

NATIONAL PRESS CLUB LUNCHEON WITH AGRICULTURE SECRETARY TOM VILSACK

SUBJECT: AMERICA'S FOOD SUPPLY

MODERATOR: ANGELA GREILING KEANE, PRESIDENT OF THE NATIONAL PRESS CLUB

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**ANGELA GREILING KEANE:** (Sounds gavel.) Good afternoon, and welcome to the National Press Club. My name is Angela Greiling Keane. I am a reporter for Bloomberg News and the 106<sup>th</sup> President of the National Press Club. We are the world's leading professional organization for journalists committed to our profession's future through events such as this while fostering a free press worldwide. For more information about the National Press Club, please visit our website at [www.press.org](http://www.press.org). To donate to programs offered to the public through our National Press Club Journalism Institute, please visit [press.org/institute](http://press.org/institute).

On behalf of our members worldwide, I'd like to welcome our speaker and those of you in our audience today. Our head table includes guests of our speaker as well as working journalists who are Club members. If you hear applause from our audience, I'd note that members of the general public are also attending so it's not necessarily evidence of a lack of journalistic objectivity.

I'd also like to welcome our C-SPAN and Public Radio audiences. You can follow the action today on Twitter using the hashtag NPCLunch. After our guest's speech concludes, we'll hold a question and answer period. I will ask as many questions as time permits. Now it's time to introduce our head table guests. I'd ask each of you to stand briefly as your name is announced.

From your right, Patrick Delaney, communications director for the American Soybean Association, and a member of the National Press Club; Paul Minehart, head of corporate communications for North America for Syngenta Corporation; Robert Bonnie,

senior advisor to the Secretary for the U.S. Department of Agriculture; Marilyn Geewax, senior business editor for NPR and a member of the National Press Club's Board of Governors; Christie Vilsack, senior advisor for international education for the U.S. Agency for International Development and the, of course, wife of our speaker today.

Skipping over the podium, John Hughes, the editor with Bloomberg News and the Treasurer of the National Press Club; skipping over the speaker for just a moment, Kasia Klimasinska, a reporter for Bloomberg News and the Speakers Committee member who organized today's event. Thank you, Kasia. Ann Mills, Acting Undersecretary for Natural Resources and Environment for the U.S. Department of Agriculture; Derek Wallbank, a Bloomberg News reporter; and William Coyle, private consultant and retired agricultural economist for USDA.

As a young kid, our guest today had to stare at quite a nasty cartoon of a very overweight young kid with a beanie cap each time he reached into the refrigerator. According to the *Washington Post*, his parents thought that would be the best way to prevent him from gaining weight. Today, U.S. Agriculture Secretary Tom Vilsack is responsible for advising more than 300 million Americans on nutrition and healthy eating choices, and that probably doesn't involve any sort of cartoon on the refrigerator. In fact, what the Department of Agriculture is doing is including a daily Twitter feed on diet and well being. I'm sure you can follow the hashtag where you can follow that today as well.

Mr. Vilsack joined President Barack Obama's cabinet as Agriculture Secretary in 2009. Previously, he had campaigned tirelessly for Hillary Clinton during her failed bid to capture the 2008 Democratic Party presidential nomination. That followed his own brief run for the White House. "This has been a great experience," the *New York Times* quoted him as saying when he dropped out of the 2008 race. "When you start out life in an orphanage and you run for President of the United States, that's what this country is supposed to be about."

Mr. Vilsack was born in Pittsburgh and spent his first 15 months of life in an orphanage. He later moved to Iowa, his wife's home state. There, he was persuaded to run for the office of mayor of Mt. Pleasant after its previous mayor had been shot by a disgruntled citizen during a 1986 city council meeting. From governing the city, Mr. Vilsack went to serving in the Iowa Senate and in 1999, he became the first Democratic governor of the state in 30 years.

As Secretary of Agriculture, Mr. Vilsack faced controversy and calls from black farmers for his resignation in 2010 following the hasty firing of USDA employee Shirley Sherrod after she was falsely accused of racism. Three years later, though, he's still on the job working with the White House on setting policies on crops including yesterday's announcement of developing a quick test for genetically modified wheat. He's working on grain tariffs, subsidies to farmers, nutrition related issues, and obviously much more. Please join me today in giving a warm National Press Club welcome to Agriculture Secretary Tom Vilsack. (Applause)

**SECRETARY VILSACK:** Good afternoon to everyone. I really want to take this opportunity to thank the National Press Club for the opportunity to discuss an issue that was not raised in the introduction, but which is an extremely important issue that we face at USDA. And that's a complex environmental challenge that American agriculture is likely to face in the years and decades to come. In particular, I want to focus on America's food supply, and specifically how we in the past have mitigated threats to it and how today we face evolving environmental threats requiring, again, that we mitigate and adapt.

This is an important discussion because our food supply stands at the core of our strength as a nation. Today, American agriculture is tremendously productive, largely due to the innovation that's been embraced by our farmers and ranchers. Productivity impacts more than the farmer's bottom line. Productivity empowers America to lead the way in feeding a growing world population. It enables us to maintain an agricultural trade surplus that now supports over a million jobs and allows us to enjoy an affordable, a diverse home grown food supply, all of which makes America as far more secure nation.

Now, we've achieved this productivity because American agriculture has always adapted to threats. We're flexible and we're responsible when disaster strikes. But we've also taken the long view. We've always asked, what will we have to deal with next week, next month or next year? Risk management and adaptation starts on our farms. Our farmers and ranchers are on the front lines of identifying threats and adapting to meet them. When a crop goes south or a herd gets sick, producers don't chalk that up to bad luck, they find out what's wrong and they fix it.

For more than a century, they've had our help as the American public in fixing those problems. We Americans are people that have invested and supported our agricultural sector from USDA to our great land grant universities to local extension agents, experts and advisors at all levels have been there to help our farmers get the job done.

Keeping agriculture strong and productive is a joint undertaking and a shared responsibility in America. During and after the dust bowl, USDA helped farmers and ranchers and foresters reestablish the soil through new management efforts, planting marginal cropland with resource conserving crops; taking new steps to protect watersheds, regenerating trees to break the devastating wind. These steps continue today.

When America's forests have been wracked by historic fires, we came together to develop new methods to sustain, regenerate and protect our forested lands. And last year as producers faced the worst drought in generations, groundbreaking agricultural research and smart business planning saved crops that in the past would have been destroyed.

And the bottom line is that in the United States, we produce an amazing amount of food because we've adapted to today's threats and prepared for tomorrow's threats. Now today, we face a new challenge in the form of a changing and shifting climate. I'm the Secretary of Agriculture, I'm not here to give a scientific lecture on climate change.

But I'm here to tell you what we're seeing on the ground. We're seeing more severe storms, we're facing more invasive species. We're experiencing more intense forest fires that threaten communities.

In fact, NOAA reported that 2012 was the second most intense year in our history for extreme weather events; droughts, floods, hurricanes, severe storms, and devastating wildfires. And NOAA also advised that last year was the warmest year on record for the continental United States.

Right now, our farmers and forestland owners continue to adapt to this new reality. New technologies and advanced practices have managed to keep production steady even in the face of these new and extreme weather patterns. But this latest science also tells us that the threat of a changing climate is new and much different from anything we've ever tackled.

Earlier this year, USDA released two comprehensive studies; one focused on crops and one on our forests detailing the projected effects and impacts of climate change on agriculture and forestry. These studies found that in the short-term, we have the means to manage these threats. But over the next 50 years, we'll face new and significantly different problems. We'll face the need to adapt our crop production. As temperatures increase, crop production may need to shift based on water availability and other factors. Where we're growing water intensive fruits and vegetables today, we may in the future grow a drought resistant row crop.

Rising temperatures will also add to our invasive species issue bringing with them increased costs for our producers. Right now, just weed control alone costs more than \$11 billion a year in the U.S. and these costs are expected to rise with increasing temperatures. When winters aren't cold enough to kill off invasive insects, we'll face a new challenge to adapt to these threats. All you need do is ask the forested landowners about the bark beetle in the west. They're already starting to experience this phenomenon.

We'll face more severe weather patterns. We'll see more events that could harm crops and livestock. These will all demand new strategies. In our forests, the troubling pattern of intense and destructive wildfires threatens to become the norm. The fire season now is at least 60 days longer than it was just 30 years ago. The pine beetle epidemic, which many scientists attribute to climate change, now covers over 40 million acres of land across the interior west. Fires now impact far more many acres. In a recent forest service study forecasts a doubling of the annual average fire season. Last year, we experienced fire in over nine million acres.

And we're beginning to grasp that challenges of our climate will have impacts unique to each region of our country. In the northeast, extreme precipitation events have increased faster than anywhere else in the nation. That reduces yields. Across the Midwest and the Great Plains, the growing season has now lengthened by almost two weeks just in my lifetime. In the west, in the southwest, the home of more than half of our nation's high value specialty crop production, increased drought proposes a particular

threat to irrigation intensive fruits, vegetables and nuts.

So the fact is across America, America's farmers, ranchers and forest landowners are seeing the beginning chapter of what will be a long-term challenge posed by this changing climate. This problem is not going to go away on its own. That's why America must take steps now to adapt. We know that modern solutions to a changing climate require a doubling down on collaboration between our farmers, government, researchers and industry. We've got to think outside the box, we've got to work together and pool our resources to begin developing the next generation of climate solutions for agriculture. This is not a single one sizes fits all problem. We really need a targeted approach geared to the particular challenges faced by each region of our country.

Now, we've already taken steps under President Obama to begin forging critical, new approaches to mitigation and adaptation. Just take the livestock and dairy industries, for example. In 2009, USDA entered into an historic agreement with the U.S. dairy industry to mitigate its environmental impact of dairy production. We supported new energy efficiency and waste energy systems. Over four years, this agreement led to the creation of 184 new anaerobic digesters. And last month, we renewed our MOU with the goal of helping the dairy industry reduce its greenhouse gas emissions by 25 percent by the year 2020.

We've also provided support through our university funding to help the livestock industry reduce its environmental footprint. Last month, USDA announced \$19.5 million in funding to the University of Wisconsin and Oklahoma State to look at the impacts of climate variability on dairy and beef production. Ultimately, these projects aim to deliver the best new tools for ranchers and dairymen to sustain productivity.

This effort was the latest in our focus on a coordinated agricultural products effort to join efforts to best leverage America's agricultural research capacity. USDA under the Obama Administration has invested nearly \$120 million in this coordinated agricultural product effort focused on research to sustain our productivity in the face of modern environmental challenges.

For example, we've worked with UC Davis to explore how we might adapt conifer trees to changing climates, with the University of Idaho to look at change in soil carbon and nitrogen content; and Iowa State to look at several aspects of corn production. We've made unprecedented efforts to conserve and protect America's forests while playing a critical role in removing carbon dioxide from the atmosphere and storing it in our trees and other vegetation and soil.

The Forest Service has increased its pace in the scale of forest restoration on our national forests through landscape scale projects that bring together our forest industry, environmentalists and communities. And given the threats that our forests face today, we've moved away from the timber wars of the past towards a shared vision that recognizes that we must work together toward a common goal of forest restoration.

In this spirit, USDA adopted a new forest planning rule that insures our forests will be restored and managed in a way that protects all of the benefits that our forests can provide to Americans including clean water, jobs, recreational opportunities and diverse wildlife. And importantly, the planning rule allows the Forest Service to use the best available science to insure our forests can adapt to climate change over time.

We've also worked with over 500,000 of our farmers and ranchers and producers on private working land conservation, carried out thousands of projects to help embrace renewable energy and energy efficacy projects on their property. We've taken a new and a committed look at the impact of climate on the future of agriculture and how we even at USDA need to adapt.

In addition to the two climate assessments I referenced earlier, we released USDA's first ever climate change adaptation plan this year. The Obama Administration has taken a comprehensive and proactive effort to insure that the federal government itself is prepared for the climate challenges that lie ahead. As part of this effort, USDA engaged employees and agencies to address our weak points with regard to shifting climate and modern threats to our environment. We found areas where our program delivery might be impacted by these new challenges. And working with many different USDA agencies, we laid out 83 specific recommendations to be sure that we could continue to deliver topnotch service in the face of climate impacts.

For example, we identified common needs to increase collaboration on climate planning within the federal government and with our partners, our great land grant universities. We laid out a need to better prepare our APHIS program, which is our animal, plant and health inspection service, to measure invasive species to insure that our scientific research helps deliver modern climate solutions that will strengthen the resilience of our forests, that will help create new ways for producers to access information that will help them mitigate threats. And we'll be issuing a follow-up to this initial report in November of this year.

But taken alongside the two climate impact assessment reports, these efforts reflect our understanding that proactive steps will pay big dividends in the decades to come. We know we need to be ahead of the game. We must continue to build on the previous action in order to better support America's adaptation to climate challenges.

So today, I'm here to announce some measures that we'll be taking and announcing today. First, USDA will now establish seven new regional climate hubs to work in partnership with producers and foresters on new adaptation strategies. This is the next step in USDA's decades long work alongside our farmers, ranchers and forest owners, to keep production up in the face of challenges. If we're to be effective in managing the risk of a shifting climate, we'll need to insure that our managers in the field and our stakeholders have all the information they need to succeed. That's why we'll be bringing all that information together on a regionally appropriate basis.

I want you to think of these new hubs as service centers for science based risk management, part of a broader effort to deliver extension for the 21<sup>st</sup> century. They will enhance coordination of the science assets of USDA. They'll encourage folks to accelerate the development and the delivery of forecasts as well as solutions to improve risk management in ways that matter to the folks on the ground.

These hubs will enable us to carry out regionally appropriate climate change risk and vulnerability assessments, get the data out to the field more quickly. Practically, these hubs will deal out advice to our farmers and forest owners on ways in which they can reduce on their lands the risks of a changing climate.

This will serve as a starting point to further implement new strategies for adaptation for improved soil health and water protection. One promising example of the possibility is a multi-cropping production system that will add additional nutrient value to our soil, better protect cropland, store more carbon and allow producers to expand their income. As we investigate possibilities for a competitive market in carbon sequestration and water protection, these regional hubs will play a very useful role.

While some of the work of these new hubs will take place in existing USDA service centers across the nation, this will be a very important collaborative aspect and effort as well. We intend to fully leverage our relationship with land grant and public universities our agricultural experimental stations and the extension to provide new platforms for this important collaboration.

Second, I can announce new efforts by the Natural Resource Conservation Service, NRCS, to move into the next generation of research and technical assistance. In particular, both of these efforts will relate to carbon. We know it's important to understand the role of carbon in contributing to global warming. It's equally important to recognize the tremendous potential that American agriculture has to sequester carbon from the atmosphere. This will help to mitigate climate change. It'll improve soil health, make it more resilient in the face of these modern challenges.

So today, NRCS is launching an online resource assessment database, the results of a study known as the rapid carbon assessment. This is going to be particularly useful for researchers and scientists. Let me explain more about this. This tool is going to allow online access to the most extensive database on soil carbon in the world. While NRCS collected soil samples for more than a century, this rapid assessment project has been its most ambitious project. In fact, it's the largest concentrated soil sampling effort in history. NRCS scientists collected more than 144,000 soil samples at over 6,000 locations throughout the United States to provide a baseline of data on regional carbon stocks.

This is going to allow outside researchers and scientists to begin taking a fresh look at carbon and soil which ultimately will have a regional benefit to crop production. Additionally, USDA and the NRCS and our climate change office, will be rolling out this online tool that's intended for farmers and ranchers themselves. We call this the COMET farm, which stands for carbon management and evaluation tool. Now, what this online

tool is the next generation of our ongoing effort to develop user-friendly tools for our farmers and producers so that they can better understand the greenhouse gas footprint of their operation. Now, producers will receive input about their land and current and past management practices that will allow them to establish a baseline. The tool will let them select from a list of alternative conservation practices to see how each one can change their greenhouse gas emissions and how much carbon can be captured.

For example, a producer planning to implement conservation tillage could estimate how that particular conservation practice would increase soil carbon and decrease emissions from his or her operation. Used in this way, COMET farm will help producers reach decisions that will reduce their energy costs while building carbon stocks in their soil. It will also serve as a gateway for future efforts to help producers participate in voluntary carbon markets.

These new NRCS tools will build on a campaign for soil health at USDA. Because we know that healthy soil can absorb a significant amount of carbon and help greatly in mitigating the impacts of climate change. By improving soil health, we can simultaneously improve productivity, protect our scarce water resources, improve biodiversity, reduce erosion and help bring back carbon into the ground where it belongs.

We also know that healthy soils are more resilient soils. Every pound of soil organic matter in the soil today can hold 18 to 20 pounds of water, helping these farms and these farmlands become more resilient to periods of drought and other extreme weather conditions. That's why USDA has focused on helping our nation's farmers and ranchers through our campaign called Unlock the Secrets in the Soil. We know that soil conservation practices can help farmers, but they can also mitigate the impacts of climate change. Efforts like these will only be stronger as we ramp up new regionally focused information sharing efforts.

Third, USDA agencies are starting to work together to make new cover crop methods available for producers and to insure that our agencies are working together to insure that these options are viable. For centuries, our farmers have been using cover crops to prevent soil erosion, improve nutrient cycling, sustain soils and harness many other benefits. But cover crops also can sequester a significant amount of carbon. However, some producers have encountered conflicting cover crop management issues when working with multiple USDA agencies. For example, there was a perception at one time that crop insurance policies did not allow cover crops. And that conflicted with NRCS's incentives to plant cover crops.

Some cover crop recommendations conflict with the language in the 2008 farm bill for how the farm service agency was to give out commodity payments. That's obviously a problem. Recently, at USDA we undertook an effort to insure that farmers who plant cover crops have clarity and consistency from our department. NRCS, the risk management agency that handles crop insurance, and FSA are now working together, and have worked together, to establish a new common science-based guidance on when cover crops could be terminated. This is important because if you allow cover crops to continue



too long, it can impact the main cash crop.

Administrators of these agencies have engaged stakeholders and universities and the crop insurance industry itself to figure out how best to make cover crop guidelines straightforward and sensible. The result is new guidance, a new model that uses local climate data, tillage management and soil data to account for daily crop growth and the use of soil moisture. With this information, experts determined the latest possible time to terminate a cover crop which will allow it to maximize carbon sequestration while at the same time minimizing the risk to the cash crop yield.

For this new guidance, four cover crop termination zones have now been established across the United States. These provide a regionally appropriate approach to cover crops and the tools to identify proper cover crop management in an area, taking into account the local climate and cropping systems. And we took the time needed to get this right, including truth testing our recommendations with folks on the ground. Going forward, RMA, NRCS, and FSA will all uniformly refer producers to these guidelines and will use them in administering their various programs.

With this consistent science based cover crop guidance, farmers will have more flexibility and a greater opportunity to utilize cover crops on their operations while staying in compliance with numerous USDA rules. They can reap the conservation and the economic benefits that cover crops can provide; healthier soils, a sustained food and fiber production. And producers will have a greater degree of certainty that when they use these practices, they'll still be eligible for crop insurance and other programs.

I'd note for folks that information on all of these new steps, our regional hubs, the new tools and NRCS, and these new steps with regard to cover crops, will now be available at our website at [www.usda.gov](http://www.usda.gov). Now, these new tools and actions represent our comprehensive strategy for helping agriculture adapt to modern challenges. We're obviously going to continue to provide world class research and additional tools from academic experts. Our plan reflects an understanding that the farmers and ranchers have always been on the front lines of adaptation. We don't just want to tell folks there's a problem, we want to provide them with real information to create real solutions for these very specific threats. These efforts are also directed to maintain our abundant, productive agricultural sector, an effort that doesn't stop at the edge of the field.

I want to share with you one more facet of this work that will involve Americans from all walks of life, not just farming and ranching or forestry. When we spoke earlier about the tremendous productivity of American agriculture that helps keep costs low for us at home, helping to allow us to export around the world and helping to create jobs, but here's the more difficult and bad news. Estimates show that at least 30 percent, 30 percent, of our food supply ends up wasted. An estimated 133 billion pounds of food each year is not consumed. Just taking a look around the plates here.

First, this is a major food security issue from the perspective that wasted food cannot be used to help feed folks at food banks and community kitchens. Second, it's an

obvious natural resource issue. All of the resources that went into producing that wasted food, nearly 22 million acres of land including that acreage, the labor on that acreage, the water used on that acreage, the pesticides used on that acreage, and the fertilizers, could have been saved or could have gone to uses of higher value for society.

Third, it's also a climate change issue. EPA estimates that in the United States, food, food, is the single largest component of municipal solid waste that goes to landfills. And landfills are the third largest source of methane. You all can do the math. By reducing the amount of food we toss into the trash, we can help reduce methane emissions.

Yesterday, I joined EPA acting administrator Bob Perciasepe and leaders from across the U.S. food sector to announce the U.S. food waste challenge. Together, we're calling on Americans across the nation to help us reduce the amount of food that ends up in our landfills, recover food that could be used to feed those in need, and recycle food waste wherever we can. Right now, we have a few founding partners on board and a predecessor effort by EPA has about 200 participant organizations. Our shared goal, EPA at USDA, is to build momentum to fight food waste by getting 400 partner organizations involved and on board with this U.S. food waste challenge by 2015 and increasing that number to a thousand by 2020.

At USDA, we intend to do our part. We've pledged to reduce waste in our school meals program. We're going to take new steps to educate consumers about food waste and food storage. And we're going to develop new technologies and new applications to help reduce food wastes and make it easier for consumers to do so.

We at USDA will also work with industry leaders to streamline procedures for donating wholesome food and poultry products that are misbranded. And at our food labs, we're going to find better solutions for food waste by recycling food samples that have been inspected. By giving some extra thought to what we buy and how much we actually need, all of us can reduce our contributions to the nation's landfills. It's an adaptation strategy, if you will, that everyone can help to create.

All of this work represents the beginning stages and first steps of an overarching focus on adaptation in the years to come. Over the coming months and years, USDA intends to build partnerships with landowners, work with conservation groups, our Tribes and local governments, engage with ordinary Americans. We'll take more steps to mitigate and adapt to these challenges here in the U.S. and around the world. And I look forward to sharing additional plans with you in the future.

The bottom line today is that America's long history of innovation must continue. Our farmers and ranchers have proven over the course of generations that they're up to the task and USDA has a strong history of supporting them in their efforts. This will not be a short-term task. It won't be simple, but it is doable. That's why we need to prepare for the future today, to begin asking how we can work together to prepare agriculture for these new challenges and thereby put our food supply on solid, strong footing in the years

to come allowing our nation to continue to be strong and secure in the years to come. Thank you very much. (Applause)

**MS. GREILING KEANE:** Thank you. We have, as you can imagine, a lot of questions on a lot of different topics. Starting out with what you were talking about, what do you see as the opportunities to integrate climate adaptation into agriculture policies specifically into the next farm bill? And of the things you talked about today, will any of those require legislative action?

**SECRETARY VILSACK:** Nothing that we talked about today is going to require legislative action. We're prepared to institute these things immediately. We will do it within the existing funding streams that are available to USDA, which is the good news.

In terms of what I like to refer to as the food farm jobs bill, because it's all of that, there are great opportunities for us to continue to build on this effort by an expanded research commitment that's contained at least in the Senate bill that's being considered and debated right now, an opportunity for us to leverage research dollars with a foundation that could be established.

There's also, I think, a concerted effort to bolster our own internal research efforts through the Agricultural Research Service. An opportunity for us to continue to build on the work that we're doing with environmental markets, some of the work that we're doing with the Forest Service to expand what's happening with restored forest areas. All of that is contained and supported by the farm bill. Without the food farm jobs bill, we don't have a five year commitment from Congress. We can't really establish firmly the next step in this process. And so it's very, very important it gets done this year.

**MS. GREILING KEANE:** Do you think that it will get done this year, and what do you like and not like in the House and Senate proposals so far?

**SECRETARY VILSACK:** Well, I'm confident and more hopeful this year because I think we've received indications from both the Senate and the House leadership that this is a priority. It's certainly being reflected in the actions of the Senate. They are on track to potentially get this done this week or early next week. And the House has begun the process of getting it teed up for debate in the House.

I think there are some significant differences, obviously, between the two proposals that have passed out of committee. And I think probably the most significant difference is in the area of nutrition assistance. The Senate is proposing a \$4 billion reduction in nutrition assistance, the House is suggesting a \$20 billion reduction. I think it's important to point out that all of us would like to see reduced numbers in the SNAP program, the nutrition assistance programs. But the challenge is how to do it the proper and right way. If you essentially follow the House's prescription, the chances are very good that you're going to knock literally millions of people who are qualified for the program out of the program. Ninety-two percent of the folks receiving SNAP are either

senior citizens, people with disabilities, children or working moms and dads of those children. All of those people played by the rules, working hard, trying to do it right by their families. They need a help through a struggling economy. They are not the people, I don't think, that we necessarily want to knock out of a program.

A better way is to help those folks who can be employed to be employed; help those who are currently employed to get a better paying job so they no longer need the program. So I'd say one of the fundamental differences is working out this nutrition assistance deal.

I think it's also important to point out to our farmers and ranchers that the nutrition assistance programs are also part of the overall safety net for our producers. Fifteen cents of every food dollar that's spent in a grocery store, in a restaurant, ultimately finds its way eventually through the supply chain back to a farmer in the form of income. If you're going to knock out \$20 billion in nutrition assistance, you're going to also knock out \$3 billion in farm income. That's something, obviously, the Secretary of Agriculture can't necessarily be for.

**MS. GREILING KEANE:** You talked about your soil initiatives. Do you plan any new incentives to offer to farmers to keep their soil healthy and productive in the long term?

**SECRETARY VILSACK:** Well, I think that's one of the most important things about the data that we're providing today on the soil carbon sampling that we've done and the opportunity to provide the online tool. Just understand the power of this particular technology. As producers are considering their land, as they're considering the long-term impacts of changing climates, more intense weather patterns, warmer conditions, they obviously have to pay attention to the condition of their soil and they obviously have to pay attention to the fact that we're losing about a billion and a half tons of soil a year in the form of erosion.

So now, they'll be able to calculate the impact, the actual impact and effective conservation practices on that soil health. By virtue of their ability to calculate, will also be able over time to create local markets for industries that need that benefit, that carbon sequestration benefit, for example, that could come from conservation. Now all of a sudden, you don't have the government just investing in conservation, you don't have the private sector landowner investing in conservation, you now have industries interested in private land conservation. Same thing would be true with forests. But this tool is going to allow us to better measure, verify and quantify the results of conservation which creates new opportunities for producers to improve their land, but also create new market opportunities and new income opportunities for folks in rural areas.

**MS. GREILING KEANE:** Questioner asks for your thoughts on the importance of protecting the U.S. farm and rangeland from conversion to housing and other development as part of climate change-- part of addressing climate change. How do we do that to reduce greenhouse gases and keep that land available to sequester carbon?

**SECRETARY VILSACK:** Well, it's a critical issue. And one of the reasons why we haven't, perhaps, been as impacted by the expansion of cities and suburbs as we have in this country is because we've been extraordinarily productive in our agriculture. We've seen two, three hundred percent increases in crop production in my lifetime because of science. We've seen extraordinary, greater efficiencies with livestock. So we're producing more with less.

But I think it is now an area of deep concern. The reality is that you'll be able to essentially address that issue first by making sure that the tax laws encourage placing land in conservation easements that would protect it from development. Our tax laws today don't particularly provide a long-term benefit for that purpose. Secondly, adequately funding the programs that we have at USDA to create long-term conservation, or permanent conservation opportunities.

Third, creating income opportunities from land so that folks have options in addition to development. To the extent that you, again, can measure the conservation benefit, you'll be able to market that benefit. We have local markets today that are being produced around the country. The example that I use that's simplest for people to understand is in Oregon, there's a-- I think it's a power company that basically is taking water for use in power generation, they put the water back into the stream that they took it from, but it's a little warmer. Salmon don't like that, so they were looking at having to build an expensive water treatment facility to basically cool down that water before it went back in the stream. They understood that they could measure water temperature so therefore they went to landowners around the stream and said, "What would it take for you to plant shade trees and maintain those shade trees to lower the temperature of the water naturally?"

Saved a lot of money for the company, obviously created a new income opportunity for those landowners. It's that kind of creative thought process that I think we are now engaged in at USDA to try to figure out ways in which we can help create those kinds of market opportunities. If you have multiple ways to make money, you don't necessarily have to think about selling your land for development purposes.

**MS. GREILING KEANE:** There's still a vocal portion of our population that doesn't believe that climate change is happening. How do you address those people, of course some of whom are working in the capitol right down the street?

**SECRETARY VILSACK:** Well, I would say that I'd be happy to take folks who are concerned about this, or questioning this, to some of our forested areas in the western part of the United States. And they can take a look at the impact of the pine bark beetle infestation. And the reason why we have that infestation is because warmer winters resulted in those critters surviving. In the past, they didn't survive. Because of the past in which we have restored and not restored our forests, they were able to literally hop from tree to tree. We're now dealing with millions of acres of dead trees, millions of acres of dead trees. And as warmer temperatures and drought create the opportunity for more

intensive forest fires and lightning strikes occur, we're now seeing hundreds of thousands of acres being wrapped up in forest fires that we didn't see before.

So that's an impact and effect of climate. The fact that we've had more intense storms, the fact that we've had longer droughts, the fact that we've had more significant floods, the intensity of some of the hurricanes and tornadoes that we've seen recently, all are indications of a climate that clearly is warming. And the impact of that warming climate are these more intense weather patterns and they do threaten the future of agriculture long term as we know it. That's why it's important for us today, now, to be serious about this. That's why we're announcing the steps we're taking.

**MS. GREILING KEANE:** The proposed purchase of Smithfield by a Chinese company has stirred concern and obviously attention. Do you think that USDA or CFIUS might work to stop or limit that deal?

**SECRETARY VILSACK:** Well, I think there are probably a lot of agencies in the government that are looking at this. Our concern, obviously, will always continue to be the safety and security of the food supply in the United States and that which is provided to United States citizens. We have a responsibility, an obligation to do everything we can to insure that food that's produced here in the United States is done so safely. And I think we have folks who are very focused and concentrated on that effort. Frankly, if we were going to import food from other countries, then we also have a responsibility to insure that whatever methods they use are equivalent to or better than the methods we use in the United States.

That's the focus that we're going to have. Clearly, companies in the past have had issues, particularly in China. That raises an awareness and a sensitivity to the need for us to make sure that we continue to do our food safety job as well as we possibly can.

**MS. GREILING KEANE:** Do you have any concerns about the impact on food safety or security of this transaction?

**SECRETARY VILSACK:** I think every day I have concerns generally about food safety because it's a very significant responsibility of ours here at USDA. Why am I concerned generally? Because we have several hundred thousand folks who experience a food borne illness that requires hospitalization, about 3,000 folks a year die from food borne illness so it's something that we take seriously every single day.

I'm not going to focus on any particular transaction, any particular company. I think it's incumbent upon us to be very deeply concerned every single day to continue to try to advance the research of food science. We know a lot about food, we know a lot about pathogens we didn't know a year ago, two years ago, five years ago, ten years ago. Our inspection programs, our processes for ways in which we insure the safety of food, our relationships with companies in other countries, all has to be educated, informed by what we now know and what we're learning on a constant basis about food safety.

**MS. GREILING KEANE:** Do you think this is the first of many such deals as the food industry becomes more globalized?

**SECRETARY VILSACK:** I think if you took a look at major food companies, processing companies, you would see that there's quite a bit of international flavor to them. Again, the issue here, I think there are two issues. One, are we going to continue as a country to be food secure in terms of our ability, our own ability, to raise food and to grow product here in the United States? That is directly connected to our ability to adapt and mitigate to a changing climate. That's why this topic today is so important.

Secondly, we obviously want to continue to provide Americans this extraordinary diversity of food that's produced in this country. But we also want to be recognized-- recognize the affordability of food in this country. Americans spend a lot less for food than they would perhaps think in relationship to their paycheck than virtually anybody else in the world. We spend, studies vary, somewhere between 6 to 10 percent of our paychecks for food in this country. That's a very, very small percentage of a paycheck. So we want to make sure that as we look at systems, as we look at the relationship of companies that we do everything we possibly can to remain a food secure nation, we do everything we can to insure the safety of that food, and that we continue to provide Americans great flexibility with their paychecks by having a system that makes food as affordable as it should be.

**MS. GREILING KEANE:** On the other agriculture story of the week, can you give us an update on genetically modified wheat? The questioner asks, could this be a larger problem near other testing sites?

**SECRETARY VILSACK:** Well, first of all let's put this situation in context. This was a finding of a very small number of plants on 123 acres of land. There's no indication that this particular circumstance has found its way into the stream of commerce in terms of wheat or flour that's being sold. In fact, we have numerous tests in adjoining fields, numerous tests from some of our trading partners that suggest it is not-- it has been limited at this point in time to that particular field.

We have protocols and very strong requirements and regulations. That's why it's important for us to investigate this particular circumstance which is unusual and odd, very rare, to find out precisely what happened and why it happened, so we can determine whether or not our regulations were violated and if so who's accountable.

At the same time, we want to be very mindful of the need to maintain market opportunities for our producers. That's why we're working hard to make sure that we do everything we can to satisfy our trading partners to assure them that what they're purchasing is indeed what they are purchasing. And we're hopeful that in the next few weeks that we're in a position to be able to move that process forward and to continue to work to open up those markets. That's very, very important.

**MS. GREILING KEANE:** Questioner asks have you confirmed positively Roundup Ready wheat using Monsanto tests? And when will you provide Monsanto with plant material and chain of custody data?

**SECRETARY VILSACK:** There has been ongoing communication with the company and they basically are aware of what we've been doing and the testing that we've provided. We, in turn, have been apprised of testing that they themselves are conducting. So there's been ongoing exchange of information.

You know, this particular trait, or event, was determined some years ago not to be one that was commercially as viable as Roundup Ready Soybeans, for example. And that's why Monsanto basically discontinued the production of this. Bottom line here, two issues. One, finding out what happened. And two, making sure that those markets get opened as quickly as possible and that we don't have interference with market opportunity. And I think at this point in time, we can assure people that A, there's an investigation ongoing. B, that there's no public health concern. And C, at this point in time it's not in the stream of commerce, and this is a very, at this point in time, a very isolated circumstance.

**MS. GREILING KEANE:** On GMOs more broadly, do you think you've made any progress on finding common ground between two sides of the GMO debate?

**SECRETARY VILSACK:** You know, I often say that when people ask me about this issue of GMOs and other production methods, which method do I prefer, which method do I think we should be supporting, I basically say it's like asking me which of my two sons I love the most. I love them both equally. And that's the job of the Ag Secretary. I think the job of the Ag Secretary is also to try to bring folks together to have an understanding of the importance of agriculture and to respect various types of agricultural production methods.

And so what we did is we brought folks together in a program we call AC21. And we brought organic producers, we brought GMO producers, we brought legal experts, we brought university scientists and we basically challenged them with what can we do now that will help facilitate a better relationship among various types of production methods in agriculture?

And they came up with a set of recommendations which we're in the process of following. One recommendation was to do more research in terms of gene flow so we basically understood how potentially a field could be contaminated based on-- or impacted based on what some farmer may be doing somewhere down the road. What kind of stewardship responsibilities could we enhance, could we educate, could we develop that would reduce that risk? How can we assure that we have seed banks that have all different kinds of seeds so if something happens that we're able to reintroduce a particular product into the market, that we don't lose that opportunity permanently. So we're in the process of doing an inventory of our seed banks across the spectrum.



How can we do a better job of developing tools that understand that organic production is kind of its own separate little commodity, has a value added component to it that could be impacted and if there's economic value that's compromised. How do you help deal with that risk of loss of value? What kind of insurance product or mechanism could you potentially create? So we're in the process of working on that.

So, I think the relationship continues to be improved. I think it continues-- there are obviously issues that have to be addressed, but it's important for agriculture to do this because there's so few people in America that understand agriculture. I mean, here's some statistics, folks. Thirty-three thousand families, farm families, and farming operations, basically produce 50 percent of everything that's grown in this country. That's a relatively small percentage of our population. If you expand it to 85 percent of what we grow and raise, it's roughly two to three hundred thousand operations.

If you expand it to anybody that's considered a farmer, that is anyone who sell more than a thousand dollars worth of product, that's maybe 2.3 million people. So less than one percent of our population produces everything that we grow and consume. Less than one-tenth of one percent produces 85 percent of what we grow and consume. Less one tenth of one tenth of one percent produces 50 percent.

So a relatively small percentage and the rest of us just simply take this extraordinary diversity that we have, the fact that we walk out of grocery stores with a lot more money in our pockets than our counterparts in other countries do because of the affordability of our food, the safety of our food. We take this all for granted. And we shouldn't. We are a much stronger nation because of the nature of agriculture in this country and the fact that we're a food secure nation.

So agriculture, I think, it's important to educate folks about agriculture. It's important to respect various types of agricultural production and work towards educating people so they can make informed choices. And understand and appreciate agriculture generally in this country and not take it for granted. That's one of the reasons why what we're talking about today and announcing today in terms of its ability to adapt and mitigate to climate is so important because what if we didn't grow all that we could grow in this country? What if it became more likely that we would have to import more of what we consume? What food safety issues would that potentially create for us? What reliance would we have on other countries for our food supply and how more secure, less secure does that make you feel?

What if we had to pay a significantly greater amount for our food? How would that impact a lot of struggling families in this economy and in this country? Especially when you have some who are articulating the need for reducing food assistance? These issues are not as significant and not as grave and not as large in large part because of the success of American agriculture. And we are a food secure nation, we have more affordable food, we have great diversity, we have a fairly safe food supply all of which is pretty doggone important to the quality of life that we all enjoy and allows us to go off and do all the other things we do without having to worry.

Not very many people in the world have that luxury. And when was the last time any of us really stopped and thought and thanked those who produce for us?

**MS. GREILING KEANE:** One of the bills that looks promising to move this year is, of course, immigration reform. Questioner asks how important for the U.S. food supply is the immigration reform bill? And why does the U.S. need immigrant workers to pick fruit and other crops when unemployment in the U.S. is at 7 ½ percent?

**SECRETARY VILSACK:** Well, there are 1.1 million people who work on farms, ranches, and in the production of agriculture. The substantial percentage of those people who are working in those jobs are probably immigrants and many, many, many of them are not documented. We now have, because of concerns about immigration laws, because of concerns about raids, deportation, we now have circumstances in this country where food is being grown and is not being harvested, it's not being picked, it is going to waste in the field.

We have a broken immigration system and it needs to be fixed. And Congress has a responsibility to do it this year. The time for waiting, the time for arguing, the time for debating all of this is over. It is important that we do this not just for agriculture, but this is a bill that will help grow this economy, this is a bill that will make us a more secure nation, and this is a bill that actually will help a lot of issues you wouldn't think about. For example, it will strengthen the social security system because you will have more people actually paying taxes into the system than we have today. It'll bring people out of the shadows.

So comprehensive immigration reform is very, very important. This proposal that's being debated and looked at in the Senate contains within it a specific proposal for agricultural workers that will provide a stable and secure workforce and a workable guest worker program that will insure that we don't have too many or too few workers. It will also provide for decent wages based on wage surveys that reflect the regional differences. So people will be adequately paid.

You asked the question why is it that we need this when we've got 7 ½ percent unemployment? The reality is that this guest worker system can't be triggered and won't be triggered unless we are assured that there is not adequate workforce to meet the responsibilities in these fields. I tell this story, and I think the numbers may be a little bit off, but I think it's instructive. During the height of the recession, the United Farm Worker Union put a release out, or put an ad out on the web to encourage people to come and work in the fields.

Unemployment was high, these were jobs that were available. I'm told that thousands of people expressed initial interest in learning more about these jobs. When they learned what the job entailed, just a handful of people actually went further to apply for the job. And less than a handful actually went to work. And less than a handful stayed on the job. This is hard work.

The immigrant story in this country, and every person in this room has background and has relatives who either voluntarily or involuntarily came to this country and has a story about their background. I, for one, don't know what my background is having started life in an orphanage. But I can tell you that somewhere in my background, there is someone who came to this country, who came here and at some point in time with the notion that they were going to do a better job, they were going to work hard, they were going to take jobs that maybe somebody else didn't want. They were going to do a better job than anybody else could do. They were going to save money, they were going to scrape and they were going to put money aside for that next generation and they we're going to make sure that next generation had a better life than they had.

That is the American story. That is what's made this country the greatest nation on Earth, with all of our troubles and trials and tribulations, it's still the greatest nation on Earth because of that immigrant story that gets replayed. This comprehensive immigration bill will allow that story to continue. Absent it, we're going to continue to have crops rot in the ground and that's just-- you know, it's very, very unfortunate.

**MS. GREILING KEANE:** We are almost out of time. But before asking the last question, we have a couple of housekeeping matters to take care of. First of all, I'd like to remind you about our upcoming luncheon speakers. On July 1<sup>st</sup>, we will have Carly Fiorina, the former CEO of Hewlett-Packard and currently the Chairman of Good 360. And on August 8<sup>th</sup>, we will have Jim Rogers, the CEO of Duke Energy. Second, I would like to present our guest with the traditional National Press Club coffee mug.

**SECRETARY VILSACK:** Ah, thank you very much.

**MS. GREILING KEANE:** You're welcome. You may already have one of those.

**SECRETARY VILSACK:** I've got a few. That's all right, I always can use cups, thank you.

**MS. GREILING KEANE:** And for a final question, your wife tells us that you famously appeared with Cookie Monster once to talk about sometimes foods and everyday foods. Is there another cartoon character you might envision helping with your next initiatives?

**SECRETARY VILSACK:** That's a good question. You know, I remain partial to Sesame Street. I think I would sort of embrace Big Bird on this. We want wide diversity of wildlife and to do that, we have to have healthy soils and a healthy forest and if Big Bird's to survive, or Big Bird's relatives are to survive, we've got to focus on improving our adaptation and mitigation strategies. (Applause)

**MS. GREILING KEANE:** Thank you. Thank you for coming today, Secretary Vilsack. I'd also like to thank the National Press Club staff including our Broadcast

Institute and National Press Club Journalism Institute for helping organize today's event. Finally, here's a reminder. You can find more information about the National Press Club online and you can order a copy of today's program at [www.press.org](http://www.press.org). Thank you, we are adjourned. (Sounds gavel.)

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