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## **USDA's Schafer on successes, COOL & ASA vs. USB**

**By Jon H. Harsch**

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In a wrap-up press conference Thursday before he turns the Department of Agriculture over to his successor in two weeks, Agriculture Secretary Ed Schafer welcomed President-elect Obama's nomination of former Iowa Gov. Tom Vilsack as the next USDA Secretary. Schafer praised USDA's career staff for its expertise and said that "I sincerely hope that the next President and the next Secretary of Agriculture will look at the long line of Bush administration successes in agriculture and find bipartisan ways to build on them to advance the interests of all Americans."

After a 2008 which included Congress passing a long-delayed Farm Bill over a presidential veto and USDA's record meat recall, a relaxed Schafer said he's looking forward to being a tourist with Mrs. Schafer before they return to private life in North Dakota in the spring. But he's also busy tying up loose ends at USDA. Schafer confirmed that he asked USDA's Inspector General Phyllis Fong to investigate charges brought by the American Soybean Association concerning handling of check-off funds by the United Soybean Board and the U.S. Soybean Export Council. He confirmed that Fong has launched an investigation which he said could take "a minimum of a year" to complete.

Schafer said "I think it is only appropriate that an arms-length, independent Inspector General investigation take place so that we can sort this out for the benefit of all soybean growers so that there is not a question out there about how those check-off dollars are being spent. It is important for us to find out what the facts are and then make the appropriate corrections."

In another controversial area, Schafer said that just prior to the press conference, he signed the final rule implementing new Country of Origin Labeling (COOL) provisions. He said the rule will be published in the Federal Register, perhaps as early as tomorrow depending on the backlog of new Bush administration regulations awaiting publication.

In listing USDA achievements during the eight years of the Bush administration, Schafer highlighted record-setting ag export performance: "more than \$115 billion in sales this year." He said that the emerging economies of Brazil, Russia, India, China and Mexico "have been driving strong demand for grains, and for our beef and pork, for chicken, dairy and for processed food as well." He said U.S. farmers and ranchers can continue to sell more to these markets if the next administration continues to pursue "fair access to

the foreign markets and a level playing field on which to compete.” He said the export success has been achieved because “President Bush has consistently made expanding free trade one of his highest priorities.” He noted that “Eleven new Free Trade Agreements are up and running and opening doors for America’s farmers and ranchers” but that unfortunately three more FTA’s, already finalized with Colombia, South Korea and Panama, “are still awaiting action from Congress.

Schafer said a second major achievement is conservation: “We’ve been able to protect millions of acres of wetlands...In all, conservation plans and systems have been applied to more than 327 million acres of land over the past eight years. . . We launched a new Environmental Services Board and a new Office of Ecosystems Services and Markets last month.”

Schafer next pointed to gains on the rural development front: “Since 2001, this administration has shown its commitment to rural America by investing an average of \$14 billion a year in rural development, 36% higher than the level of spending when we took office. These investments have created two million new jobs. They’ve expanded broadband services, upgraded health care and emergency response services, and supported renewable energy and energy efficiency projects.”

Schafer listed the rapid growth of renewable fuels as USDA’s fourth major achievement. He said “Economic growth in rural America and energy security for the nation as a whole both depend on further development of renewable fuels and for biofuels to reach their full potential, we must develop new biofuel feedstocks and the business models that go with them.” He said that developing biofuels is important for achieving energy independence, for protecting the environment, and for boosting the rural economy. Calling for continued investment in biofuels, he said “If we spend \$4 or \$5 billion a year in an effort to advance the bioenergy opportunity, and especially ethanol, and have \$40 billion worth of savings and environmental benefits in our country, that’s a good investment.”

Schafer remains hopeful that as one his final acts as Secretary, he will be able to announce a USDA loan guarantee for the first commercial-scale cellulosic ethanol plant. He said if all goes as planned, a Range Fuel plant in Georgia could start turning wood chips into ethanol on a commercial scale within the next two years, launching the new industry far sooner than previously forecast.

“In all these areas, in trade, in conservation, rural development and renewable fuels, the new administration can consolidate the gains that have been made over the past eight years and lead America to even greater success,” Schafer said.

Schafer singled out food security as a major challenge facing the next administration. He said that on the domestic front, the Bush administration is proud of having increased the rate of participation in USDA’s nutrition programs for eligible recipients from 54% in 2001 to 67% in 2006. On a far larger scale, he said the global challenge is that “we face the urgent reality of a world population that will grow by more than 70 million people this year and it will continue to grow. And we must find ways to feed all these new mouths in the world without the utilization of any more land.” He said the answer must be sharing American technology and know-how, including biotechnology, “to help other nations reach higher and more stable levels of production.”