

Sec. Vilsack sees USDA's FY '11 budget proposal as helping farmers & rural economy

By Jon H. Harsch

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Washington, Feb. 1 – Responding immediately to President Obama's budget proposal released Monday, Senate Agriculture Committee Chair Blanche Lincoln (D-AR) said she will "fight many of the President's proposed cuts that will harm farmers, ranchers and rural communities."

Agriculture Secretary Tom Vilsack asks such critics to look at the overall budget rather than focus on specific proposed cuts. At a briefing Monday afternoon, Vilsack explained that despite the cuts – including rewriting payment limitation rules and crop insurance subsidies – "if you take a look at all of the income support programs, what you'll find is that there's a slight increase in total for those programs." He added that the overall picture includes added support for conservation, for research and development which will boost agricultural productivity, for expanding markets "both locally and globally," for food safety investments which will "benefit farmers and ranchers" by protecting their markets, and for creating "better paying job opportunities directly linked to the ability to keep the farm."

Vilsack said that alongside that range of resources aimed at boosting the rural economy, "I think we have to be cognizant of deficit issues because of the long-term impact that's going to have on the very farmers and ranchers we are concerned about because there's no question that if deficits continue at this level, interest rates are going to rise and the people who pay the penalty for that are the folks who have to borrow money. . . we cannot as a country continue to sustain large deficits."

Specifically addressing new payment limit rules, Vilsack said



USDA Secretary Tom Vilsack. Photo: Agri-Pulse.

that the vast majority of farmers are not going to be impacted or affected at all by this.” He said the proposed changes are the direct result of responding to concerns raised by Congress last year. “We listened to Congress last year,” he said. “We recognize that we made a proposal that for them was not based on common sense so we went back to something that they were used to.” He said not only would very few producers be affected, but more importantly, “all farmers are positively impacted by opportunities that conservation programs create, opportunities that research can create, opportunities at protecting the safety of the food that we buy, opportunities to expand local markets and to expand export markets.”

Vilsack concluded that “it’s important for people to see a budget not just in isolation of individual line items but for the overall direction of the budget. And then when you add to that the deficit concerns and the interest rates that will increase, that will have an impact on every farmer who borrows money, and that’s most farmers to put a crop in. On balance, I think if folks look at this thing holistically they’ll see that this is supporting a healthier economy in rural America. . . It is designed to continue to preserve a very strong safety net for our farmers and ranchers and I should point out that safety net is multifaceted. There are many parts to the safety net.”

One key part of the expanded safety net, Vilsack points out, is its new focus “on not community-specific economic development but on regional development looking at specific regions of the country and utilizing the enormous resources that we have within USDA in terms of the number of programs and targeting those programs on a regional development strategy.” He says the aim is to “create real job growth and development” through “expanding energy opportunities in rural America.” He sees “enormous opportunities for us to create energy crops and energy income opportunities for farmers and ranchers and for owners throughout the United States, not just in one part of the United States but in all regions in the United States.”

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