

 **TRANSCRIPT**

United States Department of Agriculture • Office of Communications • 1400 Independence Avenue, SW
Washington, DC 20250-1300 • Voice: (202) 720-4623 • Email: oc.news@usda.gov • Web: <http://www.usda.gov>

Release No. 0113.07

Contact:
Office of Communications (202) 720-4623

**Transcript of Remarks by Agriculture Secretary Mike Johanns to the National Summit
on Agricultural and Food Truck Transport for the Future**
Arlington, Virginia - April 25, 2007

SEC. MIKE JOHANNNS: Thank you for that nice introduction. I appreciate that immensely. Shorty is right; I do understand something about the trucking business, although this doesn't get reported a lot since it dates back a few years now. I was a young lawyer, just finished up a year with the Nebraska Supreme Court, and I was looking for work. And I joined a law firm that, Shorty, you will know about, Ackley, Peterson. And Duane Ackley had left by that time to go over to Creek Carrier and start his business there, but I worked around the trucking company for a lot of years.

So when I saw this invitation come through, I said to myself, this is one I'd really like to do if I'm in town. So I'm glad it worked out.

Let me say to everybody here, congratulations on this first-ever summit. I think it's a great idea. I'll make a prediction, that one day I think we're going to look back on this summit and we'll understand this was an important, maybe even a historic, occasion because our nation is so heavily dependent upon what you do. And if I had no other message today, if I had just one message to deliver, it would be to stop by and say thanks.

I understand the value of the industry, and I appreciate that all that you do for agriculture. Without you, we'd be dead in our tracks to be very honest with you. I believe that we're on the edge of some big change in agriculture from energy to trade to environment, agriculture is central to the complex issues that are facing this great nation. One day I think we'll look back at the context and the impetus for this conference, the 2007 Farm Bill, and we will recognize that your leadership and vision was so important to our future.

Looking around here today, I do see a lot of familiar faces. It was great to walk in today to see you at the door and others. I see a lot of friends in this industry, and I will also tell you that looking back over my years in politics there were a lot of people in the trucking industry that wanted to do everything they could to help me, and I always appreciated that.

We have a lot of experts in ag transportation. It reminds me a little bit of a story about a guy who died in the flood, made his way to Heaven, and he was at the gates there. And St. Peter met him and asked him to give his story, how he happened to die in a flood and come to Heaven. So he did so, and St. Peter thought the story was really an interesting story, and so he asked the new arrival if he would agree to talk to all the angels in Heaven telling them about the events of the flood that led him to Heaven.

The guy was obviously very flattered, and immediately accepted the invitation. As he flew away, a young angel flying next to him kind of tugged on his sleeve and said to him, "Sir, I feel compelled to tell you that Noah is going to be in the audience."

With all the knowledge about agriculture in this room, I feel a little bit like this fellow; there's a lot of Noahs in the audience today.

I want to recognize if I could all of the sponsors for putting this together, the Agricultural and Food Transporters conference of the American Trucking Association, the Upper Great Plains Transportation Institute, and to North Dakota State University. This meeting is to show organization strength. You have a terrific line-up. I agree with what Shorty said, you've got a lot of great speakers today, present company maybe excluded.

So again I congratulate you.

Commercial trucking is a key partner to agriculture. The challenge now is to project the demands of this decade and make certain that this partnership is not only a part of the business of U.S. agriculture but also contributes to the success of U.S. agriculture, especially in light of the Farm Bill that was mentioned in my introduction.

I know you're familiar with the process that we use to gain input for our Farm Bill proposals. Those proposals came out at the end of January. In reference to the process, we went all across this country. We held 52 listening sessions in the United States to get the input from farmers and ranchers and stakeholders so we could weigh that input as we thought about the proposals we wanted to make to Congress.

After one of those sessions awhile back, someone came up to me and asked a very interesting question, and it was along the lines of, "If I could jump ahead a couple of decades and look back, what would be the major thing that I would want to stand out in my tenure as Secretary of USDA."

Now I must admit a lot of things came to mind as I thought about that question, and these things deeply affect people. BSE, global trade negotiations, renewable energy, natural disasters, obesity, health, nutrition, all those things come under our bailiwick. But then it occurred to me that maybe the answer wasn't all that complex. I thought about it and I thought, you know if there's just one major thing that I would want the department to be remembered for during these years that I am here, it would be to describe the department as giving people a fair shake.

Let it be said that we tried. We traveled, we listened, we opened our doors and our minds to give every American farmer a fair shake. When our farmers and ranchers get a fair shake, ladies and gentlemen, the industries that make U.S. agriculture so productive along with the nation's rural communities will share the benefits of our financial support. And many of the things we are proposing to do in this year's Farm Bill will mean more business for the trucking industry.

You and I know that when we talk about the success of the nation's more than \$1 trillion food and fiber industry, we're not just talking about commodities. We're also talking about the trucks that are the lifeline of the food supply. The agricultural sector is the largest user of freight transportation services in the country. Trucks handle about 90 percent of all food shipments and nearly half of all grain movements in our country. Without America's truckers, we won't have the rolling stock, and just-in-time inventory that saves on storage and makes the

food and agriculture industry so much more efficient.

Without America's truckers, the tremendous contributions of the food and agricultural sector, a sector that directly or indirectly employs 17 percent of the nation's workforce, just simply would not be a possibility.

Our agricultural products can't contribute to the nation until they get to the consumers, until they get to the ports, and until they get to the people who buy the products of American agriculture, not only here but around the globe. What's good for U.S. agriculture is good for U.S. food and ag truckers.

I'm pleased to tell you, ladies and gentlemen, that the future of U.S. agriculture is grounded on a balance sheet that has never been stronger and has solid prospects for the future.

Let me offer some statistics if I might. Farm cash receipts should reach a record \$259 billion in 2007, a record, up \$20 billion from two years ago and \$16 billion from last year. Demand for food and fuel really has never been stronger. One of the top indicators of the strength of the farm economy lies in our export projections. And I will tell you, those are soaring also.

This is shaping up to be our fourth record year in a row and our eighth great year of growth, which is an unbelievable statistic. We've upped our agricultural export estimates for the year to \$78 billion. Again, that's a record.

This means a one-year increase, ladies and gentlemen, of \$9.3 billion which is the second largest year-to-year increase again on record.

With this fundamental strength, with the great potential in the bedrock change in agriculture today, and with farm policy crafted to take advantage of these opportunities, I'll just tell you I could not be more optimistic about the future and your future.

That's why with this Farm Bill we've chosen to take maybe a different approach, a broader approach, a much deeper look at American agriculture than maybe has ever been taken before. We've studied how we might position ourselves to succeed not only in this domestic marketplace, which of course is so important to our success, but how we might succeed in an international marketplace.

I believe that our Farm Bill recommendations are a tremendous plan for the industry. Truckers especially from California have an important stake, for example, in specialty crops. As markets expand for these crops, whether you are hauling domestically or you're hauling for export, there's more product to transport to ports, to processors, to distribution points in the United States.

Many of you will welcome the prospect of gaining an equal footing with other commodities. You share that sentiment with specialty crop stakeholders, who laid out a clear and compelling case for reform at our Farm Bill Forums where they called attention to longstanding inequities in farm policy. You see, when we peel back the layers of complexity in our farm programs, this is what we found. In the United States, five crops accounting for about 21 percent of the cash receipts, 21 percent of the cash receipts received 93 percent of the cash support payments.

Meanwhile under current legislation, specialty crops which are now close in value to our program crops at 93 percent -- well those specialty crops receive virtually nothing in the cash

subsidy program. And 60 percent of all farmers receive little support because they don't raise the program crops. That means, ladies and gentlemen, that the majority of our farmers just simply aren't getting the equal benefits.

Specialty crop producers are arguing that we should address their needs by making investments that help them succeed in the marketplace. Well, we listened carefully. The administration has proposed a broad package of changes to several Farm Bill titles to give better support for our specialty crop farmers. Our proposals, while they may not please everybody, but we do have an obligation to come up with reform that gives our producers that fair shake that I referred to.

You see, I just fundamentally believe we need to do right by all producers. One important way to do that is by putting more money into areas that benefit American agriculture on a broader basis, like renewable energy. One of the most exciting things about our package of proposals that we have put together is the dramatic expansion that we propose in our commitment for developing renewable energy. This administration is making a big investment in opportunity for rural America. We expect ethanol production to reach over 11 billion gallons annually in the next few years. That's almost double the current capacity.

For truckers, let me describe what this means to you. Very simply it means more business, pulling more renewable fuel feedstocks, ethanol, and its coproduct, distillers dried grain, or DDGs. It also means transporting or using significant amounts of biodiesel. Truckers are already pulling 25 percent of the ethanol that is moving around the United States while our rail carriers handle about 60 percent of that.

Our Farm Bill proposal calls for \$1.6 billion in new funding over the next 10 years to speed the development and the production of renewable fuels. We plan to spend about \$500 million to create the Bioenergy and Bioproducts Research Program and \$500 million more for grants for alternative energy and energy efficiency projects.

To meet the President's energy goals, we need to speed development of feedstocks other than corn to produce ethanol. So we are proposing \$150 million in a wood-to-energy program to develop new technologies that use low value woody biomass that would produce energy, and we will provide funding to support a \$2 billion loan guarantee program to fund construction of cellulosic ethanol plants, plants that you might haul to or haul product away from in the future.

Now all of this has wide implications for the industries that serve rural America. What was once just waste material will now be gathered, harvested, transported, and stored. We already know what ethanol is doing to our rural communities. Ethanol isn't just corn. Enzymes for chemical engineering, also steel, also concrete, water, and wastewater, and electrical supply, trucking and pipelines. It's jobs, it's income, and it's growth for the rural economy, and we're seeing it today.

We have some right here in the audience whose business is a terrific example of the infrastructure that's springing up with the ethanol industry. Let me if I might at the risk - and I hope I'm not embarrassing anybody - but let me talk a little bit about Rick Yost. Rick is a board member, and with B.Y. Trucking in Sterling, Colorado. And they're in the business of hauling livestock to feedlots.

But when a new ethanol plant was built in Sterling, turns out it meant more to the community than just ethanol. For Rick it means a whole new division of business. Producers are finding that DDGs as a coproduct of ethanol production, well they do a very fine job of

feeding the livestock. With the new demand for DDGs, Rick's hauling load is increasing. He added trailers and drivers to keep up with the new business. For us, that's job creation.

And Shorty is a great example of the American entrepreneurial spirit and what it means to the community of Morristown, Indiana. Shorty built the first biodiesel plant in Indiana. With a grant from the USDA, Integrity Biodiesels is up and running and has hired employees. What does that mean? Job creation.

To keep the industry up to date, our Agricultural Marketing Service, which monitors ag transportation for the USDA, will soon begin ethanol transportation reporting on a regular basis. You'll be able to see what all this means.

While the surge in biofuels means opportunity, it also raises some challenges. Rail, barge and truck sectors will need to expand to deal with the growth. We will need to take a look at rail and barge infrastructure and trucking service availability. I recognize the importance of issues like driver shortages, truck weight limits, and hours of service. We are watching developments and monitoring these situations carefully.

And speaking of monitoring, I want to thank you as I did two years ago for your tremendous leadership in Homeland Security. At that time, I held up the trucking industry as an example of proactive, voluntary action as you developed security guidelines for the transportation of our agricultural commodities.

Let me just wrap up with a couple thoughts and maybe I have some time for questions. In that effort, you came to us as you always have as strong partners. That's a relationship that's important to me and it's important to the USDA. It's important to all of those who carry our ag and food products across 4 million miles of highway, and it's important to the nation's consumers who depend on you in ways that we can't even imagine.

At the start of my comments I said today that without you we just simply would be dead in the water. It's true. So once again I want to return to where I began, say thank you for your leadership, thank you for your forward thinking and your service to the great agricultural industry. All of this has hallmarks of who you are. I look forward to working with you as we draft policy that works not only for the producers I represent but for those who move the products from field to port.

Thank you very much.

[Applause.]

#