunch support and advocacy for rural America. The results of your work truly affect every American every day. And I would advocate that the 2008 Farm Bill has a more extensive impact on Americans than any other statute.

The Importance and Challenges of Rural America and its Future

"Regardless of the positive impacts of the Farm Bill, many Americans continue to question the efficacy of dedicating current levels of federal resources and support through Farm Bill legislation. I believe that there

is an important story that must be told regarding the importance of rural America, which serves as a basic building block for the rest of the economy. Despite the hardships, rural America is strong. At a time when our nation is experiencing one of the worst economic times in our history, it's our rural farm and ranch families that are working every day to provide food, feed, fiber and fuel for the rest of our Nation.

"In fact, it's our American farmers and ranchers who are responsible for a trade surplus at a time when our country talks only of trade deficits. American agricultural products represent a trade surplus, which provides \$22.5 billion to the U.S. economy. Moreover, estimates show that agriculture is responsible for one out of every twelve jobs in the nation.

"In addition, the actions that rural Americans take and their stewardship of the land directly impact water quality. As a result, rural Americans have a critical role in protecting the safety and security of our drinking water and the quality of our nation's rivers, lakes, and streams...

"In the past 40 years, the United States lost more than 1 million farmers and ranchers. During that period, income from farming operations, as a percentage of total farm household income, plunged to half of the previous level. Today, only 11 percent of family farm income comes from farming. In order to maintain viable households, rural Americans have been forced to seek alternative sources of support, and benefits such as health insurance. These factors have changed the face of rural America.

"From the perspective of employment and income, recent studies indicate that the per capita income in rural America is approximately \$11,000 below the urban and suburban workforce. In addition, job loss rates are higher in rural areas, and rural Americans are finding it more difficult to find and maintain quality jobs. Specifically, loss of employment in light manufacturing sectors has been more severe in rural areas, meaning that rural families have reduced access to the key benefits that these quality jobs provide.

"The difficulties for rural America mean that young rural people have fewer opportunities. Without viable employment opportunities, secure healthcare, modern infrastructure, and the growth of new industries, young people are choosing to leave their rural homes in search of jobs and opportunities elsewhere. As a result of these factors, the population of rural America faces significant challenges. The challenges described above and the nearly two decades of recession for rural America can seem overwhelming, but with the tools that Congress provided to USDA in the 2008 Farm Bill we are working to make rural America stronger. These needs can be even further addressed in the next Farm Bill.

"We need to reverse population declines, increase educational opportunities and opportunities for our young people in rural America. It's not just about the economic connections that rural America provides, but it's about the value system that it provides. We need to develop new strategies to bring prosperity back to rural America in a sustainable and significant way.

"I believe one model for the kinds of new creative approaches we can take in the next Farm Bill is found in USDA's new Regional Innovation Initiative. This new and innovative regional and collaborative approach will center on 5 separate pillars promoted by the Administration and arising from USDA's programs that assist rural America. Major emphasis will be placed on the following five key areas:

- Broadband,
- Renewable Energy and Bio-fuels,
- Regional Food Systems and Supply Chains,
- Forest Restoration and Private Land Conservation,
- Ecosystem Market Incentives.

"USDA will work with federal and private partners to develop metrics to measure and demonstrate the success of the approach. Based upon the sustained economic difficulties that rural America has faced, USDA will begin by measuring job development and preservation, along with growth of income. It is vitally important that rural America not only become a desired place for young people to secure long-term, quality employment. But even more importantly, rural America must become an attractive place for young people to establish homes and raise families. As such, the measures of success will be expanded to also track and report on population changes in rural places. In order to be truly successful in this endeavor, rural America must be at the heart of a thriving 21st Century American economy.

"Another critical component of the next Farm Bill must be a continued focus on energy. Clearly energy conservation, development, and energy use policies have played an increasingly important role in agricultural and rural policy. I believe that the approach this Committee took in the 2008 Farm Bill was both visionary and very innovative. The mixture of research initiatives, grants for technology development and transfer are critical. In addition, program development and modifications that encourage the development of alternative and renewable energy sources is quite impressive. While many of the basic tools are in place, I would suggest that as a next step we need to better weave and integrate all of the tools into a more strategic framework. It is important to ensure that all of our authorities, program implementation practices, and future directions on energy and greenhouse gas issues are all working in concert. In addition, it will be important that we work on these issues within the framework of emerging ecosystem markets and thoroughly integrate these factors together along with public and private sector considerations. We will be doing a significant amount of work in the coming months to better assess and identify the kinds of changes that might best assist in this endeavor, and I look forward to working with this Committee on a holistic approach to energy in rural America.

Working Toward the Next Farm Bill

"Mr. Chairman, as we move forward toward development of the next Farm Bill, it is important that we approach this new legislation with an eye toward truly making a difference in the future of the lives of millions of rural Americans. If we set our goals appropriately, we can properly assist and strengthen

production agriculture, while also building and reinforcing the future of rural communities. Every opportunity for bettering rural America should be considered. We need to adopt innovative approaches and listen to the needs of production agriculture and rural communities. Again, I believe it is important to be ambitious and set our goals as high as possible. Rural America deserves no less from the next Farm Bill.

"Over the past year, I embarked on a rural tour. During this process, I traveled more than 45,000 miles and met with countless local farmers, ranchers, town leaders, teachers, etc. While the process took time and involved very difficult travel, I came away with a greater appreciation for the will and determination of rural America to succeed. I also came away with a stronger appreciation for the needs and challenges that rural America faces.

"In the coming months as we engage in development of the next Farm Bill, I look forward to bringing the experiences of these rural Americans, and others I have worked with to the table. I also look forward to offering the insights and expertise of our professional USDA staff, who have had the experience and pleasure of partnering with and learning firsthand about the needs of producers in the field. It is my pledge to appropriately assist, provide technical assistance and help better frame and push the debate toward the topics and issue areas that are most important to our constituents. I look forward to working with you, Mr. Chairman, and every Member of the Committee on that endeavor."

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