

**AN INTRODUCTION TO
'KNOW YOUR FARMER, KNOW YOUR FOOD'**

**Presented by Deputy Secretary Kathleen Merrigan
Before the National Association of Agriculture Journalists
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There is disconnect between the public and the 1.4 percent of the working population who produce their food – I am here today to discuss what USDA is doing about it.

Americans need to be reminded of what American agriculture and rural America do for them.

When we talk about the nation's trade surplus, we're not talking about computers, planes or technology. It's American agricultural products that are number one. Ag generates a trade surplus of more than \$22 billion for the nation's economy.

When we talk about the quality of our soil and water, the state of our wildlife habitat and biodiversity, and the nation's green spaces, we're talking about our nation's first stewards ... our farmers and ranchers.

How many Americans recognize that the health of the vast majority of America's land is in the hands of our farmers and ranchers? We may be an urban nation, but we're an agricultural land. Only about three percent of the American landscape is what we would call "urban."

And when we look to a future of cleaner, American-grown fuels, how many realize that we're talking about producing biomass on our farms and in our forests?

There is a startling contrast between what U.S. agriculture does for us—the fact that one farmer now feeds 155 people, for example—and the changing face of rural America. Despite the enormous productivity of America's farmers—and the environmental and other benefits that rural America generates for the nation—the 2007 Ag Census tells us that our rural communities are hurting.

Our farmers are aging, young people are having a tough time breaking into agriculture, and we've lost about 40,000 farming operations with sales of more than \$10,000 but less than \$500,000—what we call the “Disappearing Middle.”

And now the nation is well underway with another census—the U.S. Census—that will give us a national picture of America's rural communities.

Fifty million people now live in rural America. Urban areas are growing at a much faster pace and more than half of rural counties are losing population. The 2010 Census will likely reflect this ongoing population loss in most counties of rural America.

As you are well aware, the census drives redistricting, which, in turn, determines how seats are apportioned in Congress. Like the rest of America, our future congressional leaders – those determining the fate of future farm bills -- will increasingly hail from suburbia and urban America, having no direct connection to those who produce food.

Given this population and policy shift from the communities and interests of rural America ... given rural America's role as a building block for the rest of

the economy ... and the growing distance of the past few decades between producers and consumers ...

... this Administration is giving a voice to U.S. agriculture. Our vastly urban population must understand what America's farmers are up against ... from drought and pests—to the uncertainties of world markets.

That's why we're stressing—over and over—to Congress, the White House, and to the American public—the connection between economically healthy farms and ranches and a nutritious, sustainable food supply, and the Nation's overall economic health.

And we're doing this in a number of ways. One is highlighting the role of regional and local food systems in closing the distance between producers and consumers, and promoting a vibrant rural America.

Aldo Leopold once cautioned about a “spiritual danger” in not owning a farm ... believing that breakfast comes from the grocery.

I used to think it was a “rural legend” that people thought food came from a grocery store...until I moved back to Boston and launched an urban gardening program in an inner city school ... Sadly, it is true.

Recognizing that there's too much distance between American consumers and those producing their food, we launched the KYF2 Initiative to strengthen that link ... encourage healthy eating ... emphasize sustainable agricultural practices ... and help build local and regional food systems that will generate wealth that stays in the nation's rural communities.

Recognizing, too, that a local food revolution is underway, KYF2 reflects today's America. More Americans are interested in U.S. agriculture than at any other

time since families left the farm. People want to talk. It used to be that I'd go to a party and people would ask me what I do for work. I'd respond that I work in ag policy. And there I would be, left alone with my gin and tonic for the rest of the night. What a turn around. Now when I say I work in ag policy, I'm the belle of the ball.

This morning I googled the following terms: Washington Redskins, 4 million hits...President Obama, 65 million hits...Lady Gaga, 82 million hits...local food, 181 million hits. Local is the strongest food trend in decades. Clearly people are interested in reconnecting with American agriculture and KYF2 is helping to facilitate this.

It is for all these reasons that the Secretary and I have been criss-crossing the country asking a very important question.... It goes like this ... not every family needs a lawyer, not every family needs an accountant, but every family needs a farmer...do you know yours?

At its core, KYF2 celebrates American agriculture by opening new opportunities for the nation's farmers. It's fundamental to the Administration's fight against hunger and obesity, and strengthens our efforts to revitalize rural America.

KYF2 DETAILS

Having now provided the rationale for KYF2, it's time to flesh out the initiative. Let me begin with some important clarifications. KYF2 is not just about direct marketing, although that is a part of it. It is not just about fruits and veggies, although we all understand Americans need to eat more in this food group.

And it is not only about local and regional food systems...it is about making that critical farmer-consumer connection. Oftentimes I use the example of Shepards Grain to underscore this last point. Shepards Grain, a farmer cooperative with 65,000 acres in the Northwest -- produces a fine quality bakers flour which has seen phenomenal

growth, attributed in large part to their efforts to connect their farmers with their consumers.

KYF2 is not a program, in and of itself. There is no KYF2 office, budget, or fulltime staff.

KYF2 is a USDA-wide initiative, launched last September, that is focused on finding ways to address the disappearing middle within the ranks of America's farmers and ranchers...those folk who find themselves big enough to fail but too small to succeed.

It is a series of strategies to undergird these farmers in the middle... and to grow up those farms in the under \$10,000 sales category – which by the way, increased by 108,000 in the last census – into enterprises that support families and contribute significantly to feeding America.

BETTER UTILIZATION OF EXISTING PROGRAMS

To do this, KYF2 builds on current USDA programs and follows through on Congressional mandates to do more to promote local food systems. Under the 2008 Farm Bill, for example, Congress directed USDA to set aside 5 percent of funding in the Business and Industry Loan Program for locally and regionally grown food projects that benefit underserved communities. Last summer, I asked our Rural Development folk how this was going and found out that no one had yet applied for the set-aside. My follow-up question: did anyone know it was available – our rural development employees out in the field and their constituencies?

We have work to do. The KYF2 Initiative is operated by a task force in which every agency and major office of USDA is represented – from AMS to FSA to OGC. We meet every two weeks to exchange information and identify opportunities for improved USDA program delivery. Together we have identified 45 programs that are

particularly well suited to help farmers in the middle. Most of these programs are identified on the KYF2 website and include things like the Value Added Grant Program, Community Facilities Program, and Farm Storage Facilities Program. In some cases, our work is simply to better connect constituents with these programs and underscore the potential use for local and regional food systems.

While our website is a good start, we know that it is too static. Very soon, we will be re-launching the website with more pliable technology allowing us to include more complete information, daily updates, and stories from farmers and ranchers across the country that have written to the KYF2 mailbox.

Another example of utilizing existing USDA programs better is our effort to assist in establishing food hubs. Many farmers continue to be challenged by the lack of distribution and processing infrastructure that would give them wider access to retail, institutional, and commercial foodservice markets, where demand for local and regional foods is reaching an all time high. This problem is particularly acute for operators of mid-sized farms, who are too large to rely on direct marketing channels as their sole market outlet, but too small to compete effectively in traditional wholesale supply chains. Regional food hubs are centralized facilities designed to aggregate, store, process, distribute, and/or market locally or regionally produced food products and will greatly support these ag-of-the middle farmers and to encourage smaller farmers to scale up their operations.

BREAKING BARRIERS

KYF2 is also about breaking down bureaucratic barriers that thwart local and regional food systems.

For example, USDA has hosted Web outreach seminars on mobile slaughter units. These self-contained, FSIS-inspected slaughter facilities provide services to

regional small producers at convenient host farms. In the process, they offer small livestock producers a feasible option for providing a safe, wholesome meat product to local and interstate consumer markets. I had also heard that FSIS rules around mobile slaughter have been less than clear, creating a disincentive for such investments. We will soon be publishing a compliance guide for mobile units so that the rules are crystal clear. At the same time, we are in the midst of discussions about how to help existing small slaughter facilities survive, and to bring more on line.

LAUNCHING NEW STRATEGIES

KYF2 is also about standing up some new strategies. For example, KYF2 is directly connected to the Administration's efforts to address the modern paradox of hunger and obesity. These dual problems share the same root: lack of access to healthful food.

President Obama is deeply concerned about the nation's nutrition, especially that of America's children. And First Lady Michelle Obama, in addition to starting the White House Kitchen Garden last year, has launched "Let's Move"—a nationwide campaign to solve the challenge of childhood obesity within a generation.

KYF2 encourages Americans to understand the link between fresh, locally grown food and healthy diet. Creating awareness of food and nutrition issues is fundamental, but we're also looking at marketing opportunities for farmers and promoting consumer access to fresh and affordable food.

Directly related to the First Lady's campaign, for example, USDA has created the first interactive database—the Food Environment Atlas—that maps food environments at the local level. By looking at markers like "food deserts," food insecurity and farm-to-school programs, the Atlas supports KYF2 across the country, county by county.

Millions in this country live in “food deserts.” These are areas—usually low-income—without access to a supermarket or large grocery store. We’re partnering with the Departments of Health and Human Services, and Treasury, to bring grocery stores and other healthy food retailers to underserved urban and rural communities across America.

This affects food choices and healthy diets and, ultimately, the healthcare issues of the nation.

To help school administrators as they transition to buying more locally grown foods, USDA has formed ‘farm-to-school tactical teams’ that will decipher ways to better connect children with their food and create opportunities for local farmers. The Senate CNR bill includes a \$50 million F2S initiative, and I expect F2S will be included in whatever bill ultimately becomes law. We are now laying the groundwork to make it happen.

THE NEXT GENERATION

In addition to programs supporting sustainable agriculture, KYF2 emphasizes USDA programs that give beginning farmers and ranchers a leg up as they start in this complex, rewarding business. Many 2008 farm bill programs provide an emphasis or set aside for beginning farmers...we hope to get the CRP transitions program out this week.

One competitive grants program, initiated in the 2008 farm bill, provides for projects that develop and offer education, outreach, mentoring and internships programs. The first round of these grants is providing training on entrepreneurship, financial and legal issues, whole farm planning, direct marketing, community supported agriculture, and many other topics in more than 20 states from Maine to Hawaii. We’re also developing a clearinghouse of information for beginning farmers at the web site “Start2farm.gov”

We're planning a "student corner" on the KYF2 web site to link young people to opportunities in farming and the broader food system, including here at USDA. The Office of Personnel Management estimated last year that 53 percent of the federal workforce will be eligible to retire by 2014, and USDA's actual retirement rate has been even higher than the federal average in recent years. Most young people don't realize the wealth of job opportunities at USDA, so through KYF2 we are working to connect their interests in the food system, the environment, foreign affairs, and policy to the career opportunities we have right here in the Department.

A NATIONAL CONVERSATION

Speaking of our nation's youth, I've taken KYF2 on the road with a cross-country college tour. Besides utilizing USDA resources and developing some new strategies, KYF2 is also about engaging in a national conversation about the future of American agriculture.

I've visited 11 schools so far ... from land-grants to private schools ... urban and rural ... from the University of New Hampshire to Iowa State to Stanford ... working to bring the next generation of farmers, ranchers, and consumers into this discussion, and get them involved with the local/regional movement on their campuses.

From my experiences so far, I can tell you that these young people are enthusiastic, challenging, and engaged. The heart of the local food movement, after all, is food and agriculture systems that are sustainable for the next generation.

I use i-clickers in my lectures, a carryover from my time as a Tufts professor. It's the same technology that is used when the audience is asked for

an answer in the tv show “Are you smarter than a 5th grader?” I ask, how long does a chicken live before it becomes your dinner? You’d be surprised at how many students choose 2 years. I ask students how much the average combine costs and then follow up with the fact that the average American farmer has \$950,000 invested in land and machinery.

My favorite question: I ask students about how USDA resources are allocated? Conservation...nutrition assistance...farm subsidies...food safety – which receives the largest share of the USDA budget? In every stop along the college tour the answer, overwhelmingly, has been farm subsidies. There is an audible gasp when my pie chart appears, showing that 69% of USDA dollars goes to nutrition assistance.

As one Stanford student put in, as quoted in the college newspaper coverage of my talk, agriculture policy is much more complicated than he realized.

KYF2 is contributing to a robust national conversation that is increasing the public’s understanding of how communities rely on food, agriculture, working lands, and each other.

CONCLUSION

From the start of this Administration, President Obama has been clear that USDA’s priorities, initiatives, and budget must be targeted to innovative approaches that drive economic opportunity in rural communities.

Because virtually all new jobs in rural America are created off the farm, we must help small rural businesses and co-ops thrive—not just survive—in the 21st century.

While maintaining the strength of the safety net, we must boost the income of small-sized and mid-sized farms. The nation depends on them to stimulate rural economies and prepare skilled young people to take over production of the nation's food supply in the next half century.

Ladies and gentlemen, that is my introduction of KYF2. I will now happily entertain your questions.