

AgriTalk

Mike Adams with Secretary of Agriculture Tom Vilsack
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Note: This is an unofficial transcript of an *AgriTalk* interview.



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Mike Adams: Mr. Secretary, thanks for being with us.

Sec. of Ag. Tom Vilsack: Mike, it's always good to be with you.

Mr. Adams: Well, it is a critical time. Let's start with the farm bill. Are you hearing any rumblings that they're ready to move on this thing yet?

Sec. Vilsack: Well, I've been told that the House is interested in potentially appointing its conferees after taking some legislative action on a food portion of the farm bill. The reality is, Mike, it's a sad state of affairs that we didn't take the month of August to work out differences between the Senate and the House version on the farm programs.

Everybody in the country knows we're not going to have a \$40 billion cut in SNAP, and a lot of folks believe it's a bad idea to separate the nutrition programs from the food programs, so we've wasted time, and frankly, that's something we don't have a lot of. It's important for the House to get serious about this and get it done.

Mr. Adams: You've talked about an extension. Your thoughts on whether that could happen or not. Do you have to prepare for an extension, or can you prepare for an extension, not knowing what that might entail?

Sec. Vilsack: Well, it's very difficult when you combine that together with the sequester, and the uncertainty about the overall budget circumstance, and the debt ceiling discussions. I mean, it's a very complicated and very uncertain time. That's why we need Congress to act on a farm bill to provide our producers a five year certainty about what the farm programs are going to be.

Look, an extension is just an excuse for continued failure. It's a reward for continued failure. And the reality is we were told an extension would allow us to get this bill done last year. After the election it didn't get done. We've had eight months during this year where it could have gotten done. The Senate has passed it twice. The House has got to step it up.

And there's real consequences, Mike, as you well know, to this inaction. You don't get the disaster assistance our livestock producers need resumed, you face potential retaliation from Brazil on the WTO cotton case, you have, if this goes on for a number of months, permanent law coming into play and the disruption that that will create in the market. At the same time we've got huge momentum, we've got record farm income, record exports, record enrollment in conservation programs. I'm not sure why people wouldn't want to continue that momentum as opposed to stalling it.

Mr. Adams: Do you think, though, that that extension becomes their fallback position and allows them to keep stalling?

Sec. Vilsack: Mike, here's the problem with an extension. Number one, it doesn't solve the problems. Number two, it doesn't resume disaster assistance. Number three, and this is the one that's of most concern to me, the price for an extension may be the elimination of direct payments. And instead of taking the resources from that elimination of direct payments, a portion of them, and applying it to a new safety net, it could all be applied to deficit reduction.

So that's a real risk, that we lose the capacity and the flexibility to fashion a better safety net, a more defensible safety net, by fiddling around here. I don't want to run that risk. I want a farm bill. And I think farmers and producers all over this country want a farm bill. There is no excuse. There's no reason and no need for an additional extension. We have the resources and we know what the issues are. We need to get this thing worked out and we need to get it worked out quickly.

Mr. Adams: Well, let's talk about SNAP. I mean, what a huge split here between the 4 billion in cuts that came out of the Senate bill and now the proposed 40 billion by the House Republicans. That's a pretty wide gap to try to find some kind of middle ground. What are your thoughts on these proposals?

Sec. Vilsack: Well, first of all everyone knows that the \$40 billion is not going to happen. The President has said \$20 billion was unacceptable, that he would not accept it. Forty billion is twice as unacceptable. The Senate has been very clear that that's an unacceptable number. And I would suspect, at the end of the day, a majority of House member are very uncomfortable with that number.

The reality is there are ways to get this program in better shape. The Senate has looked at certain steps that could be taken. I think we could ask states to do a bit more in terms of finding folks who are able-bodied and getting them to work and having less reliance on SNAP without disqualifying millions and millions of

people who would otherwise be qualified for the program. I mean, there's still a lot of hurt out there in the economy in certain segments, and that's what this program is designed to provide help and assistance for.

And it breaks up that coalition, Mike, that has been so successful over the decades at getting farm bills through the process. If you are going to ask an urban or suburban legislator to get excited about a farm program, you're going to have to tell them what's in that bill for their constituents. It's hard to make the case, even though we ought to be able to make the case, that farmers provide consumers everywhere tremendous affordability and accessibility of food. But unfortunately, that's not enough. That's why you've had this coalition for years and years and years, and I think it's ill advised to break it up.

Mr. Adams: You think with commodity prices—of course they're kind of moving all over now because of weather—but they were coming down. Do you think that kind of created a little more urgency out in the countryside to put some pressure on members of Congress?

Sec. Vilsack: You would hope so. And when they realize that Brazil can come in and retaliate against our agricultural products because of the WTO case, if you realize how stressed the livestock producers still are because of drought—drought's not gone away, as you well know—when you realize that you run the risk of losing the benefit and the flexibility, if direct payments go, of using some of those resources to fashion a better safety net for farmers when they absolutely need it, when you realize the risks, when you realize that October 1st our trade promotion programs end unless they're reauthorized, the opportunity for a simpler conservation set of programs to make it easier to access those programs, the opportunities that the bio-based economy and local and regional food systems can create with a strong rural development title, I mean there are so many reasons why this needs to get done.

And there's no excuse, Mike, there's no excuse. After two years of fiddling around here, the time has come for Congress to get serious about this. And it requires the House to appoint their conferees, get those reasonable people in a room, work out the differences, come up with a bill that the President can support and that the countryside can support.

Mr. Adams: Can you bring us up-to-date on the Brazilian situation as it concerns cotton and payments?

Sec. Vilsack: Sure. I mean, sequester basically forces every line item of our budget to be reduced, and that includes the line item that has been paying the Brazilians not to retaliate. We've paid nearly a half a billion dollars of taxpayer money to avoid the Brazilians from using the retaliatory steps that they are allowed to take under the WTO because Congress hasn't done its job.

Now I would think the American taxpayers would be awfully tired of making those payments every month just simply because Congress hasn't gotten a farm bill done. And so are the Brazilians. And then come October 1, we won't have any money in the budget to be able to make these payments, and we don't have the authority or the permission to make these payments, so on October 1st, it's not about getting less of a check, it's about not getting a check at all, and we give the Brazilians basically no additional options.

I mean, the expectation was that by October 1st of this year we were going to have a farm bill. Everybody basically indicated that was the intent, that was the desire, that was the goal. It still hasn't happened. And I think the Brazilians' patience is going to run out here at some point and they're going to say okay, fine, here's a list of things that we're going to retaliate against, and American agriculture will suffer as a result.

Mr. Adams: Talking with Secretary of Agriculture Tom Vilsack. We're also watching for any progress on the immigration bill, which seemed early on to have some momentum that kind of now has bogged down. But it's also a key piece of legislation for the future of agriculture.

Sec. Vilsack: Mike, we need a five-year farm bill for certainty about the farm policy and we need a comprehensive immigration reform bill to have certainty about workforce. The tragic reality of American agriculture today is that we're not producing at our top and our potential simply because growers and producers are not certain they're going to have the workforce to harvest whatever it is they plant.

And that not only eliminates opportunity for them, but it also affects jobs because we won't have as much to export. We have record exports now. We want to continue to grow that. We want to build on it. We've got great reputation, great brand. And yet we've got producers making decisions not to harvest crops they've planted, not to plant crops that they're capable of planting, and actually moving crop production outside the United States. I mean, that's an unfortunate circumstance, again, of Congress not getting its job done on comprehensive immigration reform. That's why you're seeing ag groups across the country working very hard to educate members of Congress about the impact on ag.

And then when you realize that we're going to have this big fuss about deficit reduction, you could reduce the deficit by \$850 billion over 20 years without anybody's taxes being increased or anyone's services being cut with comprehensive immigration reform. You could strengthen the Social Security system, you can have an e-verification system that will work for everybody, you can have a guest worker system that's a heck of a lot simpler for agriculture than the system we have today, and you'll have the USDA involved in managing and operating this program, which is a trusted agency in the countryside. These are all opportunities that await Congress' action. And again, the House has the next move in all of this.

Mr. Adams: And we'll see if there's the political will to get this done. In the meantime, are we going to have to go through all this talk of budget cutting and how that's going to impact different services and programs at USDA as well as other agencies?

Sec. Vilsack: We are if there's no budget. Or we are if there's a continuing resolution that hampers our ability to be flexible over a period of time. This is just...you know, folks in the countryside have got to be scratching their head. I mean, you know, when there are issues and there are problems in the countryside, people work together, they work it out, they get the job done. If crops need to be harvested, you work until midnight, you get up at 5:00 in the morning and you start working and you work through the entire day. I believe that folks in the countryside would expect their Congress to do no less.

So there needs to be the will. There clearly is the way. These folks can act very quickly if they have to. And unfortunately, what we have is government by crisis. There's got to be a crisis for these guys to act.

And it's just an unfortunate circumstance because you've got good producers out there just scratching their heads going, you know, what do we do? What do we tell the banker? What do we tell the supplier? What decisions do we make about extension? Do we bid on that farm that's available because we'll have a program that we can rely on for five years? All of these decisions are sort of held in abeyance until Congress acts.

Mr. Adams: And hopefully they will act soon. Mr. Secretary, thank you for your time. We'll talk again soon.

Sec. Vilsack: All right, Mike. Thank you. Bye.

[End of recording.]