



A Conversation with Dr. Kathleen Merrigan Deputy Secretary, U.S. Department of Agriculture

First called the People's Department by President Lincoln, the United States Department of Agriculture is a diverse and complex organization. From enhancing economic opportunities for agricultural producers to protecting the nation's food supply to improving nutrition and health, the USDA supports programs that touch the lives of most Americans every day. How does USDA assist rural communities? What does USDA do to promote the country's agricultural production and exports? What is the Know Your Farmer, Know Your Food initiative, and how does it seek to promote access to safe and nutritious foods? Dr. Kathleen Merrigan, Deputy Secretary at the U.S. Department of Agriculture, joined me on The Business of Government Hour to explore these questions and so much more. —MJK



On Managing the USDA

The USDA was created in 1862 by an Act of Congress that was signed into law by Abraham Lincoln; it's referred to as the "People's Department." It's a wonderful place and a very large place. We have three big buildings in D.C. on the Mall, but we also have offices around the country and around the world. We manage a budget of about \$145 billion. When most people think about USDA, they may think of farmers/ranchers [who are key USDA stakeholders]. Yet, what people may not realize is that nearly two-thirds of USDA's budget is for nutrition assistance programs. We operate the nation's food stamp program, known as the Supplemental Nutrition Assistance Program (SNAP). The department is also involved in the national school meals programs, so the bulk of the USDA budget goes to support of national nutrition assistance programs. Interestingly, USDA is also the fifth-largest employer in the federal government.

Given my background and experience, I have a particular role in this administration leading efforts on building local and regional food systems. President Obama recognizes that we need to invest more in local/regional food systems. I've had great pleasure working on that and all the issues around childhood obesity and childhood hunger with the First Lady. However, as a political appointee, I'm also very cognizant that the sands of time are running through the hourglass.

Given my previous experience as an agency administrator during the Clinton administration, I understand that you really have to set priorities. It's quite challenging with all the things pressing upon us today. It's important to have that laser focus and know how to manage your time to [concentrate on] your key strategic priorities.

On Working to Transform Rural America

Rural America has been in an economic freefall long before the rest of the national economy. USDA is the leading advocate for rural America. Secretary Vilsack, former two-term governor of Iowa, was very cognizant of the problems in rural America—the infrastructure needs, the lower incomes, and [lack of] access to health care. We support rural communities and enhance quality of life for rural residents by improving their economic opportunities, community infrastructure, environmental health, and the sustainability of agricultural production.

For folks on the farms and the ranches, times have been tough. They work really hard, but for some time, we've seen a very serious migration from rural America. At this point, less than 16 percent of Americans live in rural America. In fact, the average age of farmers in this country is 57. Yet, 30 percent of our farmers are age 65 and older. Farmers in their eighties are still farming because they're not quite sure who to pass the farm on to. We're really at a tipping point; in need of a major transition in our rural landscape if we are going to continue to feed ourselves.

We've identified specific strategies to make this happen. Strategy number one is to increase access to broadband in rural communities. On most farms there's a spouse who's working off the farm with this income being really important to keeping that enterprise going. Increased broadband access in rural America would help with telemedicine, attract new business, increase local leadership development, and improve community services. We've really been focused on extending broadband using Recovery Act funding.

We're also very focused on developing and supporting local and regional food systems as a way of creating job opportunities in rural America. Increased economic activity in food-related sectors of the economy helps communities build and maintain prosperity. There is fervor in this country around local and regional foods—food trends that my friends in the retail food industry say they haven't seen anything like it in their lifetime. If we can help build, develop, and revitalize the critical infrastructure necessary for vibrant regional food systems, then the smaller-scale farmers could use it to deliver local foods.

There's a lot of emphasis in this administration on green jobs and pursuing renewable energy specifically. USDA promotes rural America's role in renewable energy production by providing leadership in the research, development, and sustainability of renewable energy and energy efficiency. We're also very excited about recreation opportunities in our national forests and parklands. We think we can do better in terms of marshaling our natural resources to create better economic opportunities. The goal in this area is to conserve our natural resources, both public and private, while reconnecting Americans to the outdoors.

Finally, we're really focused on ecosystem markets. We need to come up with ecosystem markets where farmers and ranchers and others get a benefit from using their resources in a way that helps overall ecosystem development. We need to capitalize on opportunities to develop markets for ecosystem services that mitigate climate change. At the end of the day, it's about fostering vitality in these rural communities.



On the *Know Your Farmer, Know Your Food* Initiative

The initiative is a hard thing for people to understand because it has no budget, it has no full-time staff. You can't come to the USDA and visit the *Know Your Farmer, Know Your Food* office. In some ways this sort of shatters people's typical concept of a program. I say no, it's not a program. It's a management initiative—a USDA-wide effort to carry out President Obama's commitment to strengthening local and regional food systems.

I realized that rather than creating something new, what I really needed to do was look across all of USDA's programs and appropriated accounts and ask the question: Are we doing the best we can do within current mandates to facilitate local and regional agriculture? The answer was clearly no, so the initiative is really about educating across the department and breaking down bureaucratic silos to develop common-sense solutions for communities and farmers. Through this initiative, USDA integrates existing programs and policies, figuring out how to get these programs working in a more synergistic manner so to promote the critical connection between farmers and consumers.

I have a task force that meets every two weeks and part of it is educating one another about what we do. For example, we have a team subcommittee called Local Meat. The committee reviews issues around slaughter capacity. A smaller farm may want to add livestock to their system, but may not have a place to bring the animals to slaughter because of capacity or distance. We've clarified some rules on investments and put some money on the table for mobile

slaughter units; trailers basically, that can come to your farm, are food-safety inspected, and so people can slaughter the animals in these units.

We also bring some outsiders in to talk about what's going on in the countryside. It's a way to cultivate healthy eating habits while educating, empowering consumers. In the end, we are seeking to demonstrate the connection between food, agriculture, community, and the environment. We have a share point on the computer where people share their experiences. It's been really phenomenal and people have been very, very excited about it across the countryside.

On Strengthening the National Organic Program

When I became deputy secretary, I said that it was going to be the era of enforcement in the National Organic Program. I helped write the law in 1990; it was part of the Farm Bill. It takes a while for people to understand rules, particularly complex rules such as those in the National Organic Program. You never want to catch people unaware, but the days of saying, "I just didn't know," are over. This program hasn't gone after people in the way that I thought it should, so we really have put an emphasis on enforcement. We have actually had several legal cases in the course of this administration. I think that there is a new faith in the National Organic Program.

This program's budget is not quite \$10 million, which is a small amount in the scheme of what USDA does. However, it represents a very significant increase over the years and

has made a difference. It has provided program staff more resources to enforce the rules. We also are interested in gaining equivalency with other locales. We signed our first equivalency agreement with the country of Canada. It means that our products can trade across that border without a problem because we've essentially recognized Canada's standards and they recognize our standards as essentially equivalent. They may not be exactly the same, but they are sufficiently the same that we can let trade flow freely. We are working very hard to enact similar agreements with other parts of the world, particularly with the European Union.

On Increasing U.S. Agricultural Exports

USDA is very involved in the National Export Initiative. We are looking for ways to open up markets. We're very involved in conversations with countries over non-tariff trade barriers. We have tactics and strategies tailored towards certain countries. We do have target countries that we're working to expand trade [with]. USDA has 98 USDA offices in 76 countries. Their purpose: identify market opportunities for U.S. agriculture. We have trade missions bringing American companies to different countries to help them export their products. We look overseas to expand sales and boost incomes. Exports also generate additional economic activity that ripples through the domestic economy. Expanding existing market access and opening new markets under future trade agreements will significantly boost U.S. agricultural export sales. We've put ourselves on a pretty ambitious road. We'd like to get to a \$150 billion export market next year in 2012.

"The People's Department"



A new cell tower in Medicine Park, Oklahoma helps local communities in Comanche County connect to the Internet.



Farmers markets offer in-season, local produce to communities nationwide.



Amy Hicks' organic farm participates in a local food cooperative offering a wide variety of food staples.



Brian Broccoli and Colby Carrot encourage students, parents, and teachers during the launch of the Virginia No Kid Hungry campaign.



Nicola Macpherson, agroforester, with her mushrooms and a lot more on her Missouri forestry farm.



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— Dr. Kathleen Merrigan



On Expanding the Use of Agroforestry

Agroforestry is my favorite topic. My perspective on agroforestry comes again from being at Tufts [as a faculty member and director of the Agriculture, Food and Environment Program] and having students write papers on agriculture systems in other countries. What I got back was a lot of stuff about agroforestry and it was something, frankly, I was very unfamiliar with because it’s not very well practiced here in this country.

Agroforestry is the intentional blending of agriculture and forestry to create integrated and sustainable land use systems which in turn can benefit landowners and communities. Basically, it’s another diversification technique a farmer can use on his operation to increase his bottom line. We do practice agroforestry in this country, typically around riparian forest buffers, alley cropping, forest farming, and windbreaks.

Opportunities in things like forest farming and alley cropping have been underutilized. For example, forest farming is the cultivation of high-value specialty crops under the protection of a forest canopy that provides the proper shade level. It includes crops like ginseng and shiitake mushrooms. In alley cropping, an agricultural crop is grown simultaneously with a long-term tree crop to provide annual income while the tree crop matures. Fine hardwoods, like walnut, oak, ash, and pecan, are favored species in alley cropping systems. We’re trying to promote the use of agroforestry by using the bully pulpit. I think it’s a great opportunity.

On Shaping the Future

Secretary Vilsack has put two stakes in the ground. We need to have an expanded notion of this farm safety net. It’s not just about our disaster programs, our conservation programs, even our crop insurance programs, it’s about investing in rural America and making rural America a place where people want to raise families, where they want to farm, and where they want to be. This is the secretary’s vision. We’ll be talking about rural development when we get into that farm

bill debate. The second area the secretary’s talked about and I feel as strongly about is the need to increase the tools in our toolbox to bring in beginning farmers. We need to bring in a new crop of farmers and ranchers.

Yet, the capital cost is huge. Prime farmland in Iowa is about \$6,000 an acre. Also, the average farmer requires nearly a million dollars in assets to farm. Given the increased interest in the local/regional food scene, young people seem interested in reconnecting, getting their hands into the soil, and possibly pursuing a career in agriculture. To do this is incredibly capital-intensive. We don’t have enough tools in our toolkit to transfer land to the next generation in the way that we need [to].

We have another very interesting challenge. It’s a policy paradox, really. How do you have hunger in America—18 million children food-insecure at some point in the year—and obesity at skyrocketing rates? These phenomena stem from the same root cause: the lack of access to good, healthy food. We released the new food icon, MyPlate.gov. It replaces the food pyramid guide and is supposed to make you think about what you eat. If food trends don’t change, then one in three children born after the year 2000 are going to develop Type 2 diabetes in their lifetime; we’ve got to do something. ■

To learn more about the USDA, go to www.usda.gov.



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