

NATIONAL PRESS CLUB HEADLINERS LUNCHEON WITH U.S. SECRETARY OF AGRICULTURE, SONNY PERDUE

SUBJECT: BACK TO OUR ROOTS

MODERATOR: ALAN BJERGA OF THE NATIONAL PRESS CLUB

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ALAN BJERGA: [sounds gavel] Good afternoon, and welcome to the National Press Club today for today's speaker's luncheon. I'm Alan Bjerga. I was president of the club in 2010, but cover food and agriculture issues for Bloomberg News, which may explain why I've been exhumed for today's luncheon.

We are pleased to have as our luncheon speaker Secretary of Agriculture, Sonny Perdue. We welcome him for the first time to the National Press Club, joining our other distinguished century-long roster of speakers.

First of all, before we begin his remarks, I would like you all to please put your phones on silent. Now, back in the day, we used to tell you to turn them off. But we want them on silent now because we would like you, if you would be so inclined, to live Tweet this event. The hashtag is #NPCLive. That's also true for all you folks out there in the Twitter verses. We can follow that online.

We'd also like to take a moment while you are silencing your phones and turning off other potentially obfuscatory or distracting devices, to introduce our head table. We'd like you to hold your applause until after the full head table is introduced and then you can erupt in rapturous applause. We have, starting from my left and your right, Marc Heller. He is an agriculture reporter at E&E News; Paul Merrion, Senior White House Correspondent at MLex White House Watch; Tamar Hallerman, Washington Correspondent at the *Atlanta Journal Constitution*; Michawn Rich. She is the Deputy Communications Director for Secretary Perdue; Philip Brasher, Senior Editor at Agri-Pulse; Stephen Censky, the Deputy Secretary of Agriculture. That's the number two for Sonny Perdue. We have Betsy Fischer

Martin, to my right, your left, Executive in Residence at American University and co-chair of the NPC Headliners Team, which put together this event.

Skipping over our speaker for a moment, we have Abby Livingston, Washington Bureau Chief at the *Texas Tribune*; Tamara Hinton, a Founder of Comunicado PR and the NPC Headliners member who organized today's luncheon. Next, we have Tim Murtaugh, he's Communications Director for the U.S. Department of Agriculture; Ellyn Ferguson; she covers agriculture and trade at CQ Roll Call; and finally, Mace Thornton, the Executive Director of Communications at the American Farm Bureau Federation. Thank you for being here today. (Applause)

We'd also like to acknowledge additional members of the Headliners team who are responsible for organizing today's event; Lisa Matthews, Jamie Horowitz, Heather Forsgren Weaver, Laura Russo and Joe Luchok, as well as Press Club staff, especially Lindsay Underwood and Bill McCarren. For our C-SPAN and Public Radio audiences, please be aware that in the audience today are members of the general public, so any applause or reaction you hear is not from the working press, or even the unemployed press, as is occasionally the case in today's media environment.

Getting to our speaker, Sonny Perdue, who joins us today, Secretary Perdue, who can be found on Twitter at SecretarySonny, has a lifetime involvement with agriculture. His family operated a crop and dairy farm in Georgia. That's the state that would later elect him its first Republican governor since the reconstruction era. In between that, he served in the U.S. Air Force, rising to the rank of captain, received a doctor of veterinary medicine degree from the University of Georgia, where he ran-- and he ran a private practice. He also served 11 years in the Georgia State Senate before becoming Governor.

He has run small businesses, and it was that background he brought to a nationwide listening tour he recently completed. Today, he will discuss that tour, as well as his priorities on trade, what he would like to see in the next farm bill, and how he and the Department of Agriculture are trying to inspire the next generation of farm and agricultural leaders. Please join me in welcoming to the National Press Club, Secretary of Agriculture, Sonny Perdue. (Applause)

SECRETARY PERDUE: Well, thank you very much. Since I've never run for President, this is my first time at the Press Club. But it's good to be with you all today. And you show your hospitality in many ways. Many of you have talked about welcoming me, and I'm happy to be here. But I thought the best example of your hospitality was this cookie here, the Georgia Bulldogs, and we're hoping that they would be in the national championship, as a former Bulldog there.

Good afternoon. I'm going to speak from some prepared remarks today. I told my communications guy that I was going to say this. He asked me not to, I'm going to do it anyway. I said I usually speak extemporaneously, but since you people write things down, I'm going to read from prepared remarks. They've been vetted from everyone from our janitor to our general counsel, so we ought to be good today.

I actually want to start with somewhat of a provocative premise, maybe. For the Press Club, it may not be so provocative, but something like no other federal cabinet department can claim because I believe this is true. Every single day, every single American, every single visitor to our country, is directly and tangibly affected by the work of our department of the United States Department of Agriculture. Why do I say that? I think the last time I checked, in order to-- we just enjoyed a great meal-- but in order to live, we eat in this country and those that come and be with us as well, I happened to attend the G7 agricultural ministerial in Bergamo, Italy a few weeks ago, and you know there's an international discussion about GMOs. And I made the comment that millions of your citizens come to our country and I don't think they bring their lunch with us and they come back all the healthier as an example of that. So nonetheless, that was not necessarily persuasive for the EU people.

But we know that even if people who send their kids to school with lunch, school lunch, are affected by USDA policies as well. Shopping in a supermarket, you're affected by USDA. And we'll even take it a step further. The last time I checked, we have to live, we have to eat, we have to breathe and then comes the U.S. Forest Service, those great forest service that capture a lot of carbon and make sure our air is clean. And so the U.S. Forest Service, part of USDA, affects us as well.

I think hyperbole may be a bipartisan cornerstone of this town sometimes, but when it comes to personal daily touch, the USDA has on the lives of everyone beyond its borders, I want to submit to you today that the USDA matters. And that's why I'm fascinated with the job. I'm very honored to be serving as the 31st secretary and we look forward to telling you a little bit about what we're trying to do in the department these days.

So, given all that importance that I'm trying to tell you, you may feel like I should come with some flashy, glitzy policy proposals today, but I resolved in my heart a long time ago, before this job, that what people want, I think, from their government is not so much talk or revolving door of showcase agendas, but really they want to see government that works for them. And I tried to do that when I was governor. I think in Georgia, there was a governor who once ran that ran on the slogan "he's a work horse and not a show horse." I didn't use that, but I guess I probably ceded to that description as well.

I think people want government that works. They don't want government that necessarily talks or talks out of both sides of their mouth or talks when they're campaigning and don't do those things it says. So what I've pledged to the men and women of the United States that I would do is to make USDA work for them by turning it into my aspiration, the most efficient, the most effective, the most customer-focused, the best managed department in the federal government. And that's what I want to talk to you about today. How do we plan to do that? That's a great aspiration.

I spoke to one group and gave them an aspiration and I kind of used a modern metaphor. I said, "We want to be the Amazon of federal government." They said, "Well, that pretty strong." I said, "Yes, it is. We are going to go big or go home. You want me to aspire

to be the postal service?" You know, so we want that kind of delivery of tools and solutions for people out there today.

So I think to me, everything we do starts with the people that we serve and people ask me all the time, I was asked up here, how I like being in Washington as the Secretary of Agriculture. And my answer always is, "I love the job." (Laughter) Some of you got that. They won't let me telework from Georgia, but if they did, I'd love it even more. But nonetheless, our office is here in D.C. and Mary and I are actually getting along very fine. But the fact is our people, our customers, those constituencies of the USDA, are not in D.C. and they're all over the country. And that's why since taking office, we've been traveling to-- I've traveled to over 30 states, six countries promoting U.S. agriculture. And we have our two RV Back to our Roots tour; one through Wisconsin, Minnesota, Iowa, Illinois, Indiana. And the other one up in the northeast where we traveled about 2,200 miles and we've got at least two more planned for 2018.

Why do we do that? Because I believe that people are seriously interested in leaders who will listen and the America and the public out there, and certainly our constituents, is crying for people who will hear them and hear their voice. Let me just give you some examples of my experiences from the road on these tours of being out in so many listening sessions and sitting down with people whose livelihood and lives depend on the USDA.

Hundred and fifty people got out on a cold, snowy Monday morning in rural upstate New York, crowding into a dairy barn to hear my vision for the USDA. Two hundred and fifty people busted out of the seams of an old machine shed in rural Minnesota on a late Friday afternoon. A hundred and fifty people on a Sunday afternoon session in the central valley of California. Eight hundred folks showed up and fully filled essentially a gymnasium floor in rural Montana. A hundred people filled the front lawn of the Farm Bureau President, Ed Davidian, in rural Massachusetts on a gloomy Thursday afternoon. Five hundred people filled a rodeo floor in Kansas City with virtually no notice. A hundred people piled under a tent in a corn field almost an hour outside of Springfield, Illinois. And just on Friday, 120 college kids interested in a future in agriculture came to visit and have a roundtable at Florida A&M University in Tallahassee, Florida. And it goes on and on. That's just an example of the kind of hunger that we see out there and how we in the United States government, particularly the United States Department of Agriculture relate to people on the farms and the fields and the communities of America.

So I don't say those things just to indicate how busy I've been. I say those things to just let you know that people want to hear, they want to see people out there working. They're merely emblematic of how hungry the American people are for people in this town to listen because they want us to quit talking to them and to listen. And that's what I've enjoyed doing to understand their issues and to work toward common solutions.

And I think it's fairly fair to say that their demand was pent up, I guess would be the best description. In eight months, folks rightly believe that they have found an honest listener and an honest broker of Secretary of Agriculture, one who wants to hear from them to listen to their issues, to listen to their problems and hopefully work to solve some of them. So I

think this gives me a unique perspective of observing two different worlds. One is the world of Washington and of politics, you know it well. It's here, it's alive and it's well. The other world is the world of real people out there outside of this area that don't know about what goes on here and honestly, I don't want to hurt your feelings, but they don't really care too much.

When I travel across America, I don't get questions about the things that everyone in Washington seems to be talking about. I don't get asked about the latest scandal. I don't get asked even about the president's Twitter account and the latest Tweets. I don't want to burst your bubble but those are the things that seem to be important to people in this town, which are never mentioned when I go and listen to people outside. Those are not the things that are on the minds of the American people generally.

When 150 people get out on a freezing day, cold, snowy morning in rural upstate New York to talk with me about agriculture, or 60,000 young people join me in Indianapolis for the FFA convention, you know that they're pretty serious about what they do and what their aspirations are for their lives and how they can participate in the American dream.

So what are those folks saying, I guess? If I've been out there doing that much listening, what are they saying? And you may know that one of their very top issues is trade. Many of them are anxious about trade, our trade policy. But because of this, exports are responsible for more than 20 percent of the U.S. farm income, almost 20 cents-- over 20 cents of every farm income dollar derives from foreign sold products. It also drives rural economic activity and supports more than a million American jobs, both on and off the farm.

So the 2014 farm bill called for a new position of Undersecretary for Trade and Foreign Agricultural Services, and that position was not created until we got here in May. I thought from hearing from members of Congress upon my confirmation, and hearing from the people out in the field that I believe that trade was important. I know from our experience, my experience in agribusiness, trade is important. So we created that position and invited-- the president nominated Ted McKinney from Indiana to fill that position, and he's hit the ground running. We met this morning to hear about his latest trips to Colombia and Panama and Brazil and I think in just a few weeks, he's already logged 30,000 miles airport-wise. So he's on the road hitting the ground running, or flying, I guess.

But exports are important. Last year, U.S. exports totaled a little over \$140 billion in FY '17. That's up 10.9 billion from the previous year. And it's the third highest level on record, even in spite of lower commodity prices. When you look at exports just in dollar terms, it's fungible because you got different price points to deal with. We're at our lowest point in the commodity prices, one of our lowest points. But exports are a third highest on record.

The most recent trade forecast projects over \$140 billion in FY '18, which is right on track with this FY '17 and would be the fourth best year on record. So, the overall agricultural surplus is expected to grow 8 percent, from 21.3 billion to more than 23 billion in 2018. Our president, as you know, is very concerned about our trade deficit and I'm prone to

remind him every time I'm in his presence that agriculture contributes to a trade surplus. And he needs to recognize that.

We also had some great individual victories in trade that you've read about, many of you have reported out. We succeeded in getting USB back into China for the first time in 13 years. We opened China to American rice for the first time ever, and we're still working out some of those smaller details. We got U.S. port back into Argentina for the first time since 1992. And the European Union, bless their heart, have dropped their requirement, the U.S. citrus groves be surveyed individually for citrus canker which eases the entry of U.S. citrus into the EU market and saves growers thousands of dollars in production cost.

We've also announced a Japan expanded market access for U.S chipping potatoes, resuming imports from Idaho for the first time in 11 years. Vietnam is also on the announcements. They notified the U.S. that they will resume imports of U.S. distiller's dry grain, or DDGs. And announced that South Korea has lifted its ban on imports of U.S. poultry and poultry products including fresh eggs.

All those are good news, but we want more. I'm a grow it and sell it kind of guy. Many people think that we ought to restrain productive (sic) in agriculture. I'm not one of those. I think if American farmers produce it, the USDA ought to be helping to sell it and that's what Undersecretary McKinney is all about.

I suspect that more than a few of you will ask me about NAFTA if I don't address it now. So I intended, frankly, to ask Santa Claus for a perfect final trade deal wrapped up nicely and put under the tree for all American farmers. But then I remembered the North Pole might be too close to Canada for those things to turn out well for us. But all joking aside, let me say this. That I do remain optimistic about the future of our trilateral trading relationship. I like to say, and this is not original with me, but you look at Mexico, United States and Canada. I think really that we live in the best neighborhood on the planet. And to have a deal that would take advantage of those relationships logistically and the common North America makes all the sense in the world.

We know that agriculture in all three countries has benefited from NAFTA and we believe with some modernizing, some readjusting, some tweaking, it can continue on. So, that's very important for our department and we know that President Trump is a tough negotiator. We know that he puts America first. But at the end of the day, I believe we will wind up with a renewed NAFTA that's better for America and better for our American producers.

Our department's official motto, I think, because of the economy of the U.S. and the economy of agriculture and how it fits into the U.S. economy, I think this is the official motto of the USDA, is agriculture is the foundation of manufacture and commerce. That's a pretty powerful statement when you think about it, about the relationship between the ag economy and the overall economy. We tour a lot of great facilities. There was one in Illinois that created manufactured sprayers. The progress of the technology in agriculture just blows you away. They were designing a sprayer now with optical sensors that detected the noxious

weeds and would just spray the chemical on the noxious weeds. Those are the kind of things that are happening out here in America that many people don't understand.

But the bottom line is a healthy ag economy, I believe, is imperative for the rest of our economy to thrive as well. And trust me, our producers will do their part in that progression. We need a fair, functioning NAFTA agreement, I think, to continue that. So as far as trade goes, we're making terrific progress. But I feel comfortable that we will reach a deal. We put some tough things on the table, as we should, but I think we'll reach a deal that works for everyone.

Secondly, we know we got a farm bill coming up very soon, 2018. And I believe the chairmen feel like they're on track, Chairman Roberts, Chairman Conaway, have done a lot of work in that area. Senator Grassley thinks we're behind, but Senator Grassley has a lot of opinions. Anyway, I think we're on track for a good farm bill. The good news about it is I don't think there's going to be a revolutionary deal, Randy. I think, the 14 farm bill's going to be more evolutionary. Tweaking, you know, there's a couple of places that didn't make it quite as good as many people had hoped. That's the dairy industry and the cotton industry in the 14 farm bill. So I think we'll see some things to address that. But I believe it will work.

We at USDA are going to provide the background, the research, the resources, the feedback that we hear from the heartland, all these listening sessions, so that our members of Congress that are responsible for the farm bill can make good on a facts based, data driven farm bill. Based on what we've heard in all our traveling, we are working on what we think is the right approach from the USDA in the relationship to Congress. We'll be providing them what we believe are the basic, bedrock principles that make a good farm bill. And I think some of these principles are just the direct result of what I heard from the people of agriculture during my travels, and they're the ones that live with these policies day by day. They're the ones that have to execute the policies that we create. And frankly, I believe they have some of the best ideas in what works from previous farm bills and what doesn't work as well.

We'll be talking about a few of those principles across all of our mission areas at USDA and all the responsibilities. So I don't think the 2018 farm bill will have a radical departure and changes. We're going to make some improvements in some of those areas, it's ultimately up to Congress to decide what they want us to implement. And we stand ready to provide whatever counsel Congress may believe and may require is our opinion of these things.

You may remember on the day I was sworn in, President Trump signed an executive order and that was for agriculture and rural prosperity. I think one of the primary purposes of any farm bill is to support rural America, which remains the backbone and the bread basket of this country. And when the president signed that executive order creating interagency task force on agriculture and rural prosperity, he asked us to chair that. And we had a great relationship with 22 other federal agencies about how we could make a difference in rural America.

You know, it's frankly true when you look at the numbers that much of America has recovered, or certainly is in the beginning stages of recovering from the great recession. But unfortunately, that doesn't seem to be true in rural America. Progress is lagging behind there. While the population's growing in urban areas and suburban areas, the population across rural America is stagnant or even diminishing. And we've got to do a better job. I think it's the responsibility of the USDA to do a better job in providing the hope and economic opportunity for those in rural America and for those involved in agriculture.

During our RV tours and other visits, we listened, held town hall meetings to gather information. Working with my counterparts from other cabinet departments, we came up within a report after the 180 day timeline to submit to the White House. And it's going to be released soon. They are reviewing that now. We've got some specific executable action items that we think will be helpful. We'll be making specific recommendations on how we think we can help rural America succeed and thrive. And that includes things like access to capital, infrastructure improvements. So I don't want to preempt that. Stay tuned for that report.

As many of you know, early on in my time as secretary, I announced a broad reorganization of USDA and part of that was to approach the way we deal with and interface with rural development. We elevated our rural development senior person to be an office that reports right directly to the secretary. I wanted that person to have what we call is walk-in privileges to come in and discuss ideas off the cuff. Not to have to make an appointment or schedule, but to come in and say, "We've got this idea. We'd like to do this. What do you think?" And get a kind of a go/no go pursuit of those ideas and decisions right away. I consider this to be an elevation of rural development, and I think it's turned out that way. Anne Hazlett who'd been on the Senate committee is doing a great job and we look forward to having great things from our rural development staff across the country.

You know, next is really what we heard also, we heard trade, we heard labor and we heard regulation a lot as we went across. And when you talk to farmers, it's inevitable they will eventually complain to you about regulations. And as you know, one of the first actions the president took through our director of EPA was to rescind the onerous waters of the U.S. rule. That's being reconsidered, but most farmers and farm groups felt like this was an extremely onerous confiscatory type of rule that would damage the way they farmed in a fairly significant way. And so an executive order, President Trump directed each agency to review and to consider reversing-- reducing those kinds of regulations. And for every regulatory action, we're under the obligation to publish two deregulatory actions. So these actions have real impact, and not just bureaucratic shell games.

So the total regulatory cost must be offset by savings from deregulatory actions. And we're reporting the actual cost savings of deregulation to the president. For this fall agenda, we've submitted 28 final deregulatory actions. These actions, we believe by our calculations, will generate measurable cost offset totaling \$56.15 million in annualized savings. One of those regulations has to do with our relationship with the states. This president, this administration, understands we all serve the same people. They're inviting county commissioners, governors in to have an integrative relationship across the levels of

government that I've never seen before. I'm envious, frankly, as a former governor to have had that kind of relationship with the federal government.

And states, I believe, we understand, are closer to the people they serve and not all states are the same. So our policies need to recognize that reality and maximize the flexibility to states is when we're all together possible. One of my first actions as secretary, as you know, was to provide flexibility to state and local school systems regarding school lunches. This kind of got generated by a childhood friend of mine who told me after I was nominated, he said, "I told my granddaughter what the responsibilities of the Secretary of Agriculture were, and I told her it included school lunches. And she said, 'Great, Granddaddy. You think Mr. Sonny can make school lunches great again?'" So that kind of is the way how those things happen.

But we're also, when I started talking with the school lunch professionals, we found out how the professional nutritionists and dieticians were spending more time in front of a spreadsheet than they were in the ability to do their job. And we gave them flexibility. We're also going to allow states, as you're probably reading recently, more flexibility in the SNAP program. We've told the states the goal of the SNAP program is to provide support for families as they are strengthened and enabled for self sufficiency. We want states to have the flexibility to structure their program to provide the best customer service in delivering the SNAP nutrition to maintain the integrity of the system by reducing fraud and ultimately to help families to grow stronger and more self reliant.

One organization that we don't think of as regulatory but if you really think about it, you know that it's in one of the most important regulatory agencies; that is the IRS. And our farmers will benefit from what's happening right here on Capitol Hill now with the tax bill. The tax code on farmers and small businesses, frankly, is greater than the numbers on the spreadsheet by the time they have to plan. While we think of farming, you know, sort of spiritually as a lifestyle, it's also a business. If you're not profitable, you don't get to do it very long. And our farmers are going to benefit from the provisions of the tax bill and also benefit from the reduction of cost of time, creative thinking, innovation, positive vision that's robbed by having to plan for taxes and all those things. It just cannot be totally quantified in those areas, but they're real. Tax reform, I believe, will be a great Christmas present for the American people.

And I think I want to applaud President Trump. I think he has probably done what some people didn't think could be done. He's shown great leadership. I'm impressed with the regular order that this has been done with through the House passing a bill, the Senate passing a bill and now you have a conference committee. That's the way things used to be done up here. You don't see that happen very rarely any longer, but this is the way it's happening and the president's been very involved individually with members of the House and the Senate. And we're hopeful that Congress can come to terms with a final bill to the president to consider very, very soon.

When I told you that I expect my aspiration for the USDA to be the most effective, the most efficient, the most customer focused department in the federal government, I want

to tell you, it starts with good people. And you've heard Steve Censky introduced. I'm very proud to have Steve on board with implementing a new operating model for USDA. It's a cultural change. We're going up and down the ladder overall and he's working hard to do that. When I interviewed Steve, he had been the CEO of the American Soybean Association for 20 years. And I said, "That's admirable, to stay in an organization like that for 20 years. How big is your board?" He said, "Forty-eight." I said, "You have 48 farmers that rotate on a two to three year basis and you've managed to herd them for 20 years? You can do this job." And he's doing it.

So what he and I are determined to be facts based, data driven, sound science decision makers with a customer focus. So some of you heard about the-- I was telling some of you about the gee whiz kind of technology out there. We got farmers out in the field with some of the latest and greatest satellite GPS technology on their combines and equipment. And they've yet to fill out a paper form and mail, hand deliver or fax it to the USDA office. We don't have that technology there. I mean, we got farmers sitting there in combines and they're autonomous driven tractors and faxing and emailing and doing apps on everything else. But if they want to see us, they got to come to town and get out of that and stop working.

So that's not customer focused nor customer friendly. And we have the human resources to make improvements possible. I've been so pleasantly surprised with our career employees at the USDA. They're dedicated and we were delighted just a week ago to hear that our employees are among the top ten best places to work in the federal government, moving up two notches to come in at 7th place in the 2017 rankings. Just think as I got there. But they are customer focused. They mean business for our customers and they'll make the U.S. an even better place to work, I think, as we give them the tools that they can work better with to focus on that customer.

So, our Twitter handle was mentioned. We have a lively Twitter feed at SecretarySonny. It shows about all the places that we go and people love to see that. If you'd look at it, you'll see that some of my most fond people are FFA and 4H students. They're bright, they're passionate and I enjoy being around them. It really gives me inspiration for the future of America and agriculture particularly. So we had a lot of fun with them at the convention. I said I know most speakers don't tell you to do this, but get out your phone and just Tweet. Tell me what state you are. So just in a matter of a few minutes, we had 300 Tweets talking about where they were and they were competing and it was fun to see that.

I exhorted them to be not only productionists, but agricultural producers, but to be communicators. No longer can we sit behind our fences and our farms and our gates and just do a great job producing as American producers do. We've got to communicate the story, the greatest story of American agriculture. So, that's what we were doing in Florida A&M in Tallahassee last week talking about those people, those young people there, with the opportunities to communicate what agriculture's all about. They had wonderful research in water and plant science and soil science and so many other things that are happening that many people don't know about.

They also had great innovative ideas about how to get the message across and engage and encourage more bright talent for agriculture. They actually suggested our institutions incorporate agriculture in their majors such as business and engineering and STEM classes because you get all those things in agriculture. So USDA, we're committed to help the next generation of farmers. We've signed an MOU with FFA and we're committed to leadership development because I tell them as young people, their future's not in the future, it's now. So begin using and enjoying it.

So hopefully, you can tell that I love this job. Being Secretary of Agriculture is not just a job, it's a mission, it's a passion for me. That's why Mary and I chose to leave 14 grandchildren in Georgia to come for a once in a lifetime opportunity to make a difference from helping rural people to prosper, to feeding everyone, preserving our nation's forests and our mission at USDA is large and bold. So in some way, as I told you earlier, we touch the lives of Americans and countless others around the world on a daily basis. I'm proud and I'm humbled to serve in President Trump's administration and the American people. And with that, I want to wish you all a merry Christmas. Thank you. (Applause)

MR. BJERGA: And thank you for speaking with us today, Mr. Secretary. We now enter the question and answer period of this program, if you can stay at the microphone. Apparently, the National Press Club now has two mics. We used to have to go back and forth like this all the time. So congratulations on that innovation. Also, we still, though, have the question cards that members of the audience can pass up. You can also, of course, go to #NPCLive if you have questions for folks for the secretary at this event.

The first question, you alluded a bit to the people outside of Washington for whom USDA policies really matter. USDA may matter in many ways most directly to the 40 million Americans who currently use food stamps, the supplemental nutrition assistance program. You talked a little bit about state flexibility within SNAP and we have heard in recent days that the president may be looking at a top to bottom review of U.S. social services program, of which SNAP would undoubtedly be included starting in January. Do some of the efforts that you have on flexibility play into what this effort could be? And what could you see as changes to the SNAP program in USDA under a presidential top to bottom review?

SECRETARY PERDUE: Sure. I think that's speculative to think about. Obviously, the president and his team are looking at some welfare reforms generally. We know that the SNAP program currently is included in the farm bill and that's the way we'll proceed until something else comes about. But the overall goal, I think if you go back, the most important thing, the most informative thing, is to go back and read the initial statutory language dealing with food stamps, or supplemental nutrition. And it's stated in there very clearly this was a temporary supplemental type of thing, hopefully guiding and leading people to self sufficiency and self reliance.

And I think that's what most American people-- the American people are very generous, they're very compassionate. And they want to help people when they're down. I think most American people don't believe if you're able that should be a permanent lifestyle.

So I think one of the things that you'll see, probably, is a change regarding the ability for an able bodied working adult or adults without dependents to rely on food stamps continually. I think those are some of the waivers that we're getting and seeing, as well as others. But I think it's really considered a route to self sufficiency, whether it be in the farm bill, in the SNAP program here, or whether it be in a comprehensive welfare program to follow.

MR. BJERGA: One area that is not speculative is how the farm bill has gotten passed in this town for the last 40 years. There's a longstanding coalition of nutrition advocates and farm groups that have come together to pass this bill, SNAP being by far the largest single USDA program. Does significant disruption to the SNAP program potentially mean a significant disruption to the farm bill?

SECRETARY PERDUE: I think you're absolutely right. I think the coalition has been to pass the farm bill for years I think will be maintained and sustained. Interestingly, the principle I told you of change is not necessarily a partisan issue. Some people may object, but by and large, they're a bipartisan group of people that believe that able bodied adults without dependents should have-- should not rely on supplemental nutrition efforts from the American public forever. And I think that will be a provision that will not be totally disruptive to the principles of the combination of the farm bill provisions, as well as the supplemental nutrition bill.

MR. BJERGA: Final question on nutrition programs, for now. There have been reports that the USDA's considering allowing states to place nutrition limits on the food stamp program; i.e., limiting sodas and snack purchases. Can you confirm those discussions and what kind of changes could we see availability to the SNAP program on your own watch; i.e., work requirements, drug testing, et cetera?

SECRETARY PERDUE: I can confirm those requests. Obviously, we have a couple of waivers submitted already regarding limiting the purchase of those types. And it's really kind of a popular thing in some camps. My concern, obviously, when we, USDA, administers that, where do you draw the line with different states? For instance, if one state says you shouldn't have meat there, shouldn't be able to purchase meat protein, animal protein there, is that appropriate? If you have obviously the things that's suggested mostly are sugary drinks and snacks and salty snacks and those kind of things that we deem unhealthy, that's one thing. But what about you should not have any products that have genetically engineered products in it? What about animal welfare issues? You shouldn't have any eggs that aren't cage free. No meat or pork that's not produced in this ultimate humane provision.

So where do you draw the line? That's a slippery slope that we'll have to really consider very carefully.

MR. BJERGA: Turning to other issues and monitoring a discussion at #NPCLive, here's another hashtag for you, Farmers for NAFTA, which has arisen in recent days. Is the communication forum for farmers and farm groups who seem worried about the president's threats to withdraw from the accord. Should they be worried about that? And what role are you playing in White House discussions on that matter?

SECRETARY PERDUE: Where do you join Farmers for NAFTA? I mentioned this in my remarks. I appreciate the fact that President Trump is a tough negotiator on behalf of America. I like a leader who believes in our nation, believes in its people, believes in its productivity and believes that we have been unfairly taken in some places on some of the agreements that we have made, and particularly in the enforcement area. I'm confident that President Trump wants an agreement between Canada and Mexico and NAFTA that benefits the American people, benefits the American producers. And while there may be some anxiety along the way, I think that his negotiating style is right in line with what we can expect to be a great NAFTA II that will benefit American farmers and producers.

MR. BJERGA: All in all, you seem to be getting along with the president okay, especially in comparison with some colleagues the president has tangled with publicly; i.e., Rex Tillerson, Jeff Sessions. Can you discuss how you communicate with President Trump, especially when you potentially disagree or have different perspectives on issues such as NAFTA?

SECRETARY PERDUE: He loves me. You know, the president is an interesting person and you see the public persona. I think he benefits. One of the things that I appreciate about President Trump is directive and as forward and as forceful as he is on many things, he has what I think defined as the essence of a great leader. He always leaves a little back door open for comments that he takes into consideration and is willing to change his mind on that. I don't do this very often, but we were invited to have lunch with him yesterday and we were there and he mentioned the fact early on, he was very proud of the fact that he had drafted the withdrawal NAFTA agreement that way. And I came in and we showed him some of the facts of what NAFTA had done and how it had benefited. And he relented and changed his mind.

I think that's the essence of a good leader. I like to be forceful. I like to have a vision. I like to have a goal of where I'm going to, but I always have to listen in the back. And I found that to be true of the president. So we have a great relationship. I don't think he wants a sycophant as a secretary. He wants me to give him my best counsel, my best advice and he wants me to be right about that. And he has high expectations, and frankly I'm challenged by those high expectations.

MR. BJERGA: What will you be counseling him on regarding the renewable fuel standard, understanding the USDA does not directly impact that standard. But, of course, it's very important to farmers. Senator Ted Cruz had put a hold on one of your nominees, Bill Northey of Iowa, leading to another hashtag Free Bill Northey. And that has led to a new discussion of the renewable fuel standard. What would your counsel be to the president on this issue, especially given he's talking to folks like Ted Cruz, who believes that there should be reductions in the RFS?

SECRETARY PERDUE: The president during his campaign made a commitment to the people in the renewable fuel standard that I think the phrase was don't mess with RFS. And he's lived up to that. He reiterated that, and again to Senator Grassley, Senator Ernst,

Senator Debbie Fisher, about his commitment to that. And did as well last week with Senator Cruz and another group of eight, nine senators there that were particularly concerned about the REN prices. The president understands that we've got to do something about REN prices. The good news is there's a win/win in here. It's very complex, but there's a win/win. Ethanol producers, the corn people, they're not in it for the REN prices, they're in it for the volume, the renewable volume over ethanol production. They want to very carefully guard that.

But we've got to figure out, and we're working even this week with the people-- Senator Cruz, his people and others-- EPA and others--- to help resolve the REN prices that some believe to be very speculative and cornering on the market there that have damaged the refiners. The president wants the refiners to flourish and actually more refinery based on our new petroleum supplies and natural resources. But he also knows that he's committed. He articulated to those nine senators that he is committed to the RFS program and I think the numbers that Administrator Pruitt put out last week are the appropriate ones. We hope to be part of the solution of the concern for the refiners over REN prices as well.

MR. BJERGA: The biggest item on the legislative agenda for agriculture next year is almost certainly the upcoming farm bill. How closely have you been in consultation with the congressional agriculture committees on the farm bill? What possibility could be there that you may be providing some of your own legislative language?

SECRETARY PERDUE: We are actually consultants to the ag committees as they desire. We'll be as hands off or as hands on as they choose for us to be. I think they understand, based on what you heard the litany of visits that you heard, that we have information out here of what farmers believe have worked and what has not work. We're willing to share that. As I indicated to you earlier, we'll be releasing what we think is the appropriate dance between the USDA and Congress. I don't think it's the responsibility of the USDA to write a farm bill. I don't think it's the responsibility to be hands off.

We'll be giving some broad principles that we think should be included in a farm bill. And then we'll go further. At their request, we'll do a deep dive based on the facts and the data that we have to support our view over those principles. I'll give you a little metaphor that I think a farm bill ought to contain, is a good safety net for producers. And I heard this, this is not original to me. But if you think about what's a safety net, think about going to the circus and looking at a high wire act, a trapeze act and you think about if the net's put right under the wire, there's not much thrill there. But if it's put on the concrete floor, you can get really hurt.

And so the balance is to have it at the right area where there's risk in farming. Farmers don't mind risk, they just don't want to lose the farm, literally, if the crop or weather, hurricanes, tornadoes, floods, come in and destroy all of their equity.

MR. BJERGA: We have a few more minutes for questions, and feel free to bring in and submit some more questions from the audience. And please write legibly. It greatly increases your chances of having your question asked. Here is one from the audience dealing specifically with crop insurance, which will undoubtedly be a large topic of conversation in

the next farm bill. What is the USDA going to do with approximately \$1.4 billion it seems to be saving from prevented planting. What happens as an aftermath of that policy?

SECRETARY PERDUE: Well, I guess you're referring maybe to the up charge or the up purchase of the 10 percent on preventive planting. But if you can help me find that \$1.4 billion, I'd like to know where it is. That's not our calculation. So whoever wrote the question, if I can talk with you afterwards, tell me where the \$1.4 billion is and I'll tell you what we'll do with it.

AUDIENCE: Be happy to.

MR. BJERGA: Another question dealing with the farm bill and with funding for agriculture programs, dealing with international agricultural development, the U.S. for decades has been a leader in supporting developing world farmers, both through the land grant universities and through extension programs worldwide. How does that vision of helping developing world farmers fit with the president's America first vision and a more competitive agricultural landscape?

SECRETARY PERDUE: I think it fits with his vision. I think we probably got some persuasion at OMB to understand what the opportunities are for investment in our land grant and our developing farmer perspective. I've told the president face to face, I said, "If American manufacturing had the same level of basic research in agriculture, applied research in agriculture and a delivery system like the extension service, I don't really think we'd be talking about the demise of American manufacturing." I'm a big believer, I'm a proponent, I'm a user of extension service and the land grant universities, along with agricultural research service that I believe is a great partnership for discovery. I think what we're seeing with the productivity of American agriculture is exhibit A over what that's meant to American farmers.

MR. BJERGA: Discussing an issue that certainly came up in your discussions outside Washington and one that is ravaging rural America is the opioid crisis. Recently in a unified effort, the American Farm Bureau Federation and the National Farmers Union released the results of a survey on farmer opioid addiction, which showed some startling numbers. A farmer is three times as likely to report an addiction as the general population. What role does the USDA play in this challenge facing farmers and ranchers in the rural communities they live in?

SECRETARY PERDUE: Sadly, these are true numbers and this is one of the reasons I've charged Anne Hazlett with our director in rural development to develop a cooperative program with other agencies in federal government. We don't want to throw money unnecessarily, but whether it be rural treatment centers helping in rural communities, this is an addiction that is just as rampant in rural areas as it is in suburban and urban areas. I know Secretary Vilsack told me earlier in the transition that this was something they had worked on and we hoped to be part of the solution.

Any drug addiction is no silver bullet. It takes a lot of things. But again, I think the improving of the economy, the rural economy, will help in the hope and diminish much of the despair that leads to certainly prescription drug addiction leading to opioid addiction.

MR. BJERGA: Next month, the Trump Administration will be one year old. You were the last cabinet secretary to be sworn in. And the pace of hiring at the USDA, you've remarked several times, has not necessarily been at the pace that you would like to see. We have some reinforcements arriving, but there are several positions still open. One of them is the Undersecretary position for research and education, which had been the Sam Clovis nomination. He, of course, later withdrew. What progress is the administration making specifically on naming the nominee for this post and will this person have a deep scientific background?

SECRETARY PERDUE: Good progress? Yes.

MR. BJERGA: And in terms of-- yes, do expand.

SECRETARY PERDUE: Certainly. After Dr. Clovis's withdrawal, we are really looking strongly across the United States for the best person with a scientific background that blows away the committee that can have no questions about that. As you might know, academia can be a very comfortable environment. So it's not very many people that want to leave a good, safe tenured home in academia to come to a political position. We think there are people out there that we are looking at right now would make great chief scientists for the Department of Agriculture.

MR. BJERGA: How comfortable are you feeling at USDA? What is your big goal for the next year?

SECRETARY PERDUE: I'm feeling good. Our goal this year, next year, the year after, is to be the most effective, the most efficient, the most customer focused, and the best managed federal agency you've ever seen. Not by what my communications people say, but we're going to be judged by you.

MR. BJERGA: Thank you for speaking with us today, Secretary Perdue.

SECRETARY PERDUE: Thank you very much.

MR. BJERGA: But we're not done with you yet. So please, do not be seated. We have the-- it's still the tradition, a longstanding tradition. We give this to all of our speakers and we hope that this be the first of several that you can receive. Some people get entire dinette sets of this by the time they're out of office. This is the esteemed prize, National Press Club mug.

SECRETARY PERDUE: Thank you, thank you very much.

MR. BJERGA: And we're still not done with you.

SECRETARY PERDUE: Oh, really?

MR. BJERGA: Yes, because we have some final announcements and then we have the other tradition, which is our final question. Before we conclude our program with the final question, we want to note an upcoming Headliners event that we don't want you to miss. Walter Isaacson, former editor of *Time* and former chairman of CNN, the president ever talk to you about CNN?

SECRETARY PERDUE: Never heard of it.

MR. BJERGA: Reasons to get along with the president. Walter Isaacson, the former editor of *Time* and former CNN chairman, will be discussing his new book, "Leonardo da Vinci." Have you heard of him?

SECRETARY PERDUE: Yeah, I have heard of him.

MR. BJERGA: At a Headliners breakfast.

SECRETARY PERDUE: Even though I went to University of Georgia, I've heard of him.

MR. BJERGA: You said it here first. On December 18th, for more details, please go to the National Press Club website. Now, one of the things that we try to do here at the National Press Club, a 110 year organization which just recently elected a new president, we want to congratulate Andrea Snyder Edney, who's the new president of the National Press Club, as well as all of the other folks who are office holders and having this great trust in this very challenging time for journalism, one of the things we like to do is stay timely and go with current events. And you are a former governor of Georgia. And understanding that all states are not the same, trust me, having dealt with Iowans as a native Minnesotan, I learned this many times over the years, there's a pretty important election going on today one state to your west in Alabama. Not going to ask you to handicap the race, but as a state official who was in state government and ran a state in the southeast for two terms, I'm wondering what your thoughts are in terms of how in the present political environment local and state races will get nationalized?

When Alabama voters are going into the voting booth today, how much is this national attention going to matter and what sort of message could the result in Alabama, in any case, potentially mean to the nation?

SECRETARY PERDUE: That's a great question. I think probably more than we think. Again, that's probably that Washington bubble versus the outside. I'm not sure a lot of people in Alabama are thinking about the national consequences. As a former governor having run twice, I'm a big believer in the ballot box and I think Alabamans are going to vote for what they believe is in their best interest and to heck with what people outside of Alabama think.

So, I think I was sharing with my lunch partners here today that we see this in presidential off years, President Obama while very popular in his two runs, we didn't see any transfer in the off years. In fact, just the opposite in that regard. So, I don't think there's a lot of nationalization, even though the press, you all love to write about that, I don't think when the voter goes in the voting booth they think about that nationalization or what it means to President Trump or what it means to President Obama or that. I think they're voting for what they believe is their right as a voter to select their representatives for Congress.

MR. BJERGA: Once again, please offer a National Press Club round of applause to our speaker, Secretary of Agriculture, Sonny Perdue. (Applause) And thank you so much for being here today at the National Press Club luncheon. Once again, I'm Alan Bjerga, club president in 2010 coming back for this special event with our Secretary of Agriculture. Again, thanking the members of our Headliners team who are responsible for this event, as well as the National Press Club staff led by our executive editor, Bill McCarren. And also, once again, don't miss Walter Isaacson, the former editor of *Time* and former CNN chairman discussing Leonardo day Vinci at a Headliners breakfast on December 18th. More details at www.press.org.

This is going to be one of the last luncheons of this year. Be sure to check on the National Press Club event in its calendars for next year. Once again on behalf of the National Press Club, today's meeting of the National Press Club is adjourned. (Sounds gavel.)

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