

NATIONAL PRESS CLUB LUNCHEON WITH SECRETARY TOM VILSACK

SUBJECT: THE HEALTH AND NUTRITION OF AMERICA'S CHILDREN

MODERATOR: ALAN BJERGA, PRESIDENT, NATIONAL PRESS CLUB

LOCATION: NATIONAL PRESS CLUB BALLROOM, WASHINGTON, D.C.

TIME: 12:30 P.M. EDT

DATE: TUESDAY, FEBRUARY 23, 2010

(C) COPYRIGHT 2008, NATIONAL PRESS CLUB, 529 14TH STREET, WASHINGTON, DC - 20045, USA. ALL RIGHTS RESERVED. ANY REPRODUCTION, REDISTRIBUTION OR RETRANSMISSION IS EXPRESSLY PROHIBITED.

UNAUTHORIZED REPRODUCTION, REDISTRIBUTION OR RETRANSMISSION CONSTITUTES A MISAPPROPRIATION UNDER APPLICABLE UNFAIR COMPETITION LAW, AND THE NATIONAL PRESS CLUB RESERVES THE RIGHT TO PURSUE ALL REMEDIES AVAILABLE TO IT IN RESPECT TO SUCH MISAPPROPRIATION.

FOR INFORMATION ON BECOMING A MEMBER OF THE NATIONAL PRESS CLUB, PLEASE CALL 202-662-7505.

ALAN BJERGA: (Sounds gavel.) Good afternoon, and welcome to the National Press Club. My name is Alan Bjerga. I'm a reporter for Bloomberg News, and the President of the National Press Club. We're the world's leading professional organization for journalists, and are committed to our profession's future through our programming and through fostering a free press worldwide. For more information about the Press Club, please visit our website at www.press.org. To donate to our programs, please visit www.press.org/library.

On behalf of our members worldwide, I'd like to welcome our speaker and attendees of today's event, which includes guests of our speaker, as well as working journalists. I'd also like to welcome our C-SPAN and public radio audiences. After the speech concludes, I will ask as many audience question as time permits. I'd now like to introduce our head table guests.

From your right, Ellyn Ferguson, reporter for *Congressional Quarterly*; Matt Hartwig, communications director for the Renewable Fuels Association; Teresa Williams, National PTA Secretary Treasurer, and a guest of the speaker; Hani Nasser of the Canadian Embassy; Major James A. Kelley, former Deputy Assistant Secretary of Defense for Reserve Affairs, and a guest of the speaker; Andrew Schneider, Associate Editor for Kiplinger Washington Editors, and Chairman of the NPC Speaker's Committee.

Skipping over our speaker, Larry Quinn, Vice Chairman of the National Press Club's History and Heritage Committee, and formerly a career USDA communications

official; Judith Salerno, M.D. Executive Director and Chief Operating Officer of the Institute of Medicine of the National Academies, and a guest of our speaker; Drake Lundell, editor of Kiplinger Bio Fuels Market Alert; Ed Maixner, Editor of Kiplinger Agriculture Letter; and Marc Heller, Washington correspondent for the *Watertown Daily Times*. (Applause)

Since becoming the 30th U.S. Secretary of Agriculture last year, Tom Vilsack has led what he terms an every day, every way department. While the USDA remains crucial to the nation's ranchers and farmers, about four-fifths of its budget is spent on nutrition programs, ranging from food stamps, now at record spending because of the recession, to child nutrition, the topic of today's address. Child nutrition programs, now under temporary authorization until a final law is passed, are crucial to helping struggling families, said the Obama Administration, which is calling for \$1 billion in additional annual spending authority for child nutrition, and has a goal of ending child hunger by 2015.

Leading the effort is First Lady, Michelle Obama, who has made healthier diets for Americans and combating child obesity, a problem that coexists with hunger, a White House priority. Our speaker today has ample experience working both with agriculture and with needy families. As a two-term governor of Iowa, he worked to advance the nation's leading producer of corn, soybeans, hogs and ethanol, as well as dealing with the challenges of attracting and keeping quality jobs in rural areas.

He began his political career as mayor of Mt. Pleasant, Iowa, in 1987; was elected state senator in 1992, and then in 1998 became the first Democrat elected governor of Iowa in more than 30 years. He has stood before this podium once before, in 2007, when he was considering a run for the White House. Please welcome back to the National Press Club, Secretary of Agriculture, Tom Vilsack. (Applause)

SECRETARY VILSACK: Well, thank you all, thank you very much. Alan, thanks very much for that kind introduction, and I certainly appreciate the opportunity to return here to the Press Club. I consider it an honor, and I'm looking forward to visiting with all of you today. You know, when Americans think of the United States Department of Agriculture, they understandably think about the millions of farmers and ranchers who are among the most productive in the world, who produce our food, our feed, our fiber, and our fuel. They are indeed a truly amazing group of people, and have built a truly amazing story.

But today, I'd like to draw your attention to a different group of Americans who are directly impacted by the work of USDA, the millions of our children who are fed through our child nutrition programs. At the beginning of the 20th century, school districts and community organizations began providing meals to insure that our schoolchildren wouldn't sit hungry in our nation's classrooms. The federal government joined that effort in the 1930s, providing excess commodities to schools. But in the leaner years of World War II, there was a drop in available commodities, and that resulted in fewer students being served.

Immediately after the war, the nation's leaders understood the importance of investing in good nutrition to insure that the country would never want for healthy, strong young people to serve in uniform. And so in 1946, President Harry Truman signed the National School Lunch Act, declaring that, "In the long view, no nation is healthier than its children." President Obama and I share that belief. But the stark reality today is that we face a public health crisis; high child obesity rates across this country. Fortunately, the First Lady, Michelle Obama, has chosen to lead our effort, and the administration's effort, on this issue. I join with many who are thankful that her Let's Move initiative is focused on raising a generation of children to be healthy adults.

The campaign will give parents the support they need to make sure their children are healthy. It'll help our kids be more physically active, and allow them to make healthy, affordable food choices because healthy, affordable food will be available in every part of the country. And the proposal the I will speak about today forms the legislative centerpiece of the First Lady's campaign. And the Obama Administration's efforts to insure the health of our youngsters.

More than 60 years have passed since Harry Truman signed the National School Lunch Program. And during that period, our efforts to provide children with healthy needs has grown. Today, in American schools across the land, over 31 million children will receive school lunch with the help of USDA. The success of school lunches inspired the creation of the school breakfast program that now feeds over 11 million children. As well as the women, infant and children program which serves more than 9 million pregnant and postpartum women and young children, including nearly one-half of all of America's infants.

It's also spawned the childcare feeding program that now provides nutritious snacks to another 3.2 million children. In total, working in concert with our K-12 school partners, and state and local agencies, USDA helps serve America's children more than nine billion meals each year.

Last August, I had the privilege and the opportunity to visit a school and an orphanage in Kenya to highlight the McGovern-Dole School Feeding Program. It's a program that gives meals to school children living in developing countries. As I dished out a ladle of sorghum and rice, I asked the students what they liked best about school. And to a child they responded, "I like school best because it is where I get fed." In Kenya, many children do not get enough to eat. But in America, we face a dual challenge. Some of our children are hungry, and many of our children are obese. It is that challenge, and those children, that bring me here today.

Now, you may be shocked to learn that in 2008, 16.7 million American children lived in households that had difficulty putting enough food on the table. And in over 500,000 households, children skipped meals, or ate less than they needed because of a lack of family resources. At the same time, nearly one-third of our children are obese or overweight.

One word best describes this situation: epidemic. At USDA, we're working hard towards achieving the aggressive goal of eliminating childhood hunger in America by 2015. And we want to meet the ambitious target set by our First Lady, Michelle Obama, to solve the problem of childhood obesity in a generation. It's vitally important that we focus our energies and our resources on solving both of these challenges.

But what's the cost of hunger for America's children that drives us to call for its end by 2015? So the answer is very simple. Ask any teacher in any classroom how students fail to eat a healthy breakfast or lunch perform in school. Hungry kids don't learn as well. In fact, the damage extends beyond just those hungry children. If those children are not able to perform to their fullest potential, they will not be able to challenge the other students to extend themselves. If we want and we certainly need our children fully prepared for a competitive and global economy, we cannot afford for any of them to be hungry.

What's the cost of the obesity epidemic that drew the attention of the First Lady and inspired her launch of the Let's Move campaign? Well, children who start out life obese have greater struggles with their weight in later life. In fact, 80 percent of teenagers who are obese remain obese as adults. Obese adults risk chronic diseases, including high rates of diabetes, heart disease, certain cancers, asthma, and high blood pressure. The medical costs of obesity are enormous. Approximately 10 percent of our nation's healthcare spending today is linked to obesity. And we cannot let that continue at a time when we must reduce healthcare costs to remain economically competitive. In addition, absenteeism and lost productivity at work are also additional costs to the nation as a result of obesity, costs we can no longer afford.

And the argument for military preparedness that some may find of interest, and interesting, that helped create the National School Lunch Program still applies today. A recent report showed that 75 percent of adults ages 17 to 24 are not physically fit for military service. Because of these troubling trends, a coalition of retired military officials have formed to advocate for a strong child nutrition reauthorization bill. Major Kelley, I want to thank you very much for being part of that effort. I want to thank all of those military leaders for their leadership, and welcome their efforts to promote this important legislative initiative.

So today, President Truman's belief that a healthy nation depends on healthy children remains as true as ever. And so we must respond as past generations have responded to help improve child nutrition. Our children deserve more, and our country's better and brighter future depends on it. And with the reauthorization of the child nutrition programs this year, now is the time for all of us to act boldly. Bold action with reauthorization must include the following elements.

First, we cannot rest while so many of our children struggle with access to food. But the federal government will never solve this challenge alone. In the last year, educators have seen the difference that a national Race to the Top in education has

provided. So I'm pleased to announce my support for a new competition to eliminate hunger by 2015. We'll provide through reauthorization competitive grants to governors working with stakeholders statewide so that states can act as laboratories for successful strategies. We'll let them be creative in experimenting with models that match program delivery with evaluation so we can learn what works and what doesn't.

Possible steps could include policy modifications to existing nutrition programs, enhanced outreach efforts, improved coordination between nutrition assistance programs and family supportive services, and with work with our community and nonprofit organizational partners. Grants could be provided to states with prior accomplishments and commitments to reducing hunger, applications that target communities with a high prevalence of child hunger, and projects that reflect collaboration with a wide range of partners. It is only these sorts of coordinated efforts that will achieve our ambitious and important goals.

Second, in addition we should also offer grants to states and nonprofit organizations to develop web-based or other systems to streamline the application process and expand efforts to enroll eligible children through direct certification. If a child already qualifies for other assistance programs, there's no reason why their parents should have to fill out yet another application to qualify them for school breakfast or school lunch.

Bonus payments should be offered to states and school districts that effectively use direct certification to enroll children who are currently qualified, but who are not participating. In school districts with very high rates of student eligibility for free or reduced lunch, the cost of paperwork and the risk of lost application forms far outweighs any benefits. That's why I'm also calling upon Congress to provide USDA with the tools necessary to establish paperless application programs in these school districts.

The object of all these changes would be to insure particularly in low income communities where children are at high risk for obesity, that every child gets the food they need to reach their highest potential. Through these reforms, I believe we'll be able to increase the participation in those nutrition programs by one million children in the next five years.

Third, we should also increase participation in our school breakfast program, and that too must be part of reauthorization. On school days, almost two-thirds of children who participate in a lunch program do not participate in the school breakfast program. While school lunch is served in nearly 100,000 of our schools, the breakfast program is only available in 88,000. A healthy breakfast is critical, and critically important, to educational achievement. No child should go without fueling up at the beginning of each day. This reauthorization is an opportunity to promote innovative approaches which have shown to reduce the stigma attached to the school breakfast program, and to promote participation in that program.

One example is like serving breakfast in the classroom. That's why I'm calling on Congress to increase the reimbursement rate for school breakfasts and combine that with the support from USDA purchased foods to give more children the option of a healthy breakfast. And I'm also calling on K-12 organizations in schools and states to work with the USDA to aggressively promote the breakfast option and to insure that policies and practices are in place to reduce stigma.

Fourth, but our efforts to combat hunger cannot end, and should not end, when the school bell rings on the last day of the school week or the school year. More children report going hungry during the summer when we see a significant drop in participation in our programs. Working with local governments, nonprofit organizations and community groups, USDA must continue to build a bridge across that nutrition gap when school is out. We need to encourage more schools, more community centers and organizations to provide meals during the summer. We need to increase the number of days they make meals available. One idea that I believe warrants attention is to expand existing authority under the child and adult care food program to provide after school meals to at risk kids in all 50 states. This successful program currently provides extra nutrition assistance to eligible children in 14 states. And there is no reason that steps shouldn't be taken to serve the other 140,000 additional children who could be made eligible.

And we need to find new and different approaches to providing all of our children during these times with nutritional assistance. I want to commend the Congress for providing \$85 million in the fiscal year 2010 agricultural appropriations bill that allows us to test innovative methods to improve access to healthy foods during the summer. We're going to be moving forward in the near future with a series of demonstration projects and pilots that will use these improved approaches to increase the number of sponsors and sites serving children nutritious snacks and meals after school, on weekends, and during the summer. This will include the use of backpack programs, new forms of congregate feeding, and new types of program delivery that model approaches used in our WIC and SNAP programs.

Five, no matter how many children we reach, we're doing all of them a disservice if we don't offer them meals that help them achieve at their highest level. Reauthorization must also substantially improve the nutritional value of the meals being served to our children and play a central role in the Let's Move campaign effort to solve childhood obesity. A recent Institute of Medicine Study, and here it is hot off the press commissioned by the USDA, sounded an alarm to all of us about the nutritional value of our meals. The study concluded that our children are eating too much sugar, salt, and fats, too few fruits, vegetables, whole grain and low fat dairy products. This may explain why one-half of the calories consumed by our children ages six to eleven in this country are considered empty calories.

The USDA is working aggressively as possible to implement the changes based on the Institute of Medicine recommendations, to better align our meals with our dietary guidelines. But we also know that improved foods will require increased costs for our schools. That's why I'm calling on Congress to increase the reimbursement rate for the

national school lunch program to help schools purchase those whole grains, fruits, vegetables and low fat and fat free dairy products that our children need to grow healthy.

Now, let me be clear. Our expectation is that the school meals will improve as USDA issues new meal requirements that emphasize more fruits, vegetables, whole grains and low fat dairy. And any increases in the reimbursement rate must be conditioned on the fact that those increases will pay for improved quality and improved nutrition, not just to maintain the status quo.

Six, the Institute of Medicine report also shows that training, school equipment and technical assistance would be necessary to implement these changes to the foods we serve. Recognizing that many schools do not have the equipment in place to provide quality food selections, the reauthorization should build upon the investments in 5,000 schools in equipment made by the recovery act, and include funding to improve school kitchens so they can provide meals that meet dietary guidelines and offering fresh fruit and vegetables. At the same time, we should create credentialing programs for food service directors, and support school food service providers with the resources necessary for critical training so they can do their jobs correctly.

Seven, the reauthorization act should also insure that all foods served in schools are nutritious and healthy. A 2006 study showed that outside the cafeteria, children are three times more likely to purchase cookies, cakes, pastries and other high fat salty snacks than fruits or vegetables. Now, food served in vending machines and in the a la carte line should never undermine our efforts to enhance the health of the school environment. That's why we must have the capacity to set standards for all foods served and sold in schools.

Now, it doesn't mean the end of vending machines in schools. It just means filling them with nutritious offerings to make the healthy choice the easy choice for our nation's children. Though many in the media may have portrayed this as an area of conflict, as I travel and as I listen, I will tell you I hear nothing but broad support for these efforts to establish standards for schools served throughout the school day. From food service professionals to the national PTA to the food industry itself, there is support for this new authority. And it must be a component of reauthorization.

Eight, we also believe that every lunchroom ought to double as a classroom. That schools should be challenged to make meals a learning experience. That's why it's important for us to build on the steps we've taken in the 2004 reauthorization bill to establish school wellness policies in every school, by strengthening the requirement and raising the standard. Schools should work in consultation with parents to implement a strong wellness policy centered on eating healthy, nutrition education, and physical activity.

Ninth, making sure that parents and students have correct and complete nutritional information about foods being served in school must also be part of reauthorization. With better information and simple assessments, parents will know what is available in their

child's cafeteria and can better assist their children in making the right nutritional choices. In addition to transparency, we also have to be smarter about how we serve food. Steps as simple as putting the fresh fruit in a more prominent area in the cafeteria will help improve youngsters' eating habits.

Now, we must also strengthen the link between local farmers and school cafeterias, and that too must remain a priority for this legislation. Supporting farm to school programs will increase the amount of produce available to cafeterias and help support our local farmers by establishing regular institutional buyers. Many schools are using these farm to school programs as an important component of nutrition assistance and education.

USDA has begun to deploy farm to school teams to help school districts understand and appreciate how they can purchase and serve these local foods. And I call on our education leaders across the country, and our state and local partners to embrace farm to cafeteria programs, and school gardening programs, to help strengthen the link between consumers and our farmers.

And the last, guaranteeing the integrity of our nutrition programs remains critical to a credible reauthorization. We should fund periodic studies to eliminate erroneous payments in the meal program. And support for new technology will help schools avoid those inaccuracies in eligibility determinations that are often the source of erroneous payments. And, that will allow us to maintain confidence that our help is being provided to those who need it.

Now, while the focus of reauthorization must remain on access and improving quality, we also understand the underlying responsibility we have to make sure that the food our children eats is both nutritious and also safe. That's why we've begun a complete review of our programs and protocols to enhance the safety of all food that is served to our children. And why this month we announced a series of reforms designed to insure that foods are, indeed, safe and of the highest quality. Parents expect as much, and our children deserve no less.

Our efforts to combat hunger and obesity must also include encouraging our children to be more physically active. USDA has partnered with the National Football League and the Dairy Management to promote their program called Fuel Up to Play 60. The program seeks to improve nutrition while also advocating for at least 60 minutes a day of physical activity for our children. To highlight the nexus between nutrition and physical activity, the USDA is joining the First Lady in aggressively promoting our healthier U.S. school challenge, which recognizes schools that do an exceptional job in promoting meal participation, meal quality, nutrition education and physical activity.

To highlight this program as the gold standard, we should expect our schools to participate. And last fall, we expanded this initiative to include middle and high schools. In announcing the Let's Move initiative, the First Lady called upon us to double the

number of participating schools in the next year, and to reach 3,000 of our schools within the next three years.

USDA is working with administrative state agencies and a range of other partners from professional sports leagues to media leaders and youth organizations to promote the program and to meet this goal. But we cannot do it without everyone's continued engagement. While Congress debates this reauthorization, one step that parents, leaders, teachers and school board members can take across this country is to immediately help their schools to become a healthier U.S. school. We're also seeking encouraging support at work to help communities reach that goal. We have an online toolkit that allows schools to assess and improve their food offerings, and an online calculator to determine the nutritional value of food sold outside of school meals. These are just two ways we're helping at USDA now.

These steps build on a menu planner for healthier school meals we recently released to schools. Now, we're committed to this program because we know that comprehensive solutions like the healthier U.S. challenge make a real difference. For example, a school nutrition policy program funded by the Food Trust and implemented in elementary schools in Philadelphia included nutrition education, healthy food requirement, staff training and family and community involvement. The results, the study recently found that that effort reduced the incidence of childhood overweight in students by 50 percent in just two years.

We know we can't do this alone. Today, we have a strong chorus of voices calling for changes that I've outlined and committed to those issues in communities across the country, thanks in no small part to the efforts of those who advocate on our behalf, those in this room and across the country. Americans are increasingly aware of the costs of hunger and obesity. Recent polling shows that 83 percent of Americans support expanding the Child Nutrition Act. At the grass roots level, we see parents and teachers, doctors, coaches, community leaders, engaged in this battle. The nation's governors recently called on Congress to increase federal support for reauthorization. That includes the core components of our legislative request. Every day, we see more businesses, more nonprofit organizations, more school boards, more advocacy groups and local governments engaged in this issue.

In his first year of office, President Obama pulled us back from the brink of the greatest economic crisis since the Great Depression. And he has worked hard to lay a foundation, a new foundation for economic growth. He identified three strategies in building that lasting prosperity; innovation, investment and education. All three of these strategies, all three of these strategies, require the next generation to be the healthiest and best educated in the history of our country. We will not succeed if our children aren't learning as they should because they are hungry and cannot achieve because they are not healthy.

After World War II when our future was on the line, our leaders understood that the health of our nation, of our economy, our national security, and of our communities

depended on the health of our children. We would do well to remember that lesson today and to act as they did to insure that our youngsters are healthy and prepared for a challenging future. Thank you very much. (Applause)

MR. BJERGA: And thank you, Mr. Secretary. We'll now begin the question and answer period of our program. And the first question is given your support for greater assistance and greater availability of meals in schools, at the same time acknowledging that there are issues with consumption outside of school, how do you make sure that your child nutrition program actually encourages better consumption rather than simply more consumption?

SECRETARY VILSACK: There are a couple of strategies. First of all, we're working with WIC parents and with associations like Sesame Street and others. We're providing parent education to parents of young children to make sure that they begin building the foundation for their youngsters to make healthy choices. Obviously in schools, we're looking at increased physical activity and promoting more of that opportunity, as well as insuring that parents and children have understanding about the nutritional value and the caloric content of what is they're consuming so they can make the right set of choices.

This is all part of a comprehensive effort to address this issue. The First Lady has outlined this in her Let's Move initiative. It is a combination of both nutrition and education as well as physical activity. Today, American youth spend somewhere between six and seven hours in front of a computer screen or TV. They're not outside, they're not physically active. There's no question that has to be part of it as well.

MR. BJERGA: Given that one in three children are overweight, and one in five has a cholesterol problem, would the USDA support more plant-based meals in schools rather than meat-based meals of higher fat content?

SECRETARY VILSACK: You know, I think it's important to recognize that what we have here is a partnership between the USDA and local school districts. USDA provides resources and commodity options, but the local school districts have to be engaged and involved in making the decisions about what youngsters eat. What we need to do is make sure that if they wish to make those kinds of choices that they can financially do it. And that's why we're proposing increased support financially and why we're putting a stress and a focus on the Institute of Medicine study that shows we are indeed lacking enough fruits and vegetables, whole grains, low fat dairy in our school lunch and school breakfast programs.

We need to figure out strategies to encourage school districts to make the right set of choices. That's why we suggest trying additional resources to results, and those results would be diets that are far more in line with the Institute of Medicine study and far more in line with our dietary guidelines.

MR. BJERGA: Do current U.S. farm support programs reflect the nutritional goals espoused by the Obama Administration and USDA?

SECRETARY VILSACK: You know, I think there's a tremendous opportunity for me to educate this group about farm programs. But I would have to be invited back to do that. The reality is, there are a lot of different farm programs. We have a substantial amount of resources that are going into and proposing a healthy food initiative, which is addressing the issue of food deserts, addressing the issue of making sure fruits and vegetables are available, providing opportunities through our SNAP program and our WIC program to access farmer's markets, farmer markets promotion. Our know your farmer, know your food effort to link local production and local consumption. All of those represent a variety of support that the USDA provides.

I don't think it's necessarily healthy for us to engage in a discussion about what kind of farming works best. I think our focus needs to be on making sure that school districts have the resources, the information, the technology, the training and the equipment to make the right set of choices for their children.

MR. BJERGA: Given the amount of time that children do spend in front of screens each day, what efforts are you making with regard to fast food or junk food advertising that targets children and teens?

SECRETARY VILSACK: Well, I think one of the things we're trying to do is working with the Grocers Association. The Grocers Association now taking a look at how they might be able to inform shoppers in grocery stores to make more nutritious decisions. That, in turn, is going to help moms and dads and children inform the market about what is beneficial and what's helpful. I think we're already beginning to see signs of movement in a variety of different areas of food, more healthy choices being provided in some of these fast food restaurants.

The National Football League's participation in the Fuel Up to Play 60 initiative, I think, is very significant. I was in New York City at a middle school with four NFL players not too long ago. And I remember one of the NFL players, actually from the team I root for, the Steelers, Rashard Mendenhall, who was talking about as a child, he would cramp up during games. His coaches got really upset with him because he couldn't totally perform at his peak. They asked him what it was he was eating before the games, and they realized it was soda, candy. They switched him to bananas and energy drinks, and now he's an NFL star. So that is a lesson, I think, for youngsters all across the country to learn from.

MR. BJERGA: There are high taxes on alcohol and tobacco products for health reasons. Why aren't agricultural department nutritionists supporting higher taxes on soft drinks for health reasons?

SECRETARY VILSACK: I think it's, again, important to empower parents to allow them to make the right set of choices. I don't think we necessarily want to say,

“Under no circumstances, and under no situation should we encourage treats that youngsters could have access to.” I noticed today at the lunch, we had cupcakes and I notice the some of you actually ate the cupcake. I was tempted to eat just the top of the cupcake because it’s sort of decorated with a vegetable. (Laughter)

But that's a sometimes food. And I think it is important for us to recognize that there is a difference between sometimes food and everyday foods. And what we want is youngsters to understand that difference, to embrace the notion of everyday foods because it’s linked to their performance and their ability to be the best students and the best youngsters they can possibly be, and to achieve whatever their dreams are. And that there are occasions when those sometimes foods are appropriate and okay. And I think that's kind of what we think the approach ought to be, is an educational approach and an incentive-driven approach.

MR. BJERGA: Perhaps you could consider the cupcake a tribute to the vegetables that came before it, Mr. Secretary. Has the USDA prioritized the ten-plus priorities that you've listed for child nutrition reauthorization? What do you see as most important or needing to come first?

SECRETARY VILSACK: That is not unlike a question of which of my two sons I love the most. I love them both equally. I mean, the reality is you can't just focus on higher nutritional value when you're faced with the fact that there are so many children in the country today who go hungry. So you have to also focus on access. So it’s important to focus on access, it’s important to focus on nutritional value of the meals. But you can undercut what you're doing if the vending machines and the a la carte line aren’t necessarily consistent. So that is equally important.

And even If you do everything right on the lunch line and the breakfast line and you expand access, if youngsters aren’t physically active, then you're not going to maximize the results that we have to address. We have too many children who are hungry, and far too many children who are obese. And that's what we have to address, which requires a comprehensive approach. So there's no one aspect of this that's any more important. The reason it’s so comprehensive, the reason it includes so much, is we've got a lot of work that has to be done.

And even if you do everything right, even if you have the right mix of meals, and so forth, if you don't have the equipment in your school, you may not be able to maximize the benefit. So it is comprehensive, it is all-inclusive.

MR. BJERGA: We had many questions on a wide range of topics, including nutrition and other areas of USDA. One area that is up for updating this year is a new food pyramid. Could you give us an update on the progress and the new recommended daily allowances? And what shape could USDA nutrition guidance take?

SECRETARY VILSACK: The guidelines are not yet complete, but we are prepared to aggressively promote them once they are complete and to make sure w

continue the significant outreach that mypyramid.gov website gets. It gets millions of hits every single year, and it's a great tool for us. It's one of the reasons why we linked up with the NFL and the Dairy Management folks on their Fuel Up to Play 60 program. It allows us to use their resources to highlight the dietary guidelines and the pyramid. It allows us to basically feed off of their programs and their audiences in the capacity of their celebrity status to convey our message.

At the same time, we have been engaged with the National Ad Council on a very aggressive public ad counsel campaign, and I think it's one of the most successful, if not the most successful, ad campaign that we've seen in some time from USDA. Millions of families, millions of people being reached by messages about nutrition and about focusing on this website. So again, it's an effort that we're engaged in and we intend to be very aggressive about it.

MR. BJERGA: Along with food consumption there are questions about food production. Last week, the USDA came out with its first crop production forecast for 2010-2011. And they are forecasting record crops for corn and soybeans with wheat stockpiles remaining high. Are farmers becoming their own worst enemies again by over-producing and thus driving down commodities prices?

SECRETARY VILSACK: I want to be very clear about this. There are 2.2 million farmers in this country today. I was proud to have been asked to give a eulogy for Norman Borlaug, who was one of our great Americans who passed away last year. And as I studied for the eulogy, I realized I would focus on his early life. And I think it's important for Americans to understand, even in this conversation of hunger and obesity that we're having today, that it wasn't long ago, it was in the lifetime of those who are still alive in this country, that we had subsistence farming. In other words, if you didn't grow it, you didn't eat it.

And one of the most compelling stories of the American 20th century was the enormous productivity of American farmers and ranchers. And I think we would do well to take a step back and make sure that we recognize and appreciate that our capacities, all of our capacities to succeed, are in some way linked to the fact that we have some of the most productive farmers in the world.

And also recognizing that there continued to be creative and innovative ways of using the crops that we're growing. You know, this country will be far more secure, and our children's future will be far better, if we are a nation that controls more of our energy destiny than we do today. And that's one place where American agriculture can make a significant, and is making a significant, contribution. So I'm not going to be critical of that aspect of our society that's been extraordinarily productive. But I do think it's important for us to look for ways to utilize those productive farmers and ranchers in a way that advances our national interests.

And let me say one other thing. They live in rural America, and it's important, I think, for those of us that don't live in rural America, to recognize the important

contribution that rural America makes to this country. Forty-five percent of all those who serve in uniform come from rural communities, even though it only represents about one-sixth of the American population. And the rural communities of this country have suffered significantly in terms of economic conditions, not just for the last couple of years during the recession, but for a number of decades. And I think one of the challenges of USDA, and one of the challenges that the President and I talked about just yesterday, was the importance of creating the framework which we are doing through the recovery act and other steps, to build a different kind of rural economy; one that allows moms and dads to be able to say to their children, "You don't have to move anywhere to exercise opportunity. You can find it right here at home. And you can contribute to your country, you can contribute to your community, and you can raise your family in a great place."

And I think that should be what the USDA is engaged in. So it's promotion of agriculture at all levels, and all types of agriculture, is one of a multitude of strategies necessary for us to focus on to make sure rural communities thrive so we can continue to rely on those who are willing to give up their lives and sacrifice their lives for us.

MR. BJERGA: We have several questions that do deal with rural development. This month, the President outlined a plan for bio fuels that talks about supporting next generation of ethanol that will not be made from corn. One hurdle for those technologies is access to capital. What is the administration and USDA planning to do to address those challenges?

SECRETARY VILSACK: Well, a couple of things. I think first and foremost, I think for us to put ourselves back in control of our energy destiny, we have to recognize that the production of bio fuels can't be focused on a single region of the country, or a single strategy. We have to have a national effort. And there are, indeed, feed stocks, and will be feed stocks, that play to the strengths of every region of the country that will allow us to be far more energy secure than we are today.

To be able to do that, we have to aggressively use the tools that Congress gave us in the 2008 farm bill that provide resources to help build bio refineries, to retrofit existing bio refineries, to help support producers of alternative feed stocks, to be able to provide the quality and the quantity of feed stocks. And we have to focus our research efforts on a couple of key areas.

Our National Institute of Food and Agriculture intends to focus its efforts on just a small number of key areas. One of them has to do with nutrition, one of them has to do with food safety, which I discussed briefly in my speech today. But one is also the whole issue of feed stocks and bio fuels and how we can become more efficient with the feed stocks we have, and how we can identify new feed stocks that play to the strength of every region in the country. That's the President's vision, and that's the vision we intend to implement at USDA.

MR. BJERGA: In terms of infrastructure and bio fuels development, one of the large questions deals with transportation. What is the USDA doing to insure an efficient

transportation system in rural areas, specifically highways needed to truck items to market?

SECRETARY VILSACK: Well, I have a great deal of confidence in Secretary LaHood and the Transportation Department as it allocates resources among the recovery and reinvestment dollars that were provided to improve transportation systems in this country. I noticed that a significant amount of the resource from the recovery and reinvestment act was being invested in rural areas in the rural parts of this country so that we could, in fact, get product from where it's produced to where it's consumed.

I think it's also important for us, particularly in the area of food, to recognize the need for us, as well, focus on local transportation systems, city, county roads that would also allow us to take advantage of what's being produced locally and allow it to be consumed locally. It's a combination of both, a national system that's improved, and a local and regional system that also has investments.

MR. BJERGA: Along with local foods, there are also questions of trade. How close are we to reopening Russia to pork exports, and how difficult is protectionism happening in the Obama Administration?

SECRETARY VILSACK: We are projecting an increase in exports as the world economy improves, which is good news for American farmers. Oftentimes in the country, we talk about trade deficits. But in the ag. area, it's a trade surplus, so we want to maintain that and we want to grow it. To do that, we have to recognize that trade's changing a bit worldwide. It used to be the countries exercised protection measures by establishing a series of tariffs. That is less likely today, but now what we see is a rise in sanitary and phytosanitary technical questions concerning the safety, security and quality of food that's being exported from a country and imported into a country.

With Russian pork, we continue to work in technical discussions to try to break down the barriers that are being produced by the Russians. I'm hopeful, I've been told that we are close to getting that resolved. But, it is a difficult process, and it's for that reason that we have proposed in the President's budget an increase in resources to provide more technical expertise and the capacity for us to send technical teams to other countries to sit down and work through the very difficult negotiations and discussions that break these barriers down. Because it's one way of keeping trade on the front burner.

MR. BJERGA: There are concerns amongst some constituencies about production practices in American agriculture. What is the balance between production and practices between serving constituents alarmed by feedlots and fertilizers, and the companies who are responsible for the bulk of U.S. food?

SECRETARY VILSACK: Well, I think it's a recognition that consumers ought to have choice. It's one of the reasons why we're focused on putting more resources on know your farmer, know your food, and making that link between local production and local consumption. At the same time, recognizing the enormous challenge that we face as

an economy, and enormous challenge we face as a globe. And the reality is, our trade surplus in agriculture helps our economy to grow. For every billion dollars in sales, there's about a billion, nine hundred million of economic activity. And there are 9,000 jobs associated, so our trade surplus is responsible for perhaps as many as 108,000 jobs in this economy. We obviously want to encourage and continue that.

At the same time, the world is facing a very serious challenge, which is the world population continues to grow at fairly significant levels. At the same time, the amount of land available for producing crops is at best stagnate and more likely shrinking because of development. And so it's important and necessary for us to understand that challenge, because what we don't want is a world that's conflicted over food, a world that's conflicting over natural resources, a world that is conflicting over water resources. Because if we think we have difficulties now in terms of security, if we think it's a very complex and complicated world to deal with with terrorism, and so forth, imagine a world that is battling one another over food, or water or other natural resources. That is not a safe world.

And so it is important and necessary for us to understand the linkage between our security and food security, which is why we are aggressively promoting not just food assistance to developing countries, but also a new global food security strategy, an initiative designed to help developing nations be productive so that they can do more feeding themselves and creating a stronger, healthier economy for their country, which in turn creates more trading opportunities for the goods and services that are maybe a bit more sophisticated produced in this country. That's the way it has worked, but it does start with folks being able to feed themselves.

MR. BJERGA: Concern over food production has made commodities an attractive investment for many traders, leading some to conclude that global capital flows are leading toward the speculation that is hurting U.S. farmers and ranchers. Have you seen evidence that speculators are hurting the financial fortunes of U.S. farmers and ranchers? And how do they handle a world of greater crop price volatility/

SECRETARY VILSACK: I think one of the things that we're trying to do at USDA is to provide greater transparency. The more basic information farmers have about pricing and about what's happening in the market, the better those markets are. So we are using technology and trying to figure out ways in which we can provide pricing information, supply information as quickly and as accurately as possible. That is certainly one answer.

I think there are ongoing discussions concerning currency and other countries' utilization of currency as a factor. I think Secretary Geithner is probably in a better position to respond to that question. So, we'll let him do that. But I will tell you that we are very, very focused on transparency in markets.

MR. BJERGA: Agriculture has consistently proved to be the thorniest area of negotiations in the Doha round of world trade talks. Do you see any prospects any time

soon for a breakthrough in this area that would expand access to foreign markets for U.S. agricultural goods in concert with the lowering of non-tariff barriers to agricultural imports?

SECRETARY VILSACK: This is an area where the President is quite clear, and trade representative Ambassador Ron Kirk quite clear, about our desire to have a strong Doha agreement. In order for that to happen, not only does the United States have to take a look at its support mechanisms for agriculture, as the rest of the world is asking, but we must also see the rest of the world respond with an opening up of the markets. And being able to define with great specificity how open those markets will be so that you can calculate whether or not what you're giving up is equal to what you're getting.

And right now, we continue to have conversations and discussions. I think Ambassador Kirk has conveyed very clearly the interest of the United States in concluding the Doha round, and we're looking forward to a reaction and response from some of our trading friends to make sure that we know precisely what kind of market opportunities will be available, if Doha is approved.

MR. BJERGA: Back to nutrition issues. School children could eat fresher fruits and vegetables grown near home if schools do not always have to pick lowest bidders for school food supplies. Should those rules be relaxed or reformed, and would that benefit local foods?

SECRETARY VILSACK: I think we should be open to new and innovative ways to make sure that we have a steady supply. We've started that process with some of the steps taken by Congress to provide additional resources to schools through the Department of Defense programs and other programs to allow fresh fruits and vegetables generally to get into diets. I think it's important for us to continue finding ways in which we can encourage communities to embrace the notion of gardening.

I've been in a number of schools recently where they have rather impressive gardens that the youngsters are involved with. If you think about it, there's a tremendous opportunity here; one, for obviously the growing of fruits and vegetables. Two, the capacity of youngsters to be more physically active and doing it in a learning experience. And three, there's enormous amount of educational opportunity in that gardening class, an opportunity to learn about science, natural resources, the environment, math. I mean, there's a whole series of things that are engaged in this. I think we need to be creative, and I think we need to be open to notions. That's why we're looking forward to providing competition, we're looking forward to providing incentives so that we encourage people to think outside the box.

That is what the President wants us to do generally as an economy, to be more innovative and more inventive. It starts with our youngsters, who are, by the way, some of the most creative people in this country. We just have to make sure that we continue to nourish that creativity.

MR. BJERGA: Speaking earlier of your discussions with various stakeholders and nutrition standards in schools, you mentioned that there is willingness to make changes among food industry educators and other stakeholders. Given that this does not seem highly controversial, why has it not already happened in something like a stand alone bill, the farm bill, or some other vehicle to enact what apparently seems to be the will to have happen?

SECRETARY VILSACK: Well, I think that Congress recognized that it had a responsibility to reauthorize the child nutrition programs, and that's a great opportunity to have a centralized, comprehensive focus on this particular issue. It also is obviously tied to resources, and resources are obviously complicated in an environment in which we're all so cognizant of deficit reduction and some of the mechanisms that Congress has placed to make sure that we don't increase the deficit. So it's a little bit complex.

But what we're trying to suggest here today is that this needs to be a national priority. And there are multiple reasons for it. If you're concerned about educational excellence, you ought to be concerned about nutrition, you ought to be concerned about access to food in schools. If you're concerned about rising healthcare costs, you clearly should be concerned about this issue. If you're concerned about national security, you ought to be concerned and a little bit concerned about the fact that only 25 percent of our youngsters of military age are physically fit today for military service in an all-volunteer environment.

So it's about national security, it's about healthcare, it's about educational achievement, and it's about the moral responsibility that a nation as powerful and as wealthy as this one is, that we've got children who are hungry and we also have children who are dealing with self image issues relating to obesity. I mean, I will tell you, I understand that very personally. When I was a youngster, I was quite overweight, and my mother, in an effort to try to encourage me to be less overweight, her only strategy was to stick a very nasty cartoon on the front of our refrigerator of this rather heavysset young fellow who was busting out of his britches, little beanie cap, he looked ridiculous. Every time I opened that refrigerator door, I had to look at that guy.

Now, I'm still battling with my weight today, so I understand the challenges here very, very personally. And it does impact and affect your achievement in school. And it's something you have to overcome and it's not easy. I don't think any of us want our children to have either one of those experiences; going to school hungry, or going to school worried about whether they look like everybody else and whether they can learn like everybody else.

This is a big issue, folks. It doesn't require piecemeal response, it requires a national commitment, which is why the First Lady has decided to take her time and her cache, if you will, and put it behind this effort. Because she realizes how significant and important it is.

MR. BJERGA: We are almost out of time. But before asking the last question, we have a couple of important matters to take care of. First of all, a reminder to our audience of future speakers. On Friday, February 26th, we'll have Francis Collins, the Director of the NIH who'll be discussing a new era of quantum leaps in biomedical research. On March 5th, the Honorable Mitt Romney, former governor of Massachusetts, will be discussing the case for American greatness. And on March 8th, Lisa Jackson, administrator of the Environmental Protection Agency, will talk about her agency at a Press Club luncheon. That's the first item.

The second item, as we always do here at the National Press Club, I would like to present our guest with the traditional National Press Club mug.

SECRETARY VILSACK: Thank you very much, thank you. (Applause)

MR. BJERGA: This would be our speaker's second mug, so I hope that you can toast the National Press Club with your wife over coffee in the morning, and thank you for coming today. Our last question is regarding the regional origins of someone who was born in Pennsylvania, grew up in Pennsylvania, made a career in Iowa and has now come to Washington, D.C. On the topic of nutrition, do you say soda or pop? And more importantly, how much of it do you consume?

SECRETARY VILSACK: Aha. Well, I say Diet Coke as a way of skirting that tough political question you asked me. And for lent, I'm not drinking any of it. I gave cookies, Coke, and candy up for lent. And so far, so good.

MR. BJERGA: And thank you for coming today, Secretary Vilsack. I would also like to thank the National Press Club staff, including its library and broadcast center, for organizing today's event. For more information about joining the National Press Club, and on how to acquire a copy of today's program, please go to our website, www.press.org. Thank you so much for being here today, for viewing and listening. This meeting of the National Press Club is adjourned.

END