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PRESS BRIEFING  
BY PRESS SECRETARY JAY CARNEY  
AND SECRETARY OF AGRICULTURE TOM VILSACK

James S. Brady Press Briefing Room

1:13 P.M. EST

MR. CARNEY: I'm bringing guest stars. Good afternoon, ladies and gentlemen. Thank you for being here for your daily briefing. As you can see, today I have with me Secretary Vilsack. You may have seen reported this morning that the Secretary is establishing -- and the administration -- is establishing climate hubs in various regions across the country. He'd like to provide some information to you about that. He can also give you a little insight into the bipartisan farm bill that has passed Congress.

If you have questions for him on those subject areas, please address them at the top of the briefing to the Secretary. And then, he can go on with his day and I'll remain here for questions on other subjects.

And with that, Secretary Vilsack.

SECRETARY VILSACK: I appreciate the opportunity to be with you this afternoon. It may come as a surprise to you -- it certainly did to me -- that 51 percent of the entire landmass in the United States is engaged in either agriculture or forestry. This is a part of our economy that is significant; 16 million people are employed as a result of agriculture and it represents roughly 5 percent of the Gross Domestic Product. And 14 percent of all manufacturing in this country is related to agriculture, forestry and food processing. So what impacts agriculture and forestry matters.

We've obviously seen a significant number of severe storms; very early snowstorms that devastated livestock in the Dakotas; the recent drought in California, which is now going into its third year, but now very intense -- is a reflection of the changing weather patterns that will indeed impact and affect crop production, livestock production, as well as an expansion of pests and diseases that could compromise agriculture and forestry.

The President has been quite insistent in Cabinet meetings and in private meetings that he expects his Cabinet to be forceful and to act; we can't wait for congressional action. So pursuant to his Climate Action Plan, we established a number of climate change hubs. They are located in seven states, and there are three sub-hubs. The seven states are New Hampshire, North Carolina, Iowa, Oklahoma, Colorado, New Mexico and Oregon. The substations are located in California, in Michigan and in Puerto Rico.

These climate change hubs and the substations are going to do a risk analysis of crop production and of forestry in terms of changing climates. It will establish the vulnerabilities that we have in each region of the country. We'll determine from those vulnerabilities strategies and technologies and steps that can be taken to mitigate the impacts and effects of climate change, as well as adapting to new ways of agriculture.

It will take full advantage of the partnerships that we have with land-grant universities, our sister federal agencies, as well as the private and non-profit sector. And every five years, these climate hubs will be reviewed. It will be a coordinated effort between our Agricultural Research Service, our Forest Service, and our NRCS -- the Natural Resource Conservation Service. This will allow us to

identify ways in which we can make a difference, and then use the tools that are now being provided with a passage of the farm bill.

The farm bill passage is a reflection of the President's commitment to working with Congress to getting things done. And I'm excited about the opportunities that this bill provides in terms of the issue of climate: The establishment of a new research foundation, which will identify up to \$400 million of additional resources to go into agricultural research. This will add to the \$120 million that we're currently spending on a wide variety of climate-related issues, as well as on agricultural issues.

The opportunity to restore disaster assistance: Livestock producers throughout the last couple of years have been unable to access disaster assistance, because the programs expired under the previous farm bill that have now been restored.

The ability to create new market opportunities to use what is being grown and raised in creative ways: Manufacturing is going to come back to rural America, the establishment of a bio-based manufacturing opportunity where we take crop residue and livestock waste, turning it into chemicals, polymers and other materials will create new job opportunities in rural America.

The opportunity to work with conservation and specifically with partnerships that are being formed in large watershed areas of significance to this country will also allow us to adapt and mitigate to climate, whether it's in the Chesapeake Bay or the Great Lakes or the Everglades, the Upper Mississippi River Basin, the Gulf Coast, or the California Bay Delta.

So combined with the new farm bill and the new opportunities it creates, these climate hubs I think will equip us to make sure that the 51 percent of the landmass of the United States is protected against changing climates, and allow us to maintain the economic opportunity that agriculture creates in this economy, oftentimes underappreciated and under realized. But it is a significant factor.

And, frankly, it will also allow us to continue to be what I like to refer to as a food secure nation. The United States is blessed because we basically create and grow just about everything we need to survive as a people. Hardly any other country in the world can say that. So we want to make sure we continue to be in that strong position.

So with that, I'll be glad to answer questions.

MR. CARNEY: Nedra.

**Q I'm just confused. Is this something new that the government is doing, or are these activities that they already do and research that's already done being combined into one central --**

SECRETARY VILSACK: It's a combination of both. It's taking existing avenues -- our Research Service, our Forest Service -- and charging them with a new responsibility, to basically take a look at precisely what risks are currently being recognized and what's the vulnerability to agriculture and to forestry in each region of the country.

The reason we have seven of these major hubs is because each region in the country does things a little bit differently in terms of agriculture and forestry. Each of them are faced with slightly different circumstances. Warm weather in the Northeast may be a different consequence than in the Southeast, for example. So they will basically take existing structures, add to that additional responsibilities pursuant to the President's Climate Action Plan, do this assessment and then identify technologies and practical science-based guidance that will say to farmers, to those who own forested areas and to the government, this is how you need to manage; these are the steps you need to take to utilize water more effectively; these are seed technologies and biotechnology that you might use to respond to less water or too much water; this is what you can do in terms of forest restoration.

And then using the new programs being established in this farm bill that don't get a lot of attention focuses oftentimes on subsidies and the SNAP program, but in between that is this research

foundation, new market opportunities, local and regional food systems, et cetera, creates a whole new opportunity to revitalize and restructure the rural economy.

So these climate action hubs -- or these climate hubs are really part of the President's Climate Action Plan and his directive to us to actually act -- not wait for Congress, not wait for laws to be passed, but to do it on our own.

**Q Is there a cost for this? Is there some spending in the farm bill on this?**

SECRETARY VILSACK: We currently have \$120 million that we've dedicated of our research budget to climate. This will add on top of that. It's difficult to assess precisely how much money will be spent because it depends on what the risks are and how significant they are, and what conservation programs will be used. But I can tell you that it will be a significant investment made in each region of the country because of the importance of it. When you've got 5 percent of the Gross Domestic Product, when you've got 16 million people employed who are dependent on this, you've got 51 percent of your landmass, you better be paying attention to it.

**Q And finally, can you just say what you think the impact of the food stamp cuts will be on the Americans who rely on that?**

SECRETARY VILSACK: Well, first of all, I think it's important to identify precisely what we're talking about here. What we've essentially done and what the Congress has essentially done is they've basically said, look, those people who qualify for food stamps and for the SNAP program who have been qualifying because they already qualified for low-income heating assistance, they're going to have a slightly higher bar to cross before they qualify. In the event that that slightly higher bar basically will mean that someone may lose their coverage, then it is up to us at USDA to ensure that we fill in the gaps, that we do a good job of making sure folks know how to apply in the normal process so that we are in a position to cover as many people as possible.

I'm very thankful that we're dealing with that kind of reaction to the SNAP program as opposed to the \$40 billion cut that was proposed in the House, which would have taken 2 to 3 million people off of the program and we wouldn't have had the opportunity to bring those people into the program.

This is a program that impacts senior citizens, people with disabilities, and working men and women and their children -- 92 percent of SNAP beneficiaries are in those four categories. And the bill also allows us to do a more creative job in working with states to get folks who are able-bodied, who are looking for work, who want to work, giving them a better opportunity to get work.

In the past, states who administered this program, they've got a workforce development office over here who knows where the jobs are, they've got a human services office over here that knows where the SNAP beneficiaries are -- who they are, but they never talk to each other. We're going to now be encouraged to get them to talk so that the job opportunities will be linked to the people looking for opportunities. And I think that's probably the best way of reducing the SNAP rolls and the most effective way because it doesn't really harm people.

So we are going to deal with this the right way and we're going to continue to use this program for the people it was entitled to -- it was meant for.

**Q Mr. Secretary, is what you're saying on the SNAP reductions that you'll be able to absorb this and cover most or not -- or virtually all of the people who are still receiving it?**

SECRETARY VILSACK: I think we will be able to cover quite a few of them. I don't want to say today that we will be able to cover most because I don't know precisely how many folks will lose their benefits completely. But what I can say is those who lose their benefits because they no longer qualify under the LIHEAP exception or exemption or program now may still be able to qualify under the normal way of applying for SNAP. And we want to make sure that those people don't fall through the cracks because they need help.

And a significant percentage of those people are in the categories of identified, and those who aren't, they don't stay on the SNAP program for very long. So it's important for us to continue to administer this program as effectively as we can.

**Q And back to the climate hubs. Is it accurate to say that the number-one job is to teach people how to adjust to climate change within their agricultural forestry or livestock line of work? Is that the ultimate goal?**

SECRETARY VILSACK: The ultimate goal is, first and foremost, to understand precisely what the risks are, to be able to do a better job of forecasting when those risks might be a reality.

**Q A drought risk or --**

SECRETARY VILSACK: Right, or a significant infestation of pests because climates are either warmer than anticipated or something along those lines. And then

**Q Over the horizon thing?**

SECRETARY VILSACK: Yes. And then be able to equip those folks who are in that region who are impacted by that risk to be able to either adapt and shift to a different crop that they produce, or use a different seed technology, biotechnology, whatever they might, to eliminate the risk; or if the risk is not something that can be eliminated, how we mitigate the impact of it; and then to be able to accumulate all that information and have one repository at the hub so that folks who are researching, folks who are looking at ways to perfect work that we're doing will be able to access that information. And each region of the country will have its own separate analysis, which is important.

**Q Many land-grant universities have large agricultural educational systems -- they do all this work themselves already, don't they? Is there anything duplicative about this?**

SECRETARY VILSACK: It's not duplicative; it's focused. It is using our resources at ARS, which is our internal research service, in partnership. It will allow us to fund additional research. It will allow us to go deeper. Land-grant universities are often pooled based on their own level of expertise. You may be a land-grant university in California that's got specialty crop understanding, but you also have dairy, you have livestock interests in California. This regional hub in Oregon, working with the Davis California operation, will basically focus on the entire range.

And oftentimes, forestry is not considered unless you have a significant number of national forests or BLM land -- but you still have forests in virtually every state and that's important to maintain. And you've got private forests that need to be maintained.

So this is really not duplicative. This is really focusing. It's very consistent with the President's instruction, which is we have got to make this country more resilient, we have to make it be able to adapt and mitigate, because if we don't, our economy is going to be impacted. Those 16 million people that are depending upon agriculture and forestry, they want to make sure that they continue to have a job because we're continuing to produce and create new products.

**Q I was just going to say, California being such a critical farming hub, are there any immediate steps that you can take to help alleviate the problem out there?**

SECRETARY VILSACK: Well, we've taken steps this week and we'll continue to take steps. Yesterday, we announced a \$20 million resource directed to the most heavily stricken areas -- drought-stricken areas. That's going to provide farmers and ranchers and dairymen the opportunity to do a better job of utilizing scarce water resources. It's going to allow them to look at their water storage facilities, maybe upgrade them. It's going to allow them to take a look at possible other forage opportunities. So that has been put in place.

Today, with the Department of Interior, we developed a smart-water program where \$14 million of federal resources is being applied.

These hubs -- well, obviously, one of them is going to be located in Davis, California, and that obviously will be focused on specialty crop and the impact of drought. We'll continue -- once the farm bill is signed by the President, there is disaster assistance that will allow us now to provide assistance to dairymen and to livestock operators to provide them resources that they didn't have, that I couldn't provide. That's why this bill is so important to have gotten done now.

So those are three or four concrete steps that we have taken. Other agencies are looking at ways in which they can provide help and assistance. And our rural development folks are looking at the impact -- when agriculture suffers, it has a rippling impact and effect in small towns that are dependent on agriculture, in part. So we're taking a look and making sure that our rural development programs, our loan programs are ready, willing and able to provide help and assistance if that's necessary.

**Q Mr. Secretary, are you seeing farms go under now because of the effects of climate change or is this something that's focused on a future threat? I mean, is this something that the Department believes is happening now?**

SECRETARY VILSACK: I can tell you without any hesitancy that because we didn't have a good assessment and didn't have good forecasting and didn't have a disaster assistance program, that some of the livestock producers in the Dakotas, for example, just couldn't make it. When that snowstorm hit, it didn't wipe out just a few animals, it wiped out the entire operation. Nobody anticipated and expected that severe a storm that early. That's one impact.

I can tell you that the folks who live in the Western part of the United States who have been dependent on timber and forestry are deeply concerned about the impact of the pine bark beetle and diseased trees. We have roughly 45 million acres of diseased trees because the pine bark beetle was not killed during harsh winters, as in the past. That's having an impact. That's making forest fires significantly more intense, and that's creating not just the fire hazard but flooding hazards following the fire. So there are ramifications today that impact operators.

**Q You're convinced this is not just severe weather patterns, that this is the effects of climate change?**

SECRETARY VILSACK: When you take a look at the intensity of the storms that we have seen recently and the frequency of them, the length of drought, combined with these snowstorms and the subzero weather that we've experienced, the combination of all those factors convinces me that the climate is changing. And it's going to have its impact and will have its impact, and is having its impact on agriculture and forestry.

If we are not proactive, as the President has directed, we will find ourselves 5, 10, 15, 20 years down the road wishing we had done what we're doing today; wishing we had assessed the risk; wishing we had created and identified the vulnerabilities; and wishing we had created programs and responses to those vulnerabilities to tamp down the impact and effect.

MR. CARNEY: Roger.

**Q Mr. Secretary, agribusiness has a big stake in the stability of agriculture. Is there any thought being given to having a partnership formed between the government and agribusiness on floods, droughts, other kinds of research?**

SECRETARY VILSACK: Well, I would say two things. First of all, the President instructed internally within the federal government for us to work in a much more collaborative way, and that's why he instructed us to put the drought resiliency taskforce together, which is allowing us now to respond more aggressively to the California drought situation. That's internal.

These climate hubs will, as part of their mission, be partnering with the private sector, the non-profit sector and land-grant universities. They will assist us in identifying technologies -- could be biotechnology, could be seed technologies, it could be stewardship or conservation practices that are identified through the research. They will assist us in getting the message out to producers that you ought to think about doing X instead of Y. So there will be a tight partnership here.

And there is some accountability on our part. We will review these internally each year, and we'll have a significant review every five years to make sure that they're on mission and doing what we are asking them to do.

We're very serious about this. We're going to dedicate a lot of people-hours to this and a lot of resources, because it's important.

**Q And because of these programs, these hub programs here -- and this maybe requires a crystal ball on your part -- but could this change the face of agriculture as we know it?**

SECRETARY VILSACK: Well, I think it could. I think it opens up new opportunities. And I think, frankly, what changes the face of agriculture in the immediate term is this new farm bill. When I made reference to the local and regional food systems and the bio-based economy and manufacturing new products, this opens up a whole new vista of economic opportunity that has not existed before. And this farm bill makes a historic investment in both of those things.

And so I'm excited about that. I have been in plants that have taken crop residue and turned it in a bottle that Coca-Cola is using to produce their water products. In Ohio the other day I saw a 3-D printing machine produce a skull that's used by brain surgeons in brain surgery -- it was made from crops.

It's a whole new day here. And the great thing about this is it can bring manufacturing into the rural communities. We're seeing a rebirth of manufacturing in the last couple of years, which is great, but a lot of it is focused in urban and suburban areas. Now we have a component opportunity here with the resources of this farm bill and the direction of this farm bill to go out into rural areas and bring manufacturing back. And that's a huge opportunity for us.

And it's an opportunity for this reason -- and a lot of people don't realize this -- but if you take a look at the people who actually produce most of what we grow, it's about a million farmers. Of that number, 70 percent require all farm income to keep the farm. In other words, they're having a harder time just on farming alone. It's one of the reasons why out where I travel, the Affordable Care Act thing doesn't get as much grief because people now see this as an opportunity to maybe not have to have themselves and their spouse working an off-farm job because most of the time it's for health insurance.

Bringing a manufacturing opportunity into a community like that creates a chance for that farmer to substantially expand his market opportunity or her opportunity at higher value-added opportunities; not commodity prices, but ingredient prices. And it creates an opportunity for a son or a daughter or a spouse, if they wish, to work in a manufacturing job that's a much higher-paying job than what's being created in a lot of rural communities today.

So this farm bill is extraordinarily important. And unfortunately, the focus has been on crop insurance, which is important, and on SNAP, which is important. But there's a whole lot in between that folks are missing, and it's the whole lot of in between that I think creates just enormous opportunity.

MR. CARNEY: Couple more. In the back, and then Christi.

**Q Mr. Secretary, you said you were happy with the farm bill, and yet twice you repeated the mantra "We're not going to wait for Congress. We're not going to wait for a law to be passed." I mean, why do you feel the need to diss the Congress and the legislative process twice and yet praise the farm bill? You seem to be sending out a conflicting message.**

SECRETARY VILSACK: Well, I don't think it's a conflicting message at all. The President instructed us to work very closely with Congress to get a farm bill. He understood how important it was to rural America and to all of America. And I will say that we had a lot to do with the passage of this bill because of the President's direction. We worked with Congress. As the President has said repeatedly, if there's an opportunity to work with Congress, we will work with Congress -- and we did.

We've been waiting a while for Congress to act on climate. Fair enough; multiple reasons why they haven't. But in the meantime, we're going to take action because 51 percent of the land mass in the United States is a lot of land -- it's over 1.2 billion acres of land, to be exact -- and it's important for us to be really focused on making sure that our farmers and those who ranch and those who have forest are given every tool to be able to respond to adverse weather, which we're seeing. And there is a negative economic impact if we don't do this.

So I don't think it's inconsistent at all. I think we're trying to work with Congress when we can. And when we can't or they won't, we're going to continue to act. And that's I think what the American public wants us to do.

MR. CARNEY: Christi.

**Q Actually, that was my question. What legislative action in particular do you think would be helpful here?**

SECRETARY VILSACK: Well, I don't know all of my sister agencies' wish lists, but I would tell you this: One thing I would like to see is work on infrastructure.

Our ability to respond to climate, our ability to maximize our agricultural economy and our forestry depends to a certain extent on our ability to grow and raise things, which with reservoirs and lock-and-dam systems and rail systems and airports that are improved and ports that are improved, we can actually potentially grow more and we can actually get product to market more quickly. That would be something that I would hope Congress would do.

This is not in the climate area. But agriculture is faced with a serious workforce shortage, which is why we're very interested in making sure that immigration reform happens. And we'll work with Congress to help make that happen. In fact, we already have, by offering USDA -- the Department of Agriculture -- as a way of dealing with agricultural workers.

So there is a huge wish list here, but if it were up to me, I'd like to see some kind of mechanism to invest in infrastructure because we need it, and I'd like the security and safety of workforce, which is going to require immigration reform.

MR. CARNEY: Last one, Mike, and then we'll let the Secretary go.

**Q Mr. Secretary, you mentioned crop insurance. But a lot of critics of this bill say this is another missed opportunity. There's a lot of waste in this bill. There are crops, there are special interests that are supported. It was a wasted opportunity for reform. And particularly, they talk about the sugar industry. When will that opportunity ever come? And does it not cost American consumers money to support these industries when they don't need to be supported?**

SECRETARY VILSACK: Well, the President was very clear when he campaigned for this office in 2006, 2007 and 2008, that he wanted to see an end to direct payments. This was a system which was very difficult to explain to ordinary folks when we were basically as a government spending money and sending checks to producers when crop prices were at all-time highs. When corn was selling for \$8 a bushel, soybeans were at \$15 a bushel, we were sending \$4 billion of direct payments out all across the country. This bill ends direct payments. That is a significant reform.

I can remember speaking to the cotton growers my first speech as Secretary of Agriculture. I was bold enough to suggest that we needed to get rid of direct payments. I can't tell you how much criticism and concern was expressed that that can't happen, we're too dependent on direct payments. That's gone and that's good.

The issue of crop insurance: We raise about \$62 billion of product every year. That's a huge risk. And the reality is that if we didn't partner with farmers -- by the way, farmers pay premiums for crop insurance -- if we didn't partner as a government with farmers, not a lot of farmers would be able to afford crop insurance because their premiums would be dramatically higher than they are today, which means that in the face of a California drought, in the face of livestock disaster in the Dakotas, in the face of what happened with Hurricane Sandy in Upstate New York, in the face of the drought of 2012 that devastated the Midwest -- as a government, we would have been confronted with a requirement and demand by Congress for a disaster bill that would have been substantially more expensive.

Actually, I'll give Jay a chart that shows you in the '80s and '90s, when we didn't have this kind of system, we were spending hundreds of billions of dollars -- hundreds of billions of dollars -- on

disaster programs. Today, it's at an all-time low in terms of what we're actually spending in terms of government subsidies and assistance.

So there has been reform. There's a reason for the crop insurance program. And I might point out that this administration renegotiated the standard reinsurance agreement with the insurance companies, saving \$6 billion, which is on top of the \$23 billion that sequester and this farm bill has saved from agriculture. That's a total of \$30 billion. So I'm happy to talk to folks about why it's important to have crop insurance, that there is reform in this bill, and I think it's a good balance.

**Q Is sugar a sacred cow?**

SECRETARY VILSACK: Is sugar a sacred cow?

**Q Yes.**

SECRETARY VILSACK: Well, I wouldn't say that it's a sacred cow. I think there are a lot of folks who are asking questions about sugar and those are legitimate questions that should be asked. And at the end of the day, it's not easy to put a farm bill together; it requires a coalition. And I think the Congress did the very best job they could under very difficult circumstances given the fact that this was a bill unlike any other farm bill where it wasn't about adding additional money, it was about subtraction. And you know what, they subtracted between sequester and the bill, \$23 billion. We added another \$6 billion in crop insurance savings. That's \$30 billion. That's a good start.

Thank you, all.

MR. CARNEY: Well, thank you for hearing what Secretary Vilsack had to say. We'll go back to regular order.

*(Press conference continues with questions on other issues)*

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