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Senate Agriculture Committee Hearing Overview

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Provided by:



Today, the Senate Agriculture Committee held a [hearing](#) to consider the nomination of Tom Vilsack to be Secretary of Agriculture (USDA). Shortly after the hearing's conclusion, the Committee voted to favorably report Vilsack's nomination to the full Senate.

Key Takeaways

- Former USDA Secretary Tom Vilsack said the department has the responsibility to maintain strong communications with the Office of the U.S. Trade Representative (USTR). USDA can provide advice and counsel on any new free-trade agreements. Vilsack said the U.S. is on the cusp of creating a series of new market opportunities for American agriculture.
- Vilsack said USDA will likely resume payments under the Coronavirus Food Assistance Program (CFAP) soon. He explained that the new administration needs time to understand what commitments have been made on CFAP funding. He said USDA will continue to explore ways to provide the necessary assistance under that program.
- Vilsack explained that the Renewable Fuel Standard (RFS) waiver system is designed for small refineries that are having financial trouble, not large refinery operations. He said USDA can use its resources to help build out the biofuel distribution infrastructure, adding that the department will work with the EPA on how biofuels benefit the economy and environment.
- According to Vilsack, the ag industry can play an important role in addressing climate change and will have a seat at the table in climate-related policy discussions. On carbon capture/sequestration, Vilsack explained that any program needs to be structured to ensure that farmers are its main beneficiaries.

Summary

Opening Statements and Testimony

Sen. John Boozman (R-AR)

The Senate has not passed a resolution that allows for the Committees to organize thus this Committee does not currently have a chairman.

During Secretary Vilsack's prior tenure at USDA under the Obama administration, he faced several challenges and also achieved valuable results for American farmers. I am a strong believer that past performance is indicative of future performance, so I am confident in his ability to again lead the department.

If confirmed, I hope you will work with EPA to explain the strides production ag has made to be more environmentally friendly; ag is part of the solution, not the problem. It is important USDA keeps producers at the forefront of any climate change discussion.

Trade is another active issue where a strong voice is needed from USDA. American ag has suffered because of recent trade disputes. We face foreign governments that do not play by the rules, and our producers need new markets and improved market access.

Sen. Debbie Stabenow (D-MI)

I am looking forward to working again with Secretary Vilsack. He will bring fresh ideas to take on the new challenges our farmers and ranchers face.

Many families still do not have enough food to eat, and food banks are overwhelmed. The latest stimulus package provides funds to USDA to help in this regard. I look forward to hearing your plan to implement those provisions.

The pandemic is not the only challenges we face. Climate change poses the greatest threat to our environment and food supply. The ag community can lead in this fight, and it will be an important focus of this Committee.

The Honorable Tom Vilsack, Nominee to be USDA Secretary

Today, we face four "why not?" moments. First, in regard to climate change, we can create new markets and create a new, improved rural economy, while reducing emissions. Second, we can address food insecurity and nutrition insecurity by creating a system that provides for more affordable, healthier food. Third, we can strengthen the rules and laws to promote market openness and fairness. Finally, we need to fully and completely address the discrimination that has been a part of USDA programs for far too long.

Discussion

Trade

Boozman: What is your vision for the USDA undersecretary tasked with overseeing trade priorities? How will you work with USTR and other trade policymakers to make sure ag is a top priority? *Vilsack:* USDA has a responsibility to maintain strong communication with USTR. We can work with USTR on USMCA implementation. USDA can provide advice and counsel on any new free-trade agreements. Many of our competitors have a competitive edge that needs to be addressed. The undersecretary role is very important in promoting our domestic ag interests.

Stabenow: How can we return to a sense of normalcy in the farm economy? *Vilsack:* It starts with markets and a stable trade policy to sell products overseas. We have opportunities to expand into new markets in Southeast Asia and Africa. We also need to grow domestic markets and create new markets, e.g., methane capture/use and carbon capture/sequestration. Ag is the first and best way to achieve some wins on addressing climate change. It is also important to have a working safety net.

Braun (R-IN): How can we help farmers be successful without the government being financially involved? *Vilsack:* We need to create new markets and expand further into existing markets. We are on the cusp of creating a series of new market opportunities that will create more farm income.

Biofuels

Hoeven (R-ND): Will you resume CFAP funding? *Vilsack:* Any new administration needs to understand what commitments have been made on that funding. We need some time to get a better sense of that program before resuming payments. We will continue to explore ways to provide the assistance people need and improve the economy. We will follow Congressional directives.

Klobuchar (D-MN): The Trump administration made some bad decisions during its final few days related to RFS refinery exemptions. Talk about your plans regarding biofuels. *Vilsack:* We want to use biofuels in the USDA vehicle fleet and also encourage other government agencies to use biofuels. USDA will work closely with EPA on the benefits of biofuels to the environment and economy. The waiver system was designed for small refineries that are having financial trouble, not large refinery operations. We can utilize USDA resources to build out the infrastructure to provide higher biofuel blends to consumers. Biofuels continue to play a role in reducing emissions and providing job opportunities throughout the country.

Ernst (R-IA): Will you direct USDA to purchase electric vehicles pursuant to the recent executive order? What will you do to ensure the RFS is reauthorized in

2022? *Vilsack*: There is an opportunity to advance both electric vehicles and biofuel vehicles. We recognize there will be more electric vehicles, but that also presents an opportunity in rural communities for energy production and jobs. I will remind President Biden that there are many Americans that have older vehicles, and the reality is we will need both biofuels and electric vehicles. There is a great future for the biofuel industry.

Grassley (R-IA): The CARES Act added funds to the Commodity Credit Corporation, and we tried to get the prior Ag secretary to assist biofuel producers with these funds. Will you utilize these funds to provide direct assistance to biofuel producers negatively impacted by the pandemic? *Vilsack*: I am aware the industry did not get the help it needed. There is the opportunity to review the biofuel infrastructure program, and we continue to look for ways to provide assistance.

Thune (R-SD): How will you be an advocate for biofuels in the administration? *Vilsack*: We will look for ways to encourage and assist the biofuel industry, including working with the EPA so that waivers are not granted to refineries that should not be eligible.

Cattle Markets

Grassley: Do you plan to reintroduce your Fair Market Practices rule for the beef industry? *Vilsack*: We will take a close look at all of USDA's tools to ensure more market transparency.

Thune: Talk about what actions you will take to strengthen the integrity of the cattle market. *Vilsack*: We are going to examine all of our tools to help ensure there are open, fair, and transparent cattle markets. There are ways to expand processing opportunities so that we are not overly reliant on a small number of processors. The system needs to be more resilient and that is done with more capacity.

Fischer (R-NE): How can we improve transparency and price discovery in the cattle markets? Do you believe the current beef labeling policy adequately informs consumers? *Vilsack*: We need more price discovery in the live cattle markets. I look forward to hearing ideas from this Committee and other Members on their ideas to improve the cattle markets. We made efforts to improve transparency so consumers can know where their food originated. We tried strengthening rules of origin, but Canada stopped us at the WTO.

Climate Change and Conservation Programs

Boozman: Will you be a voice for the ag community in the climate change conversation? *Vilsack*: I share President Biden's vision for net-zero ag emissions, and USDA can create new incentives and opportunities to reach this goal. We can create incentives for farmers to have healthier, more regenerative soil. Farmer input will be

needed on carbon capture/sequestration and other initiatives we may undertake related to climate change.

Hoeven (R-ND): Talk about the concerns regarding carbon sequestration. *Vilsack:* There is a concern that a carbon sequestration bank would benefit third parties. It needs to be structured so that the main beneficiaries are farmers. Whatever program we assemble needs to include farmer input and benefit farmers. If there is, then I think it will be widely adopted.

Bennet (D-CO): Talk about your priorities for preserving the national forests. *Vilsack:* National forests represent major, national infrastructure. As Congress addresses infrastructure, I hope they will include our national forests in that discussion. In the meantime, USDA can use its fire budget more effectively and efficiently.

Farm Industry

Brown (D-OH): How do you build on previous work to diversify our food supply chain? *Vilsack:* We can continue to explore new market opportunities for small and medium-sized operations. Institutional purchasers can be better informed of purchase opportunities from these smaller entities.

Braun: Talk about what you would do to address the concentration in the farming supply industry. *Vilsack:* USDA should reach out to the Department of Justice to determine whether it would be interested in reinstating the task force that would look into these market concentration issues. We need to examine how we can increase public research in farming inputs.

Grassley: How would you define “actively engaged” as it relates to receiving farm payments? *Vilsack:* Few people in this country actually farm, which is why these programs need to be secure and utilized for real farmers.

Other

Hyde-Smith (R-MS): How concerned are you about maintaining reliable and affordable fertilizer markets? How can USDA strengthen and grow markets for wood products? *Vilsack:* An important role of USDA is communicating to other agencies how their decisions may impact the domestic ag industry. I will reach out to the Department of Commerce regarding their decisions related to countervailing duties on fertilizer. We can help producers use fertilizer in the correct ways. There may be procurement opportunities with the U.S. government for wood products. Cross-laminated timber can be used in building projects. We want to be able to use this wood and preserve the carbon in that wood.

Smith (D-MN): How can USDA help expand access to credit for farmers? *Vilsack:* We need to take a deeper dive into current USDA programs and identify if there is systemic

racism or other barriers that make it difficult for people to access these programs. There needs to be a more diverse workforce that is more sympathetic and understanding to the needs of diverse communities.