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USDA Sec Vilsack warns: major farm program changes ahead

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In a tough-love speech Monday, U.S. Agriculture Sec. Tom Vilsack warned a joint meeting of U.S. Wheat Associates and the National Association of Wheat Growers that political realities will force significant changes both in the way he will run USDA and in the ways farmers will get paid.

The wheat growers are in town to lobby Congress, hoping to get increased support for opening up new overseas markets for U.S. ag exports. Sec. Vilsack agreed on the benefits of farm exports and said the new Obama administration will “continue to promote bilateral trade agreements.” He noted that President Obama has taken a strong stand against the protectionist measures which Congress is considering as part of its stimulus legislation. But Vilsack warned that with so many serious economic challenges facing the United States, a serious administration focus on trade issues is likely to be delayed until economic recovery measures are in place.

Instead of focusing on trade, Vilsack called on farmers to accept the political reality that U.S. farm program direct payments are under fire both at home and abroad – and therefore that farmers should develop other sources of income. As a former Iowa Governor, he noted that Iowa’s economy is doing relatively well compared to other states in part because Iowa has “embraced biofuels.” Vilsack explained that as USDA Secretary, he intends to promote a far more diversified income base for the farm sector. He said that windmills and biofuels should definitely be part of the income mix – and that organic agriculture, one of the fastest growing segments of U.S. agriculture today, will also play an increasing role.

Vilsack stressed that USDA is involved in every major issue today, from economic recovery and energy security, to food safety and foreclosures. He said he will work hard to ensure that USDA “has a seat at the table” in setting policies in all of these areas – and to ensure that both Washington policy makers and the general public are made aware of the farm sector’s important role in all of these areas.

Vilsack emphasized that climate change creates significant new income opportunities for the farm sector. But he said it will be important both for farmers themselves to understand these opportunities and for climate change and conservation policies to be

written to give U.S. farms, ranches and forests full credit for the carbon sequestration and other environmental “public benefits” they provide.

In listing his own immediate priorities at USDA, Vilsack left out trade even though he was addressing a trade-oriented audience and even though he arrived at the wheat grower’s meeting after meeting with France’s minister of trade. He said that so far, he has focused on the stimulus legislation and “making sure that agriculture and the Department of Agriculture are well represented in those discussions.” Then he said “there are four basic principles that we are operating under at USDA,” listing them as:

- “We want to make sure that in this country we have a safe, sufficient, sustainable and nutritious supply of food for all.” He said the serious peanut situation in Georgia “has made all of us aware of the fact that we are the only industrialized nation in the world that has two separate agencies responsible for food safety.” He predicted that “ultimately, I think you’ll see a move to a single food safety agency” rather than leaving responsibilities divided between USDA and the Food and Drug Administration.
- “The second goal of the Department will be to make sure we are a national leader in the discussion of energy and climate change. I think there are tremendous opportunities for agriculture in the energy area and in the climate change discussion, opportunities for us to do what needs to be done which is to diversify income opportunities for farmers.”
- “The third area is to have modern rural 21st century communities, and by that I mean it is important to note the role that rural communities play in the survival of farmers.” He said rural communities need broadband for “access to worldwide markets,” and need decent schools, water and sewer systems, transportation, “and enough assistance for small businesses to get started in those rural communities.”
- “The final goal is to modernize the workforce and the workplace at USDA.” He said that if he doesn’t succeed in making this part of the stimulus package, he will work on including it in upcoming budget negotiations, to have Congress “understand the important role that technology plays in making access to farm programs convenient for farmers and less labor intensive for those who work in FSA [Farm Service Agency] offices.” He said as part of this modernization, USDA needs to improve its civil rights performance, noting that “there is probably no department of government that has a worse civil rights record than the USDA. There are billions of dollars of law suits against the USDA for discrimination in its programming and in its employment practices.”

In response to questioners concerned with tightened payment limitations, Vilsack delivered another tough message: “There are statistics that would suggest that over 20,000 people received payments amounting to millions of dollars that weren’t qualified to receive them. It is pretty hard to justify that and we shouldn’t justify that.” He said it’s important to develop a system “to make sure that the people who deserve to get the payments get them, and that the people who don’t deserve to get them, don’t get them. . . I am not going to apologize for making sure that we implement the program the way it was intended.”

Vilsack warned that “the future of direct payments is not going to be an easy future because you’ve got, A, people around the world who question the validity of that system from a trade perspective, and we all think trade is an important thing. B, you’ve got

members of Congress, significant numbers of members of Congress, who believe that that system in some way unfairly distorts opportunities for the family farm, however you want to define that. And, C, it was initially intended as sort of a transition process, the Freedom to Farm, that has now taken on a life of its own.”

Vilsack said that “if it looks to be as if direct payments will at some point in time, I don’t know whether it will be next year or five years from now or 10 years from now, at some point in time, have a limited future, what is the substitute?” He said that “I would suggest to you that you should look very strongly, very strongly, about using climate change as a way of dealing with this. It is a lot easier to explain to that man on the street that you’re getting a payment, not because you are a farmer, not because people like cheap food, but because you’re doing something for the climate. It’s just politically easier to explain that.”

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