

NATIONAL PRESS CLUB LUNCHEON WITH SECRETARY TOM VILSACK

SUBJECT: EXPANDING AMERICAN AGRICULTURE

MODERATOR: THOMAS BURR OF THE NATIONAL PRESS CLUB

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**THOMAS BURR:** [sounds gavel] Welcome to the National Press Club. My name is Thomas Burr; I'm the Washington correspondent for the *Salt Lake Tribune* and the 109<sup>th</sup> President of the National Press Club. Our guest today is Tom Vilsack, the Secretary of the Department of Agriculture. I would like to welcome our Public Radio and C-SPAN audiences, and I want to remind you that you can follow the action on Twitter using the hashtag #NPCLive. That's #NPCLive.

Now it's time to introduce our head table guests. I'd ask that each of you stand briefly as your name is announced. Please hold your applause until I have finished introducing the entire table.

From your right, Christine Warnke, host of Next Word on Montgomery County Municipal Cable; Patrick Delaney, Director of Policy Communications for the American Soybean Association; Jenny Hopkinson, reporter covering agriculture and food policy for *POLITICO*; Krysta Harden, Vice President of Public Policy and the Chief Sustainability Officer at DuPont; Mr. Tony Culley-Foster, President of the World Affairs Council in Washington, DC; Roger Johnson, President of the National Farmers Union; Alan Bjerga, former Press Club president and agricultural writer for Bloomberg News.

Skipping over our speaker for just a moment, Kevin Wensing, Captain, US Navy, Retired, and the Press Club Speaker Committee member who organized today's luncheon. Thank you, Kevin. Emily Skor, Chief Executive of Growth Energy; Joseph Morton, Washington Bureau Chief for the *Omaha World Herald*; Wes Pippert, Washington Program Director Emeritus of the University of Missouri School of Journalism; and Tamara Hinton, founder and Chief Strategist at Comunicado PR.

Thank you all. [applause]

Tom Vilsack, a Pittsburgh native and former governor of Iowa, is the only original member of President Barack Obama's cabinet still serving in the administration. And he hasn't been quiet about either food or politics. Vilsack briefly ran for the White House in the 2008 Presidential race, and was considered by Hillary Clinton as a potential running mate during this election cycle. He endorsed Clinton in 2008 and 2016, campaigning for her in the crucial state of Iowa.

Earlier this year, appearing on NBC's Meet the Press, Vilsack compared Donald Trump to Bernie Madoff. The Secretary has also been mentioned, should Clinton win the White House, as a possible chief of staff. I'm sure we'll have a few questions about that.

At the USDA, Secretary Vilsack has a vast portfolio from food safety and security, to healthy school meal coordination, to coordinating White House efforts to fight heroin use in rural communities. His anti-opioid efforts are generated in part from his own childhood. Adopted as an orphan, he's spoken of his mother's struggle with alcoholism and how that motivated his concern for the less fortunate, especially those in rural areas.

He also leads USDA's efforts to open Cuba to American agriculture exports, and has actively encouraged the development of biofuels to benefit economic development in small towns across the nation.

He's been an active support of the Trans-Pacific Partnership, the controversial 12-nation trade deal that both Donald Trump and Hillary Clinton oppose. He says without this deal, US farmers are at a competitive disadvantage against China.

Please give a warm National Press Club welcome to Secretary Vilsack. [applause]

**SECRETARY TOM VILSACK:** Thomas, thank you very much. Thank you. Thomas, thanks very much, and I appreciate the opportunity to return to the Press Club. It's always an opportunity and a privilege to be here representing the Department of Agriculture and the Obama administration. I do want to make sure that I am clear about this, because my colleague, Shaun Donovan, always wants to remind me that he, too, is still part of the Obama administration, and he started out as the HUD Secretary and is now OMB director. So I want to make sure I give a shoutout to Shaun.

And I want to specifically mention three people who are at the head table. Certainly, everyone at the head table's significant, but I want to point out, it's good to see my good friend, Krysta Harden, who's doing a great job at DuPont and who did an incredibly great job at the Department of Agriculture in a variety of capacities. She was Congressional relations, she was my chief of staff, she was the deputy. She did a fabulous job, and good to see her.

Very good friend, close friend, Roger Johnson, who represents a lot of the farmers that we're going to talk about today. People that can benefit from a bioeconomy. Roger and

the National Farmers Union have been incredibly supportive of our efforts to expand the bioeconomy.

And Emily Skor, who is with Growth Energy, a tremendous partner with us in the promotion of ethanol and biofuels, continues to be a strong advocate for growth and development in rural communities.

So I'm here today to talk about the bio-based economy, and specifically the economic impact analysis that we are publishing today of the US bio-based products industry. This is the second such study that we have published in concert with the Duke Center for Sustainability and Commerce and the Supply Chain Resource Cooperative at North Carolina University.

Last year, we announced that this industry had a \$369 billion impact on our economy, helping to support nearly four million jobs throughout the United States. This is an industry that is also about energy production and fuel production, but much more than that. It's about chemicals. It's about plastics. It's about fabrics and textiles. It's about cleaning supplies and lubricants. It's about insulation materials and packing materials. It virtually touches every aspect of our economy.

This year's report suggests that this is a continued growing and growth industry for the United States. This year's report reflects a \$24 billion increase in the impact that the bio-based economy is having on the overall US economy, now at \$393 billion.

It's supporting over 200,000 more jobs than last year at 4.2 million. And this is an industry that has helped move the unemployment rate in rural America down from its high of over 10% to less than 6% for the first time in approximately ten years.

It's also the industry that's helping to reverse the job loss that we saw in rural America during the great recession, and we're now, for the first time in a while, beginning to see job growth. It's also one of the reasons we're beginning to see a stability to the rural population, no longer declining, and a poverty rate reduction.

So it's a significant aspect of the rural economy, and one that I think has tremendous opportunities to continue to grow.

It's also an industry that's better for the environment. You know, it's interesting to me that in the ten years of the Renewable Fuel Standard, we have seen a remarkable reduction of emissions, equivalent to taking \$124 million cars off the road.

So if you're interested in rural development, you're interested in a strong American economy, you're interested in greater energy independence, you're interested in a cleaner environment, then you need to be interested in the bio-based economy.

And it is one of four what we refer to as pillars at USDA to rebuild and reshape and revitalize the rural economy: production, agriculture and exports; the opportunity to expand

local and regional food systems; conservation, not just for the sake of conservation, but also as an investment opportunity for regulated industries to satisfy the regulatory responsibilities through ecosystem markets; and manufacturing returning to rural America through the bio-based economy.

We have taken an integrated and coordinated approach in the Obama administration to the promotion of this industry. As part of the White House Rural Council, the Department of Energy and the Department of the Navy came together with the Department of Agriculture to address the need for our Navy to expand and diversify its energy sources. In the past, when the Pacific fleet was doing exercises in the Pacific theater, they would rely on energy supplies and fuel supplies that came from the Middle East through the Strait of Hormuz. Today, we're beginning to expand an opportunity for domestically produced biofuels to fuel our jets and planes and our ships, to be able to allow for greater independence and greater flexibility, protecting the brave men and women who serve us in uniform.

This was a result of tremendous cooperation between the Energy Department and the Navy to create a drop-in aviation fuel industry, one that did not exist just a few years ago. We've recently invested in a bioprocessing facility that's taken landfill waste, agricultural waste and turning it into a drop-in aviation fuel, a fuel that is not only of interest to the Navy, but also to commercial aviation interests. We'll have the equivalent of 12,500 flights from LAX this year basically utilizing a blended biofuel. And Alaskan Airlines has indicated by the year 2020 that they are fully committed to utilizing biofuels.

So this is an opportunity for us to create a new industry for the United States. And this administration has taken a very comprehensive approach to supporting this industry. All too often the conversation in this town has been about the RFS. As important as that is, there are other components to support. For example, we have really focused at USDA on feed stock development, on moving way from a reliance on just corn-based fuels, to opening up a wide variety of new opportunities.

We've worked, for example, with nearly a thousand growers across the country under our Biomass Crop Assistance Program, to essentially pay those farmers to produce alternative energy crops on roughly 48,000 acres. We've made sure that they understand that we are going to put the full force of USDA behind that effort by focusing on risk management tools that will allow them to have the same kind of crop insurance protection that generally the commodity crops have.

We've invested over \$300 million in research in feed stock looking at the genomic research, trying to figure out how to be more creative and more efficient and more effective and more innovative with the feed stocks we use. It's one of the reasons why we've seen ethanol production facilities become far more efficient than they used to be, using far less energy and producing far more energy as a result.

We put together a feed stock readiness tool that will give folks an ability to determine, in their particular region, what kind of feedstock makes the most sense. Is it

woody biomass? Is it corn stover? Is it municipal waste? Is it agricultural waste? Is it switchgrass? Whatever it might be.

We've also worked with over 400 companies, investing nearly \$300 million in 47 states to encourage an expansion of this industry to include energy and fuel production, as well as chemicals and textiles, as I said earlier. We've been able to have these 400 companies produce a little over 8.6 billion gallons of fuel. And they've been able to produce as part of the process about 63 billion kilowatt hours of electricity and power.

This is a diverse opportunity. This is an incredibly exciting part of our economy. It is part of the clean energy economy that we are now growing and developing in this country.

We're also looking at major projects, large-scale projects. We've financed six major processing facilities since I've been Secretary; about \$844 million of loan guarantees have been established.

And we've also worked not just with agricultural crops, but we've also looked at the opportunities that our forests, woody biomass has for the development and creation of these fuels and products. We've helped to fund over 230 wood energy projects, primarily in the western part of the United States.

We're looking for expanded markets in addition to creating more creative and innovative feedstocks, looking at ways in which we can process these feedstocks more efficiently and effectively, large-scale processing facilities. We're also looking at where we can sell these products. We're exports. We've had the second-best year of agricultural exports in biofuels in the history of the country. This last year, in 2011, we reached the number one year. So we've seen an expansion of exports.

We've worked with the commercial aviation industry, with a goal of producing one billion of commercial aviation fuels in the very near future. We've invested almost \$1.5 billion in 12,000 businesses across the United States that are producing these new products from bio-based and plant-based materials.

We've worked with our commercial aviation industry. We've even looked at the purchasing power of the federal government, the ability of our purchasing power as a federal agency through the BioPreferred Program. We've identified 15,000 products that are in a catalog that agencies can purchase that are bio-based. We've seen a tremendous replacement as a result of these purchases of nearly 6.8 million barrels of oil that otherwise would have gone into products that we would have traditionally purchased where we're now purchasing bio-based products.

And we want the American consumer to be engaged in this activity as well. We've developed a bio-based labeling program. It started out very small; there were just a couple hundred items that were labeled. Now consumers have opportunities and access to roughly 2,700 products that they can purchase off the shelf. They see the USDA bio-based label; it tells them that this is something that is supporting rural America.

It's important, I think, for us to put this in the context of why all of this is important. In addition to the clean energy aspect of this, in addition to the job creation opportunities, this is really about taking the natural resource advantage that we have in rural America and expanding its capacity.

For far too long, we relied simply on production, agriculture and exports to support the rural economy. We became more efficient in our farming practices, incredibly more efficient. In my lifetime, we've seen 170% increase in agricultural production on 26% less land and 22 million fewer farmers. The challenge was that our country didn't ask the question, as we were becoming more efficient in production agriculture, what are we going to do with the 22 million families that are no longer farming? How can we create opportunities for them, if they so desire, to stay in their small community, in their rural area. How can we create job opportunities for their children and grandchildren?

Well, this administration is asking that question and has put together a comprehensive effort, based on the four pillars, to create multiple opportunities, seizing and utilizing our natural resource advantage. The bio-based manufacturing industry is one that holds out tremendous hope for rural America because of the nature of the bioprocessing that needs to take place. The quantity of biomass that we produce in this country is almost unlimited. And there is a tremendous opportunity here because it's not as if you have one refinery like you do with the oil industry that services a multitude of states. The size and bulk of biomass requires that you have processing facilities every 75, 100, 150 miles.

So it's an opportunity in virtually multiple locations in every state that has rural counties for us to bring manufacturing back. The ability to construct, maintain and operate these processing facilities can add 20, 50, 100 jobs to a small town. It can have a rippling effect through the economy. That's why it was important for this administration to take a holistic approach, looking not just at promoting ethanol, as important as that is, but expanding the horizons, expanding the vision; understanding that we needed to do more research on feed stock; understanding that we needed to help small companies that were in these rural areas, helping to produce more of these byproducts and co-products; working on large-scale refineries so that we could in fact meet the need of the Defense Department for one-half of all of its fuel needs in the Navy being met from biofuel. That's a tremendous new market opportunity.

Listening to the commercial aviation industry and its need for biofuels in order to satisfy international air mission requirements. The opportunity for us to help develop research at a variety of universities, looking at the natural resource advantage of each area of the United States. And allowing us to do an even better job of dealing with the changing climate that takes place and is changing the way in which agriculture is being approached in terms of a changing climate. And the ability to make sure that we are constantly one step ahead of Mother Nature, if you will, as we create new opportunities, expand on existing opportunities in rural America.

In every speech I give, I often point out the importance of rural America. And I'll finish with this before questions. Rural America is the place where most of what we just consumed at this wonderful meal came from by a lot of hardworking farm families. Rural America is where most of the water that we have at our table here today was impacted and affected. Rural America is probably responsible for the energy source of the lights that are on here and the electricity that's transmitting this speech throughout the country.

Rural America is the place that disproportionately sends sons and daughters into the military. Roughly 15% of America's population lives in rural America, but nearly 35-40% of its military comes from rural America.

Rural America's also the place that has provided every person in this room and every person listening to this who is not a farmer to make the decision in their life not to be a farmer. You see, we have either consciously or unconsciously delegated the responsibility of feeding ourselves and our families to a countless number of people across the United States, who work hard every single day to put food on our table.

We are a food-secure nation, which means that we are capable of producing enough to feed ourselves. We don't really have to depend on any other nation in the world to feed our people. Hardly anybody in the world can say that. And when we walk out of a grocery store, all of us have a little more money in our pocket as a percentage of our income than just about anyplace else in the world because we only spend about 10% of our income on groceries and food.

It's a tremendous gift that we get every single day from this place called rural America. So it's incumbent on us to make sure that we preserve opportunities and choice for young people who grew up in these small towns and on those farms to be able to live there if they choose, or for those who have left to come back.

Just earlier today, I had the opportunity to visit with six veterans of Armed Forces, representing every branch of the Armed Forces. They have just begun working with the United States Department of Agriculture. They're one of 11,000 veterans that we've hired since I've been Secretary. They came to us because they wanted to get close to their roots. They wanted to take advantage of what they learned in the military and give something back. It's an exciting new opportunity for these six individuals. And we're opening up that opportunity by creating a more diverse rural economy so that we continue to have young people live, work and raise their families in those rural communities so it can continue to contribute to the greatest and strongest nation on earth.

That's why we celebrate this report today. Because it is an indication that there is positive momentum in a rural economy. There is a plan, a strategy, investments and opportunity. And I'm excited about that. And this report, to the extent that we've seen significant growth in just one year, should hold out hope for all those who are concerned about the future of rural America. It's back. And despite the fact that we're dealing with low commodity prices, I think the long-term future, the long-term prospects that arise for rural America are very, very positive.

So I want to thank the Press Club for giving me this opportunity. And I'm glad to answer whatever questions you can read. [applause]

**MR. BURR:** Thank you, Mr. Secretary. Let me follow up on the topic of your speech real fast. What kind of job training and education will be needed to transition and improve and boost the biofuel production? And what is USDA doing to help with that?

**SECRETARY VILSACK:** Well, I think one of the things that we continue to do is to innovate and create new ways to produce these biofuels and to make them more efficiently produced. There's a tremendous amount of entrepreneurship in this industry. And I would say that the main source of training is in our community college system, the ability of community colleges to take a look at these new bioprocessing facilities that are being located in their community and asking those who will be owning and operating these facilities what kind of workers do you need.

I think it also will put a tremendous premium on those who can construct, those who can weld, those who can put structures together. I was in a small facility, a welding facility in Lee County, Iowa, not long ago, seeing an expanding small business that interestingly enough had just opened up its new solar energy system that's eventually going to reduce its overall operating costs. And very proud of the fact that they were that innovative. Their workforce connected, if you will, to the bio-based economy, basically tied very critically to the community college system.

We help community colleges, we help universities, through a variety of ways. We have community facility loan programs and grant programs that oftentimes go to help equip those schools. And of course, most of our research is funneled through our land grant university system.

So in a way, we are helping to create the innovative approaches that will require a new workforce. And once we send that signal to the marketplace, then the marketplace sends the signal to the community colleges: This is what we need. We need more welders. We need more folks who understand how to operate one of these bioprocessing facilities, how to repair the facility.

And there's a tremendous amount of technology and computer technology that's required, so obviously IT is also incredibly important. And that's why it's important for the USDA to continue to invest in broadband expansion throughout rural America. We've done a good deal of that, several hundred projects, but we obviously need to make an even greater commitment, I believe, as a country, to making sure that everyone has access to high-speed broadband.

**MR. BURR:** You fit a lot into that answer. How expensive is biofuel production compared to traditional fuels?



**SECRETARY VILSACK:** Well, I will tell you this, that American consumers are benefited from biofuels. There are a variety of studies, depending upon the price of oil at any point in time, but the lowest savings I've seen is about 25 cents a gallon on the gallon that you're purchasing at the pump. And when gas prices are high, it can be as much as a dollar a gallon. It is reducing our reliance on foreign oil, which obviously has both direct and indirect costs.

t has become far more efficient. I think part of the challenge with this industry is that many of those who have concerns about it are basing those concerns on research that was done or on studies that were concluded decades ago. This is a much more efficient, innovative industry that it has been. There's constant, constant, efforts to improve the efficiency. And one of the great things about this industry is it's not just the fuel that's produced; it's also the byproducts, whether it's the feed supplement, DDGs, or other co-products. Oftentimes you'll see one of these facilities providing CO2 to a brewery, to a microbrewery.

So there are tremendous synergies that occur with an industry like this in a bioprocessing facility. And as we learn more about how we can convert biomass into everything, plastics, everything in an economy can be plant-based and reduce our reliance, and balance our reliance on fossil fuels and the impacts that that has.

So it's very competitive with regularly produced gas. And it results in a significant savings to the consuming public at the pump.

**MR. BURR:** The questioner notes that the agriculture community is extremely grateful for USDA's support of the bioeconomy. But is the USDA disappointed with EPA's position that bioenergy from annual crops is not low carbon and should be regulated the same as fossil fuels?

**SECRETARY VILSACK:** I think part of the challenge of an emerging industry, of an industry that has a decade or two of history as opposed to one that's got a longer history, is that we have to constantly reeducate and constantly educate folks about advancements that are being made. We're doing that. We're looking forward in the next month or two to putting out a study of land use in terms of biofuel production. I think it's going to surprise people in terms of the efficiencies that have occurred in this industry. And I think it's part of our effort to do our job, which is to make sure that regulators and decision makers, both at the state and federal level, are aware of the most up-to-date research, the most up-to-date information.

We did a literature search recently that sort of compiled all of the new research that gives a much better picture, that establishes that there is significantly more energy produced, for example, with a gallon of ethanol than in the past. And in fact, it is, from our perspective, more energy efficient, if you will, than a barrel of oil.

**MR. BURR:** So the airline industry is obviously a large user of fuel. Can biofuels be used for commercial aircraft? If not, are there ways to adjust that so they can be used?

**SECRETARY VILSACK:** Not only can they, they are. And that's why I mentioned the fact that the equivalent of 12,500 flights from LAX are actually being fueled on blended biofuel, Alaska Airlines making the commitment.

Here's the challenge. This industry was introduced as an industry that was going to allow your car and truck to utilize a biofuel. And part of the challenge of that is to make sure that you have that fuel available. We're now in the process of trying to encourage the industry, writ large, to expand access to higher blends of ethanol. Many consumers have cars that can take much higher blends than 10% ethanol blend; they can take 15%, they can take up to 85%. The challenge is to make sure that we distribute supply and we have the distribution systems that will allow a consumer conveniently and easily get that higher blend. That's why we put \$100 million behind an effort to expand blender pumps throughout the United States, 21 states. Including Texas, which was a very aggressive user of this program, have sort of matched our \$100 million with \$112 million of commitments to expand roughly 5000 new distribution systems.

But you're dealing with hundreds of thousands of pumps and tens of thousands gas stations. The beauty of commercial aviation is 40 airports sell 90% of the jet fuel. So you really only have to distribute to 40 different locations. So that's why I think the long-term opportunities for this industry will be complementing what we're doing for cars and trucks and continue to expand higher blends, but also understand and appreciate the amazing opportunity we have on the commercial aviation side and on the Defense Department side. The combination of those two things I think suggests that the future is quite bright for this industry.

**MR. BURR:** Since we're talking about this, Mr. Secretary, I'm wondering if you personally use a vehicle that uses a higher blend of biofuel.

**SECRETARY VILSACK:** Well, the car that the federal government provides to me is a flexible fuel vehicle and consumes a lot of ethanol, actually. My personal cars, one is nine years old and one is ten years old. One is a hybrid; the other is a flexible fuel vehicle. So we consume ethanol in both of our personal vehicles.

**MR. BURR:** Do you want to name them just to give them a little product placement? [laughter] We're all going to wonder.

**SECRETARY VILSACK:** It's a Mercury Mariner that's no longer in production, and a Ford Fusion, I think is the car my wife drives.

**MR. BURR:** This question comes from our friends at the National Farmers Union, I believe. They said they appreciate the work you've done in building blocks of climate-smart agriculture, and wondering what they can do to help the next administration, whoever is leading it, maximize farmers' contribution to climate resiliency.

**SECRETARY VILSACK:** Look, farmers stepped up in a very specific way before the President went to Paris to negotiate the Paris Climate Agreement. The ability of

American agriculture to step forward and say, We think we can, using USDA programs, we can double the rate of emission reductions, which will allow the President more latitude in making a commitment of 26 to 28% reduction, based on a 2005 baseline. And we've identified ten building blocks – everything from better soil health through cover crops, better irrigation systems, rotational grazing with livestock, opportunities to use wood products more effectively, the ability of renewable energy to be expanded – ten building blocks where we have measurements each year that American agriculture can meet.

So these building blocks are basically baked into the American commitment at Paris, and are going to contribute, as I say, up to 2% of the overall reduction amount, 2% of the 26%. So it's a fairly significant commitment that we made that empowered the President to go to the Chinas and Indias and say, Hey, we in the US are very serious about this, and you need to be serious about it.

There's an amazing chart in the most recent *National Geographic* that shows the impact of climate and greenhouse gas emissions, and why it's important for the Chinas and Indias to get engaged in this in a meaningful way. We're doing our part in the US, but we have to have international cooperation. So the fact that our farmers stepped up I think is a strong indicator of the commitment this country has made.

And in talking with farmers, we're equipping them through our climate hub efforts, our research efforts to be more adapting and more mitigating the consequences of climate. They are the ones who are on the front lines here. They see every single year the difference that climate and weather variability make in their production processes. They know. They have to deal with drought. They have to deal with floods. They have to deal with pest and diseases that hang around longer because of a warming circumstance. So they deal with this on a day-to-day basis.

And I'm confident that they will not just ask, but demand that future administrations be very serious in helping them providing them the resources to do these building blocks so that at the end of the day we can make our contribution. It's a positive story for American agriculture.

**MR. BURR:** Thank you. Switching gears just a little bit, some have called you the Secretary of Flyover Country. How have you helped rural America regain jobs and fight poverty, drug abuse and crime?

**SECRETARY VILSACK:** Well, those are, in a sense, the same question, but they're two different questions. Let me try to answer the economy question by somewhat reviewing what I just said. There are four strategies to rebuilding the rural economy. There's a natural resource base in the rural economy. That's what we have. And in the past, we've been an extraction economy; we've extracted our natural resources and we've used those to create economic opportunities.

What this administration is doing is it's creating a sustainability model, one that can be replicated, one that doesn't necessarily extract, but one that basically renews. So

production agriculture and exports. Obviously, we produce more than we need in this country, and so we have this opportunity to expand job growth and create a supply chain that meets the export needs of the country.

We've had eight best years of agricultural exports in the history of the country in this administration. It's helped us support a million jobs in small towns and in big cities. But it can't just be that. It just can't be that. So the local and regional food system, we've invested nearly 40,000 separate investments, near a billion dollars in creating a supply chain for local and regional food systems, allowing small and mid-sized producers the ability to market directly to a consumer so that they can dictate their own price. They're not dependent on the Chicago Board of Trade, they're not dependent on a commodity price. They can dictate their own price. And we're seeing a great deal of growth. It went from a \$5 billion industry just about the time I started as Secretary to now a \$12 billion industry. And it's projected the next couple of years to go to \$20 billion. So it's a multi-billion-dollar opportunity.

Conservation. We have a record number of acres enrolled in conservation today. American farmers and ranchers, stewards of the land and water. But we need to basically help them finance these conservation practices. And one way to do that is by saying to regulated industries: We're corporations that have a social responsibility that's focused on conservation. Coca-Cola just recently announced that they re-upped their commitment to reclaim all of the water that they use in their Coca-Cola products by committing to another one billion liters, that they'll work with USDA through conservation programs, putting millions of dollars behind this.

Those millions of dollars that Coca-Cola is putting into this will go to farmers and ranchers and producers to expand significantly conservation opportunities. That's creating an ecosystem market. Water markets, habitat markets, soil health markets, carbon markets, these are all new opportunities for investment.

And then the bio-based economy. When you're talking about 4.2 million jobs, many of those jobs are in those rural small town areas. And we're just going to continue to see a growth in development of that type of opportunity if we stick with it. And I'm confident, given the results, given the fact that we're seeing unemployment come down, given the fact that poverty is coming down, given the fact that we are better off in terms of unemployment than we were since 2007, given the fact that this industry is creating new jobs, phenomenal growth in just a year, based on this study, I would think it would be wise for future administrations to continue investing in this new opportunity.

**MR. BURR:** You've been the point man for the administration on opioids that hit rural areas pretty hard. What can America do more to stop the opioid addiction, starting with at hospitals and those who are addicted?

**SECRETARY VILSACK:** Well, look, it starts with creating an economy so that young people in particular see that their tomorrow can be better than their today. That's really a pretty simple proposition. If you think your tomorrow's not going to be any better, then you might be tempted to look for an escape. Number one.

Number two, on the opioid issue, it is important and necessary to start with prevention by making sure that physicians and healthcare professionals in rural areas are fully aware of the new CDC guidelines, aware of the FDA warnings about the addictive nature of opioids, and use opioids sparingly.

The nature of work and life in rural areas oftentimes leads one to have back problems or shoulder problems because it's physical in nature, the work is physical. So it is going to be important for us to expand opportunities for physical therapy and things of that nature as alternatives to opioids.

It is also incredibly important that in those small towns that we provide the resource to first responders, to police, to EMTs, to be able to have access to reversal drugs so that if there is a tragic overdose circumstances, that a life can be saved.

Recently, I talked to a company that has just recently received permission from the FDA to use a nasal spray, naloxone, Narcan. It's a very simple one-dose thing. It's incredible, relatively inexpensive. And they have actually been willing to provide every school in the country, free, one of these, a dose or two of this Narcan so that they have it on site. We need to take advantage of that kind of thing.

And then, the third thing we need to do is we need to expand access to treatment. Mention was made of my mom's circumstance. And my mom was just a tremendous hero in my life because she decided after several suicide attempts, after splitting up our family, after having some very violent activities, she decided to turn her life around. But that's not enough. This is a disease. It's not a character flaw. It's not like if you just toughen up and exercise free will you can overcome an addiction. You have got to have help. Just like if you're a cancer patient, just like if you have diabetes, you've got to have help. The help isn't available in rural areas.

Of the over thousand behavioral service centers that are located in the United States that provide that kind of help, only 25 of them are located in rural areas. That's why the President has proposed a substantial increase in the budget to basically provide the opportunity for us to expand treatment in thousands of different locations. Thousands.

And once you have the treatment, then you have to make sure that you have the transition that allows people to gradually reincorporate themselves back into society. So whether it's supporting sober high schools, for example, so if young people are having a difficult time with addiction, we don't put them right back immediately into the school where the temptation is great. You create opportunities for them to get themselves strengthened.

If you've got someone going through a drug court, you basically don't put them back into the neighborhood where they came from; you give them transitional housing. You give them the opportunity to get some education and training so that they're stronger.

And then, finally, that you have a criminal justice system that doesn't punish this, that understands that this is a health issue, this is a disease issue. And we need to understand that. And we can't criminalize it. We can't jail our way out of this process. We have to create more support for mental health services in this country, more support for substance use disorder services.

And then last, but certainly not least, every single person in this audience, every single person listening to this, has a responsibility of understanding this is a disease. Again, it's not a character flaw. It's no different than any of the other diseases. If I told you that one of my children had cancer, your immediate reaction would be, Oh, that's so terrible, what can we do to help? Why aren't we saying that same thing to a parent who's got a child who's dealing with addiction? We need to.

So we need to create zones. We need to create the ability of people to move forward, step forward in a way that makes it easier for them to acknowledge they have a problem. Particularly in rural areas. Rural folks, they're self-reliant, they're independent. It's hard for them to say, A loved one or myself has a problem. We need to create more of a comfort for people to come forward.

And I think the faith-based community has a responsibility there that they need to exercise, which is why we're trying to marshal the faith-based communities to have those conversations, to create the meeting places for AA. I know that was incredibly important for my mom. She had to have somebody that she could call every single day if she was tempted. She had to have an AA meeting that she could go to seven days a week if she needed to. It may not be possible in a rural community, but you at least ought to have one or two AA meetings. You at least ought to have one or two sponsors that you can call.

So it's important, I think, from a rural perspective that we expand access to treatment and recovery support services.

**MR. BURR:** Sir, the *Washington Post* recently reported that you went to President Barack Obama and offered to resign because you felt like you had done all you could possibly do, but he asked you to head up this opioid crisis and fixing it. Can you tell us a little bit about that conversation and why you stayed on?

**SECRETARY VILSACK:** I think this was before Krysta left. I had such good people working at USDA that all of the challenges, all of the issues that we have, and we have numerous of them every single day, were being handled very well by our team. Not as much was coming to my desk; I didn't have to make as many decisions because they were being made the right way. And career staff was really engaged. And so, there just wasn't as much to do.

And I'd had an experience with my grandson that made me stop and think about things. I was home in Iowa one day, early in the morning, and there was a knock on the door and I thought it was some contractors that were working on our house. So I opened up the

door and there's my six-year-old grandson, Jake. They live kind of cater-corner to where we live. I said, "Jake, buddy, what's up?" He said, "Granddad, I was just thinking about you and just wanted to know if you wanted to come out and play." It sounded really good. [laughter]

I said, "Buddy, unfortunately I've got work to do today, I can't. By the way, does your mom know you're here?" "No," he said, "I just took the pathway that Dad made." And I said, "Well, we better go home and we better tell your mom where you are."

So as we're walking back, he's got his hand in my hand, we're walking back, we're talking about things. He said, "You know Granddad, you are really old." [laughter] "But you know everything."

And I had that experience that the reality is that these jobs – and I'm not saying this for me, I'm saying it for everybody who works in these jobs – it may seem glamorous and it may seem exciting and it may seem like it's just an incredible honor, and all of that is true, but there is a sacrifice involved in it, especially if you're away from family. And you have to make sure that that sacrifice is balanced against your capacity and your ability to make things happen, and for you to contribute to something positive.

The team at USDA is just incredible. There's incredible people. The bright, young people that work at USDA who are politicals are just a remarkable group of people. And the career people, oh, my gosh, they're so dedicated. They're wonderful folks. They were doing a great job. They didn't really need me. And that was what I was trying to convey to the President. And he said, "Well, in essence, there's still work to be done. What about this?" And provided me a list of options, and the opioid issue was one that was important to him, important to the country, and one that obviously had personal significance to me. So it made sense for me to throw myself into that.

And I think we've made advancements. We've got the new CDC guidelines. We've got the warnings labels on the FDA. We have naloxone being more available. We've got grants going out to expand treatment facilities. We've got the President's budget before Congress, and I hope that they see the wisdom of funding this as a priority, because there's a lot of conversation, a lot of rhetoric in Congress about this issue. But right now, as of today, there's not much in the way of resources. And at the end of the day, to get results you have to have resources.

So hopefully when they finish their budget work, there'll be adequate resources to expand treatment options. And I think if they do, then I'll be confident that the time I spent away from Jake and his sister Ella, and Caroline, and grandson Cass, who I saw this week in Denver, will have been worth that sacrifice,

**MR. BURR:** Perfect transition to this question: Should Hillary Clinton win the White House, would you serve as her chief of staff or in any other position in the administration?

**SECRETARY VILSACK:** I have to be careful answering this question because it's an official event. Frankly, with all due respect, I don't think anybody should be talking about what jobs are available or what's going to happen after the election. I think everyone should be focused on supporting the candidate of their choice and making sure that this is an election that, at the end of the day, people are proud of.

We've got an amazing political system in this country. I guess it's easy to be critical and it's easy to make fun of, but it's really hard running for office. Let me tell you, it's really hard. It's hard because your family has to watch those commercials that have nothing to do with who you actually are, but a perception that's being created about you. It's hard because it's physically exhausting.

On the way in here, my scheduler Chris – there he is, Chris, a good, young man – I was giving him heck because I've had one full day off in the last three weeks. That's me. Your remarks about my Presidential campaign were about as long as the campaign itself. [laughter] So the reality is, it's hard work.

And then the question is, well, what other system would you like to have? What other system would you like to be under? It's messy, but it's the best that we've got. And it involves a government that far too frequently is criticized unfairly. Ninety-nine percent of what's happening today in every single department of the federal government is positive.

There are people working today to expand exports for farmers; that's government.

There are people today making home loans to folks in rural America that otherwise could never get a commercial bank to give them a loan; that's government.

There are farmers who are struggling through tough economic times who are on a waitlist because we didn't appropriate enough money for all the credit needs. They're getting their loan today, which is going to save their operation potentially; that's government.

There's somebody doing conservation work somewhere preserving the soil and the water for all of us; that's government.

There's someone inspecting whatever it is we ate today, making sure that when we consume it and our families consume it, it's safe. We've seen a reduction in food-borne illness in this administration; that's government.

That's just one department. There's somebody out there protecting and fighting forest fires today, putting their life on the line in one of the most dangerous circumstances ever. That's government, protecting 70,000 communities that are interfacing the urban-wildfire interface. That's just one department. Just think about all of the other things that are going on today.



So with due respect to the question, public service is noble. And I will never apologize for it and I will be proud of it. And anyone who has the opportunity to provide public service is blessed.

**MR. BURR:** Well, that tees up this question, sir: Do you see yourself getting involved in any politics in Iowa, perhaps a Senate seat, in 2018?

**SECRETARY VILSACK:** This is my theory, and it's only my theory; it's probably not accurate, but it is for me. I've been a mayor, I've been a state Senator, I've been a governor, and now I've been a Secretary. Here's what I know about myself: I'm an executive. I like to make decisions. I like to implement decisions. Does that answer your question?

**MR. BURR:** So you're saying more administration, not Senate.

**SECRETARY VILSACK:** There are people who are really, really good at legislating. They're really good at compromise and shape-and-builds and that kind of stuff. I just didn't just enjoy my six years as a state Senator as much as I enjoyed the five years as a mayor, the eight years as a governor, and soon to be eight years as a Secretary.

**MR. BURR:** I think this is an important question to ask any government official these days: Do you use any private email for government business? [laughter]

**SECRETARY VILSACK:** Well, the reality is that a lot of folks who know you back home know your private Gmail account, or whatever account you have.

**MR. BURR:** Which is? [laughter] I'm joking, you don't have to give it to me.

**SECRETARY VILSACK:** Well, everybody's got it. And so, they'll send you an email. I got an email the other day from a guy who's got a water issue. Somebody's pumping, it's a construction site and they're pumping water into a wetland or something, and he was saying, "Hey, what about this?" That's government, right? You can't help that. But you transfer it to the USDA account and then you delegate the responsibility of responding to it.

So because of the nature of people who have been in your life before you got this job, you're naturally going to have emails like that.

**MR. BURR:** Let's switch subjects real fast. Global food security is an increasing worry, and going into the future it will become more of a worry, it sounds like. How can the US ensure food security? And what can Americans do to help?

**SECRETARY VILSACK:** Well, the good news is, when I started this job, we had a billion people who were food-insecure globally. Today it's 825 million. So that's 175 million fewer people that we're dealing with.

The long term is a challenge, because we're going to have to increase food production, I've seen anywhere from 50 to 70%, in the next 35 years to meet a growing world

population. But the first step and one way the USDA can provide help and assistance to meet this need is to expand on the issue of food waste. A third of the food that we grow, raise and produce in this country is never consumed the way it was intended; it's wasted. It ends up oftentimes in our landfills as solid waste. In fact, in our landfills today, food waste is the single-most largest component of solid waste in landfills.

So first and foremost, America can stop wasting food. We can reduce portion sizes. We can have a more informed consuming public. USDA is providing an app that allows you to sort of go online and figure out if something's been in the refrigerator a couple days, is it still okay to eat? And if we can't reduce it or reuse it, then we need to recycle it. That's one strategy that we're working on, we're working on with the EPA and 4000 partners in a challenge. We've challenged all of us by the year 2030 to cut in half food waste.

Secondly, we can work, as we do with our partner agency at USAID with what was used to be referred to as Feed the Future. It's now the Global Food Security Act, codified by Congress because it was successful. We can train farmers from around the world to utilize more productive agricultural practices. We can eliminate food loss, not waste, but loss in these developing countries because their storage facilities are in need of significant enhancement. We can do research so that folks can figure out how to grow more with less, whether it's drought-resistant crops, things of that nature. So USDA is engaged in that activity. And making sure that we properly store and handle food in developing countries.

The Feed the Future initiative has been incredibly successful in terms of the number of farmers who have been trained, millions; the number of children who have been fed; tens of millions, and the number of opportunities in 77 countries to have a better understanding of what they need to do in order to meet their food needs.

And then, frankly I think trade is also part of this. And the reality is that, if you can efficiently move food from one place to another through trade, that's also going to make a big difference.

**MR. BURR:** Let's ask about that. Can you discuss a bit more the benefits of TPP for us and competing internationally with exports?

**SECRETARY VILSACK:** Thirty percent of American agricultural gross income is related directly to exports. Twenty percent of farm income is directly related to exports. So if you don't have trade, if you don't have exports, you're going to have a very difficult time in farm country. If we think prices are low today, they would be significantly lower were it not for the fact that we're still going to have one of the top ten years of trade exports this year, even though it's down a little bit. But certainly, the eight years we've had have been over a trillion dollars of ag sales.

So when you look at TPP, when you look at the Asian-Pacific area, what you see is a growing middle class consumer. If you look at Asia, writ large, you're talking about, today, 525 to 530 million middle class consumers projected to grow by 2.7 billion in the next 15

years. That's ten times the American population. Ten times. These are middle class. This is not citizens total in Asia. These are middle class consumers.

And these are people that would want to buy and can afford to buy American products, who understand the American brand of agriculture reflects great quality, great safety, affordability and stability in supply. So why would we want to cut ourselves off from that market, number one.

Number two, if we don't do this, if we can't find the will to do these trade agreements, the rest of the world's not going to say, Oh, gee, the United States is not going to do this, so we'll just stop discussing trade and we'll all just sell to ourselves. That's not what's going to happen. What's going to happen is, they're going to go off and do bilateral trade agreements or multilateral agreements that don't include the United States.

We have one of the most open markets in the world today for goods coming into this country. What we want is, we want the rest of the world to open up their markets. Pretty tough to do without trade agreements.

We also want to up the game of the world. We want the world to do a better job on labor and environment. Well, in order to do that, you have to have provisions and agreements that are enforceable. And in Asia in particular, the question is, if you had a choice between the United States leading that effort to a higher standards agreement on labor and environment, trade barriers, tariffs, and things of that nature, or China, who do you feel more comfortable writing the rules of the future? Us or China? Because China right now is attempting to negotiate an all-Asia trade agreement that does not include the United States.

So from a geopolitical perspective, it's really important for the United States to be in the game here.

I think that there are direct assistance and benefits to American agriculture through trade, and I think it is important for the United States to be engaged in that part of the world, because that's where the population, that's where the action is. And we need to be where the action is. We need to be leading that effort. We can't be a follower on this.

And frankly, the agricultural industry has done, I think, a tremendous job in advocating for trade. I think the rank and file farmer out there understands and appreciates, for the most part, trade. Now, there may be disagreement on specific trade agreements or specific aspects of a trade agreement. But on the concept of trade, I think American farmers almost universally say, yes, this is a good idea.

I don't think that the rest of American business and industry does as good a job as agriculture does promoting the benefits of trade. Which is why it's easier today for us to hear a lot of negative talk about trade.

So the challenge— and I'm sure that American business thinks that they're doing just a fantastic job, but they haven't because it's easy to talk about a plant closing and say that plant

closing is a result of trade. It may have absolutely nothing to do with trade; maybe it has something to do with globalization, but not trade. But it's easy to sort of conceptually understand that. It's harder when some small business adds two jobs and another small business adds ten jobs and another small business adds 15 jobs, and the cumulative effect is far greater than that plant closing, but it's not aggregated, it's not cumulated. And so, therefore, it doesn't create the headline. It doesn't create the news story.

So the result is that American business has an even heavier responsibility to get out there and explain to their workers, to their customers, to their supply chain, Hey, we're all in this together and we rely for our economic future in part on trade. I think if they did a better job of doing that, maybe these discussions about trade wouldn't be quite as difficult as they are today.

**MR. BURR:** Thank you, sir. Before I ask the final question, a quick reminder: The National Press Club is the world's leading professional organization for journalists, and we fight for a free press worldwide. For more information about the Club, please visit our website at *press.org*. That's *press.org*.

I'd also like to remind you about a few upcoming programs. On Friday, Roberto Azevêdo, the Director General of the World Trade Organization, will speak here. On October 12, Ray Mavis, the Secretary of the Navy, will address the Press Club. And NBA legend Kareem Abdul-Jabbar will speak here on October 17. I think I'll need a stepstool for that one.

Now I'd like to present our guest with our traditional National Press Club mug.

**SECRETARY VILSACK:** Thank you. [applause]

**MR. BURR:** You probably have a set of those now, I'm guessing.

**SECRETARY VILSACK:** One for every member of the family. Thank you.

**MR. BURR:** A last fun question: As part of your tenure, you've had numerous appearances with children's characters, such as Elmo and Alvin and the Chipmunks. Of the characters you have worked with, which one is your favorite? [laughter]

**SECRETARY VILSACK:** Oh, that's easy. It's one that probably the First Lady's not going to be too happy about. Cookie Monster's my guy. [laughter]

**MR. BURR:** Thank you very much, Mr. Secretary. [applause] Thank you, and we are adjourned. [sounds gavel]

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