

Federation of Southern Cooperatives/Land Assistance Fund
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Below is the transcribed speech given by Agriculture Secretary Tom Vilsack, February 21, at the Federation of Southern Cooperatives/Land Assistance Fund's Georgia Annual Farmer's Conference in Albany, Georgia. This was the first farm group the Secretary addressed outside Washington since being sworn in as Secretary on January 21.

Introduction by the Federation's Georgia Director Shirley Sherrod:

Our Secretary was sworn in as the Secretary of the U.S. Department of Agriculture on January 21. Did ya'll hear that? Just the 21st of January. Is this the 21st of February? Yes, it's the 21st of February, just one month later and he's here. Secretary Vilsack has served in the public sector at every level of government beginning with mayor of Mount Pleasant, Iowa in 1987 and then as State Senator in 1992. In 1998 he was the first Democrat elected governor of Iowa for more than 30 years – an office he held for two terms. Throughout his campaign for governor, Secretary Vilsack articulated a vision of making Iowa the Food Capital of the World and focusing on creating economic opportunity in rural communities and small towns through value-added agriculture. Does that sound familiar to you? I want you to know, we share the same vision, and that's what we've been working on. And those of you who took the tour yesterday know exactly what I'm talking about. Throughout his public service, Secretary Vilsack has pursued an agenda dedicated to the principals of opportunity, responsibility, and security. He has recognized that agenda as an innovator in children's issues and education, economic and health care policy, and efforts to make government more efficient and accessible. His leadership led Iowa to become a national leader in health and insurance coverage with more than 90% of children being covered. He's a native of Pittsburgh. He was actually born into an orphanage and adopted in 1951. He received a bachelor's degree from Hamilton College in Clinton New York and earned his law degree from Albany law school. He then moved to Mount Pleasant. I shared with him that my son and his wife lived in Iowa for 7 years – my son is an engineer with Proctor and Gamble – and when she found out he was coming she said, "Oh great, I just got an email message forwarded to me from some service that was still carrying some of his messages." And she said what a great governor he was.

So Secretary Vilsack.

Speech by Secretary Thomas Vilsack:

Shirley, thank you so much for the kind introduction, and I'm very, very proud and honored and proud to be here today. This is, as Shirley indicated, it is my first speech outside of the capitol and I will tell you I'm just a bit nervous about it. So, hopefully you'll bear with me. I do want to say that one of the principle reasons why I'm here is because of the respect that I have for Congressman Bishop who joins us today and for the black caucus in particular. They are a strong and eloquent voice not just for African Americans but for all people who struggle and I think it was appropriate that he was here today to welcome me and thank you for your service and I want to say how fortunate we are to have you in Congress. And I had a chance before the speech to have a quick lunch with some folks and I want to acknowledge State Senator Sanders and his wife Rose Sanders who are with us today along with Shirley and Jerry and John who shared lunch with us and Ralph Paige who did a great job of making me feel welcome immediately as soon as I came.

And I want to recognize the fact that there are USDA employees who are here not the least of which is Grant Leslie who is the young lady in the back. She is from Georgia and she figured out a way to get me down here so that she could see her Mom. So as powerful as Congressman Bishop was, Grant is a little bit more powerful.

And I want to first to acknowledge the importance of the program you all put together. I looked through the program and I really wish that I had an opportunity to be here for the first couple of days because many of the topics that you touched on are topics that really need to be discussed in agriculture all across this country. You start off with sustainable agriculture which is a very important topic and it's going to continue to be an increasingly important topic. The value added production - you have to be able to add value to production to really give the farmers an opportunity to prosper and farmers who can add value not just in the production process but also on the processing side which is what we have been trying to do with biofuels. You even had the foresight to talk about carbon credits and forests and Congressman I tell you that is something that is something that is a growing opportunity for agriculture in this state and across the country.

And I was pleased to see that there was a discussion of WIC. I know that Ralph was suggesting that you all are involved here in the Federation in promoting WIC and in operating it and it is an extraordinarily important program. You know when they talk about the stimulus package. They talk about seven hundred eighty billion dollars - a lot of money. And they talk about job creation. And you hear about infra-structure, which is important. And you hear about rural development, which is important. And you hear about all of the things that the President has been talking about.

The one thing I would like to talk about is the food assistance programs in that stimulus package. Congress had the foresight to put close to twenty billion dollars in to food assistance. And here's what you all need to know. For every 5 dollars that you invest in food assistance you generate 9 dollars and 20 cents of economic activity. You generate jobs, you generate income for folks. And so that is as much a stimulus, as much a job creator as any road project or and broadband project or anything else. So it is very important for you to have focused on WIC.

I know you also talked about the Farm Bill and obviously you talked about Civil Rights.

What I'd like to do today for just a few minutes is talk generally about agriculture and the trends that we see at USDA. I'd like to talk for a few minutes directly and specifically about civil rights and the USDA and then if time permits I'd like to take a couple of questions.

So we just did an ag census. We went out the last couple of years to gather information about the state of farming and agriculture in the country. And it's a very interesting document. It's about that thick and it's got lots of facts and figures. But I would say that five or six major trends pop out from that census.

The first that popped out to me was the dramatic growth in the number of small farms – small income farms. In the last five years there have been a hundred and eight thousand new farms started with sales of less than a thousand dollars. These are very, very, very small operations. But that is a significant start for people in agriculture and a significant connection to the land - a hundred and eight thousand.

In the other end of the spectrum – the other trend is the very, very large income farms – the farms that generate more than a half a million dollars or more – they also grew by

about 41,000 farms. The challenge and the third trend in the document was that the farms in the middle, the farms that make a little bit more than ten thousand dollars in sales or little bit less than a half a million dollars in sales – we lost 80,000 of those farms. Some of them migrated to larger farms. But the reality is that – and you all live with it – a lot of those farms are no longer in business.

And so we take a look at those challenges. We take a look at those trends and we add to them two additional trends. Now Congressman this is a very important statistic. Sixty percent of all farms - they have less than 10,000 dollars than sales - sixty percent. And we know that 900,000 farms out of the 2.2 million farmers that farm the land and ranch the land today, 900,000 of them have to work off the farm to make it. And they have to work off the farm a rather lengthy period of time during the year – over 200 days – 900,000 farmers work off the farm at least 200 days to make a go of it.

And finally, with the exception I might add of this crowd – want to make sure I protect myself here. I'm not talking about you all. But the average age of farmers has increased rather dramatically in the last five years. The average age of farmers five years ago was 55 years of age. Today it's 57 years – since five years we've aged by 2 years. I saw a sign on the way in from the airport as we drove in from the Atlanta airport today and I was checking out the countryside and there was a sign for somebody who was celebrating his 50th birthday, and the sign said. "Harold's not an antique he's just a collectible. Happy 50th." So I guess those of us who are over 50 are collectibles.

But these are very significant trends: small farming increases; large farm increases; farms in the middle decreasing; aging farmers; farmers having to work off the farm.

So what does USDA do about this? What should it be doing in the next 4 years?

Well, the President has been very specific about this. He is very interested in trying to replenish and renew and have a renaissance in rural areas all across the country. He campaigned extensively in my home state of Iowa. He obviously got a sense from his work as US Senator. In Illinois got a sense of what the challenges were for rural America. And he was very clear when he asked me to take this job. He wanted to see a revival of rural America. So that means in USDA we have to do the following:

First, we have to figure out strategies to make those small income farms become mid-income farms. We have to figure out ways in which they can become more profitable. We've got to figure out ways and strategies to maintain the mid-sized farms that we have today. So that people don't feel a sense of futility. And we have to continue to recognize the important role that larger production agriculture plays. Another interesting statistic Congressman - 125,000 farms of the 2.2 million farms in the country – 125,000 less than 5 percent - produce 75 percent of all of our food. So we essentially need look at the entire spectrum of farming in this country and we at USDA have to figure out strategies to help the small farmers migrate into that mid-sized, maintain the mid-sized farms that we have, and continue support for production agriculture.

Now how do we do that? Well first and foremost, I think on small farms, and you all understand this, it is going to be very important for us in this country to make a major push to focus on nutrition – fresh fruits and vegetables, nuts – things that are good for you. And it can start this year with the reauthorization of the school lunch, school breakfast programs, we can make a major statement about the importance of nutrition. If we're serious about health care, if we're concerned about the rise in health care costs in this country, the notion that we're spending 20% of every dollar in America on health care, we can't continue to do that and be competitive. If we're serious about that, then we have got to focus on nutrition – and we've got to start with this young generation. And in doing so we can create real opportunities locally to produce those fresh vegetables and that that fruit and develop ways in which that product can get into schools and institutions in the local area. Now you've got farmer's markets, which are great, but we have to also still continue with rural development to figure out how we can develop regional distribution systems so that we really encourage the growth and development of this.

We started on the grounds of USDA - and there are folks who are here from the Georgia office, I want you to pay attention to this - we started a process in honor of Abe Lincoln's 200th birthday. He was the founder of the Department of Agriculture and he founded it as the People's Department...and we were sitting around the table the other day saying well how can we celebrate President Lincoln's birthday? And someone said, "Well, we could rename the building." And thought that would probably not sit very well the Congressman – he'd probably think he has the power to do that. I said, "Well how about if we create a garden on the USDA facility. For that matter, how about it we create some garden or some indication at every USDA facility across the country and across the world." So the folks thought that was a great idea. So they gave me a jack-hammer – I

haven't used that one for about 40 years – and I was jack-hammering a piece of the asphalt outside the USDA building in Washington. And we're going to take that and make an organic vegetable garden. And we're going to take those vegetables and we're going to give it to the local food bank, and we're going to have it tended by USDA employees on a volunteer basis and also people with disabilities. It's a wonderful project. We can do that everywhere in the country.

But if we inject a nutrition ethic in this country and a focus on fresh fruits and vegetables we can expand dramatically those small operations that are currently producing those products and create new markets for them. And if we can get them engaged and involved in WIC and SNAP and in the school breakfast and the school lunch program, we can dramatically increase this market. We should do that.

We should also focus on food safety. And I don't think I have to tell anybody in this audience about that issue. Food safety is a critical issue. And it's a critical issue for all of agriculture. It obviously impacts and affects those who are directly impacted by a situation like we've had recently with peanut butter. Peanut farmer's I'm sure are concerned about this and they should be. But every time we have one of these issues it impacts and affects all of agriculture – all of our food system – and our confidence in the food system. If you think about it, 325,000 Americans every year are hospitalized for a food borne illness. And millions get sick but don't go to the hospital. We can't continue to have a system that allows that to happen. And the President was quite clear when he asked me to do this job. He wants a focus on nutrition and food safety.

And so we have to work hard with our counterparts in the federal government - the 14 other agencies that are involved in food safety - to modernize our system so that it is the top, the best. Figure out how to coordinate the systems so that the right hand always knows what the left hand is doing. If the FDA finds out something about peanut butter then we at USDA need to know about it, so we don't provide it to schools, which happened in this case and thankfully nobody got hurt. And I think we need to ultimately into a consolidated system to ensure that we have the very best food system – food safety system – in the country. That is a way of increasing opportunity and not depressing the market in certain categories.

We also have to build strong vibrant rural communities. We've got to recognize that off-farm opportunities are going to continue to be part of the equation for farm families

whether it's the operator himself or herself or whether it's the spouse, or the children. How do we do that? Well, we do it through the Farm Bill; we do it through the rural development component of the Farm Bill. And we make sure that we focus on what Congress has recently done with the stimulus package. I want to tell you folks, we should be thankful to President Obama and to the Congressional leaders for pushing this through because we need this in this country. We need to get people to work. You know that. And the fact that they did it in one month's time is nothing short of extraordinary. And I specifically want to thank Congressman Bishop and the members of the Congressional Black Caucus, in particular, for their advocacy for USDA in connection with broadband. You know there was an interesting division of responsibility in reference to broadband and access to the Internet. The Commerce Department has certain programs. We have certain programs. And there's a tendency sometimes to put all the money in one program. Well, these folks saw the need for rural America to put it into USDA and to encourage USDA to do a better job than we've done in the past of making sure that those monies go not just to underserved areas but un-served areas. If we're going to expand opportunities for farm families, then we need to make those markets potentially worldwide markets available, and that is a tool. Broadband is a tool for bringing industry and business and opportunity to rural America. And we need to make sure that every single American has access to high-speed internet and Congressman, we're going to do our very level best to merit the confidence you all have placed in us.

Part of the strategy obviously has to continue to work as quickly as we possibly can the provisions of the Farm Bill that you all have been talking during the course of this meeting. I will tell you that there are two titles of the 15 titles that I think are very important to the future of farming and rural America. The energy title – creating new ways to produce biofuels. We have a significant dependence on foreign oil. We all know that. The number of oil producing countries – 15 of the 23 oil-producing countries are peaking in their production. There's great demand world-wide even with the depressed economy that oil costs, even though it's down today, it's going to go back up again and it's going to cost us in our farming operations. We have got to develop a more independent source – an American source – and we can do this with our farm fields but we need resources to focus in new crops for biofuels. We need resources to help set-up bio-refineries. And we made our first USDA grant to a facility here in Georgia to work on refining these feedstocks. We need to make sure that farmers have resources in help for harvesting these new feed stocks and transporting and storing them. We've got a lot to learn in this area. We're trying to put this energy title to work as quickly as we can. We

asking the administration to streamline the regulatory process and approval process so that we can get these resources to work as quickly as we possibly can.

And we're also focused on Conservation stewardship part of the Farm Bill. It is also clear that this is a great income opportunity for us to do the right thing with our land to protect our environment but to pay and compensate farmers accordingly for the use of their land for societal benefit – that is a strategy.

We also have to continue to promote exports. We have a trade deficit in this country in terms of all the goods and services that are sold and imported into America, but imported into America but in one area we have a surplus and it's in agriculture. We export more than we import. We generate more income and wealth for farmers than we basically do for farmers around the world. I was talking with the Honduran president yesterday – or two days ago – about the fact that even in his small country the US has a trade surplus. Five hundred million of our agriculture products and services went to Honduras and four hundred million of their product came to us. He wasn't very happy about that, but I thought it was okay. We need to continue to promote exports, which means we have to put resources into our foreign ag service and we need to continue to have a presence around the world, making sure that people understand precisely what we're doing here in America (?) – that we're producing safe and sufficient and sustainable food that ought to be exported throughout the world.

And we need to continue to put money into research so that we can figure out better ways to be more productive and more efficient with our farm operations.

And USDA has to be at the table when we begin a very important conversation this year – for this country. Climate change is real. You all know it. Those of you who work the land, see it. You understand it. You appreciate it. The reality is there's an income opportunity here for agriculture but only if agriculture is at the table. Only as we develop a carbon system – a cap and trade system – as we begin to price carbon – only if we recognize that ag has to be at the table that ag has an important role to play in this effort to turn our country into a less of a user of carbon – a contributor to reducing greenhouse gasses - only when we recognize that will ag be at the table and obtain what is rightfully their portion of this opportunity. If we are not at the table it will be very easy, it will be very easy to forget the role that ag can play. And I will tell you that this is a critical, critical issue and I'm encouraging all you to encourage members of Congress to make

sure that they do not forget about ag as they craft cap and trade climate change legislation.

These are all income opportunities – diversification of income opportunities, value added opportunities - that can help us move the small size income farms to mid-income farms, maintain the mid-income farms and help the production agriculture facilities continue to produce what they do.

Now let me finish up before I take questions with a topic, which you all know more about than I do and that is civil rights. I thought about this when I woke up this morning at about 4:30 AM to prepare to fly down here. I thought to myself what if somehow Abe Lincoln could come back for just a few minutes. And he would look around Washington and he'd see that beautiful monument to himself and he'd see the Ford Theater was just re-opened. And then he might wander down to the mall and he might see this rather large building – the United States Department of Agriculture. And he might wonder himself “I wonder how they're doing in there? I wonder if they're supporting farmers. I wonder if the People's Department is truly the People's Department?” And then he'd walk in and maybe he'd stop someone in the civil rights area and he'd sort of ask. ”How are we doing?” And he'd be told, “Mr. President, some folks refer to USDA as the last plantation.” And he'd say, “What do you mean by that?” “Well it's go a pretty poor history when it comes to taking care of folks of color. It's discriminated against them in programming and it's made it somewhat more difficult for some of color to be hired and promoted. It's not a very good history, Mr. President.”

And I'm here today as my first visit, to this audience, to send a message about this USDA today. We're serious about civil rights. Now as Shirley mentioned I've only been on the job for a month, so bear with me if I don't know all that I need to know. But here's what I do know. I do know that we've had past problems in hiring and promotion. I do know that we have new claims coming in every day about whether or not someone has been treated fairly in the program side of USDA. I do know that we have had absolutely problems in the past and that we have created mechanisms and systems to try to recognize some but not all of those problems and that we have on-going litigation that has been going on for a long, long, long time. And I know that if we don't address the problems that we have today that five years from now, ten years from now, we'll still be having this conversation about what needs to be done to settle lawsuits and class actions

and so forth. So I see those four problems and I say to myself, “What can we do?” More importantly, “What should we do?”

Well here’s what I think we should do. I think we should think about restructuring and reorganizing a portion of USDA. Currently we have a number of undersecretaries – these are people below myself and the deputy in various mission areas of the department. These are important people, and these are people frankly who are charged with responsibility of implementing the programs of USDA. But just slightly below those folks is the Assistant Secretary of Administration. That’s the person who is supposed to sort of handle the human rights, the human resources operations and the technology needs of the USDA. That’s a pretty important job. Well my view is that needs to be elevated and on the same level as those under-secretaries because we want to charge that person - once they’re confirmed and hired – we want to charge that person with helping to solve all of the internal issues with hiring and promotion and it’s going to be difficult to do unless they’re at the same bureaucratic level. Now, you understand what I’m saying Congressman. That’s the way that things work.

And I think we need to make sure we have someone in that position who understands these issues, who understands the history, and who understands the department. And I’m here today to tell you we will be hiring such a person that has the qualification that I am placing on that particular job. Someone who understands this is an important issue that has to be addressed and someone who is knowledgeable enough to be able to address it from day one.

Now that person’s going to need help, because part of what we have to do is we have to hire some folks to help go through the current set of claims that have been recently filed and try to figure out ways in which we can get these resolved fairly and quickly – not repeat the problems of the past. And so we asked yesterday, Mr. Lloyd Wright, who used to work at USDA, to come on board for a period of time and empowering him to begin to address these most recently filed claims in an effort to figure out if there’s a way in which we can fairly, to everyone, resolve them. I know that we also have to work with our good folks in offices around the country – we have thousands and thousands of offices – and we need to make sure that how all those offices are operating are fair to black farmers, and fair to women farmers, and fair to Hispanic farmers and fair to people from all walks of life who want to get in to farming. We have a hundred and eight thousand new farmers with less than a thousand dollars in sales. That’s a lot of new people who want the

opportunity to work the land and we want to give them that opportunity. So we are going to hire a consulting firm to work with our various departments and various offices throughout the country to make sure that all the procedures, and all the processes are fair to everybody – everybody gets a fair shot. And while I can't speak specifically about what we can do today about the pending lawsuits, I will say this. We will need a strong partnership with Congress and the USDA to find the resources necessary to get this matter resolved in a fair and expeditious way. We have waited too long. We have waited too long. We have waited too long.

So I am committed to this and let me finish with just a personal note. Shirley again mentioned that I started out life in an orphanage. Most of the people in this room, maybe even all of you, know where you came from; know what your roots are. You're proud of those roots. Know of the struggles that your forefathers and foremothers bore so that you could what you are today. I'm frank to say I don't know much about my roots. In fact, I'm pretty much a blank slate. What I know is that my mother was 23 years old – my birth mother was 23 years old - when I was born. She stayed for about a month in the orphanage and then she left and I've not had any contact with her since. I know I was fortunate enough to be adopted into a family and that my adopted Mom struggled with alcohol and prescription drug addiction and we went through some tough times. But I don't know where I started. So I feel like I can claim I'm possibly connected to you folks. I know I don't look that part. But I've watched my mother struggle with her addiction and I learned something about life from watching her overcome her addiction, that people of faith can literally move mountains. And people of faith can withstand injustice and unfairness because they believe eventually one-day things will be better. When our President arose and put his right hand up there and I was on that platform just a month ago America took a step forward in being better and now his USDA has to take the next step.

Thank you very much.