



USDA Secretary shares comments on what changes could be coming.

by
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For ag producers, all eyes will be on Congress this spring as the 2012 Farm Bill is crafted. Amidst the current budget deficit, the five-year bill could be trimmed by as much as \$23 billion, which many fear could have a negative effect on farm programs, conservation and research.

At various speaking engagements across the United States this past fall, Agriculture Secretary Tom Vilsack has commented on what farmers can expect from the new Farm Bill. The bill “has a profound effect on the whole country,” he emphasized, speaking at a John Deere plant in Des Moines in late October and at an agriculture symposium in Illinois in early November.

“It’s more than a farm bill. It’s a jobs bill, a food bill and an environmental conservation bill,” Vilsack said. “It’s also going to determine where our energy supply comes from and if we all eat. So we need to think bigger than the words ‘Farm Bill.’”

He added, “If we want this legislation to have the support of the other 98% of Americans who don’t farm, we’ve got to remind those Americans why this legislation matters to them and to their families,” he stated.

Vilsack stressed the fact that agriculture remains a bright spot for the American economy. Farm income in 2011 was at its highest level since the 1970s. It was also a record year for ag exports. The trade surplus (subtracting imports from exports) on ag products in 2011 reached \$42 billion. Five years ago, that trade surplus was just \$5 billion.

“Agriculture is responsible for one out of every 12 jobs in our economy,” Vilsack pointed out. “What we do on the farm ripples through the economy and helps to create jobs, particularly when agriculture is thriving. What’s more, the productivity of American farmers and ranchers helps American families stretch their paychecks.”

Along with that, he emphasized that a strong safety net must remain in place to protect the people who raise our food and fiber while maintaining conservation programs that have proved so effective in recent years.

Less spending ahead

Despite that, the new Farm Bill will be “thinner,” Vilsack noted, indicating the need to reduce the federal budget. “There will be a redesign of the safety net for farmers. You can expect changes in the direct payment system (to producers).”

As a means of reducing costs, Vilsack said USDA will look to reduce its workforce of 120,000 by as many as 10,000 people. An

initial round of office closings was announced in early January.

He also acknowledged that USDA budget cuts would affect research efforts, but at the same time he noted the value of that research.

“It’s important that America maintain its productivity in agriculture. No other country has the food resources we do,” he said.

Cuts in the Farm Bill are also looming for rural development projects. To offset that, Vilsack urged communities to work on a regional basis.

“We’ll have fewer dollars for rural development, but we’re looking to partner with nonprofit foundations to pick up the slack,” he said.

Priority areas

Vilsack identified three key principles for the new legislation:

- a strong safety net;
- sustainable productivity; and
- vibrant markets.

“As they work on this bill, Congress must agree on the right mix of policies to provide an adequate safety net for those who need it,” Vilsack said. “High input costs mean agriculture will always remain a high risk. A bad crop, ruined by a natural disaster or an unpredictable price collapse, can put a hard-working farm family out of business quickly. These families rely on a strong safety net.”

“It’s been a long time coming, but rural America’s making a comeback, and Congress’ important work on this bill will lead to a much brighter, more hopeful, and more optimistic future for rural America.”

— Tom Vilsack

Specifically, Vilsack noted that producers need assistance quickly after they lose their crops to a natural disaster.

“Their bankers are not going to wait two years to make loan payments and receive those loan payments, and they can’t expect — nor can we expect — our producers to wait two years to have the safety net kick in,” he said.

“Second, the safety net needs to reflect the diversity of American agriculture. That is to say, it needs to work for all kinds of farms. It’s got to work for row crop farmers in Iowa, specialty crop producers in upstate

New York, cattle ranchers in Texas, or rice or cotton farmers in Louisiana.

“Third, the programs that comprise the safety net have got to be simple and understandable. Programs shouldn’t discourage farmers from applying; they shouldn’t be too costly to attain, or too slow to matter.

“And, finally, the safety net has got to be accountable and justifiable to the 98% of us who do not farm. We have a responsibility to the American people to use their resources wisely and to provide assistance only when it’s needed. Congress has a tremendous opportunity to make sure the safety net works for all of our producers, and it’s extremely important that they get it right,” he concluded.

Additional areas

Opportunities for beginners:

Vilsack emphasized the need to make it easier for young people or older people, who have never done it before, to begin farming.

“Why is this important?” he asked.

He noted that America has an aging farming community. In the past five years, there’s been a 20% decrease in the number of farmers under the age of 25; and based on the last ag census, the average American farmer is 57 years of age. Nearly 30% of American farmers are over the age of 65, which is almost double the number of folks in the workforce over 65.

“Some of these folks want to slow down or retire; but they have no one to take over the farming operation,” Vilsack said. “That challenges us to find new ways, through tax policy, through regulations, through our credit programs or other programs, to help transition farms to the next generation.”

Expanded research: Vilsack spoke of the need to continue improving U.S. ag production and efficiency among all crops and livestock, namely through research.

“Studies have shown that public investments in agricultural research earn a \$20-to-\$1 return of investment in the U.S. economy,” Vilsack added. “Once that information is disseminated to farmers, ranchers and producers, they take it and make it work. And these benefits extend beyond just economic returns. Research also leads to improved soil and water and air quality, and they help us to design strategies that will enable us to deal with the impacts of the changing climate.”

Vilsack points out that public funding for agricultural research has remained basically flat-lined since the 1990s. The United States is “clearly not keeping pace with other federally supported research,” he said, “and a recent USDA study sounded a warning signal to all of us that there is a direct link between increases in agricultural investment on research and agricultural productivity. If we continue to flat-line our commitment to research, our productivity will likely suffer; this at a time when our productivity will have to continue to increase to meet the global demand for food.”

Conservation: Vilsack emphasized that conservation is also an equally

important component and strategy for sustainable productivity.

He stated, “USDA has forged voluntary partnerships with landowners yielding real public benefits. In the last 30 years producers have reduced soil erosion by more than 40%, and agriculture has now become the leading cause of restoring wetlands, whereas, before, it was the leading cause of wetland loss.

“All of this is providing cleaner and better water for American people. Farmers understand why all of this matters. They understand the need for healthy and productive soil and the need for a plentiful water supply, and they appreciate that voluntary conservation programs support both needs.

“Now, in the past three years, USDA has looked for better ways to target

conservation investments; and, as a result, today we have a record number of acres enrolled in conservation programs,” he continued. “Guided by science, farmers will work to use the right conservation program and practices in the most critical areas of their farms.”

Vilsack said USDA is focused on maximizing its efforts by embracing locally

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driven conservation programs and by entering partnerships that focus on large landscape-scale conservation programs.

“I want to encourage Congress to continue their commitment to improve conservation programs, to maintain a robust investment in voluntary conservation assistance and to encourage

our efforts towards regulatory certainty tied to conservation,” he said. “Fewer programs, more flexibility, simpler applications and a streamlined process for applying will help target our resources effectively and efficiently.”

Promoting strong markets: Vilsack said, “As Congress works on this bill, they

should recognize we need vibrant, fair and diverse markets at home and abroad for our farmers, ranchers, and producers of all types and all sizes.”

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Vilsack reported. Exports will top \$137 billion, \$20 billion more than the year before, which will allow the United States to have a record trade surplus in agricultural production and products of \$42 billion. This will support nearly a million jobs, according to Vilsack.

He noted that the recent trade deals with Colombia, Panama and South Korea are going to add an additional \$2.3 billion of agricultural exports for a range of products.

“Every additional billion dollars of agricultural sales helps to generate 8,400 jobs at home,” Vilsack said. “So it not only helps improve the bottom lines for farmers and ranchers, but it also puts people to work. Congress can continue this success story and build on it with continued investments in USDA’s trade promotion programs, which studies have shown return \$31 for every dollar we invest.”

Food and fuel: Vilsack spoke on the importance of creating avenues for local foods to be sold at local schools, hospitals and other entities. He also discussed the need to support specialty crop producers, food assistance programs for low-income individuals, and the continuing commitment to renewable energy and biofuels.

He noted that in the last couple of years, as a result of the expansion of the biofuel industry, we’ve gone from importing 60% of our oil to 52%.

In his closing remarks Vilsack stated, “I believe very, very strongly, as I stand here today, in a bright future for American agriculture in rural America. In fact, for American agriculture, it’s as bright as it can be. That’s why this farm, food, jobs bill — whatever you’d like to call it — has got to build on the agricultural economy that we have today.

“And, finally, the bill has to give renewed life to rural America by leading our nation’s effort to, once again, get back in the business of making, creating and innovating things that not only we need in this country, but the rest of the world wants and desires. That will allow us to export, helping to create jobs here in America. ... It’s been a long time coming, but rural America’s making a comeback, and Congress’ important work on this bill will lead to a much brighter, more hopeful, and more optimistic future for rural America.”