

THE WHITE HOUSE
Office of the Press Secretary

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

Aboard Air Force One
En Route East Lansing, Michigan

11:45 A.M. EST

MR. CARNEY: Welcome aboard Air Force One. Thank you for joining us as we make our way to the great state of Michigan and to Michigan State University, where, as you know, the President will be signing the bipartisan farm bill that recently passed Congress and has arrived for his signature.

I have with me, back by popular demand, the Secretary of Agriculture, Tom Vilsack, who earlier this week he talked to you about the climate hubs that are being established around the country. Today he is going to talk to you about the farm bill, why it was so important that Democrats and Republicans come together not in pursuit of everything that each individual or each party wanted, but in pursuit of a compromise that could be broadly supported.

So, as we do in these cases, Secretary Vilsack will give you a little topper, take questions on subjects that he has some expertise on, and then I will remain for questions on other subjects.

Secretary Vilsack.

SECRETARY VILSACK: Thanks, Jay. The last five years have been the best five years in agriculture in the history of the country. Record farm exports, record investment in conservation, record investment in the expansion of domestic markets through local and regional food systems, record expansion of bio-based product production, and the result is record farm income.

Obviously, we want to continue that momentum and that required the passage of a farm bill. This farm bill does a couple of key things. It helps create the framework for a revitalized and renewed rural economy by making a major increased investment in local and regional food systems -- farmers markets, food hubs, farm-to-school programs -- that create opportunities for smaller and mid-sized operators to have markets.

It provides for the first time ever the ability of the USDA to invest economic development resources in bio-based product manufacturing, which is going to bring jobs to rural communities and small towns, taking crop residue, livestock waste and converting it into chemicals, plastics, new materials that are not petroleum-based.

It makes a new and innovative investment in research and innovation through the development of a research foundation that's going to allow us to leverage significant research dollars to create new products, to protect agriculture from a changing climate and the consequences of that.

It continues to promote exports so that we can build on the record that's been established the last five years. It provides for an opportunity for beginning farmers that -- sometimes difficult to get started in this business, this bill creates new opportunities for credit, new opportunities for less expensive crop insurance.

It resumes and restores disaster assistance, which is going to be extremely important to livestock producers throughout the United States. And it contains a substantial reform in the way in which we currently provide a safety net to producers through the elimination of direct payments and the development of a stronger and more stable and secure crop insurance effort.

On balance, this bill, I believe, is one of the most significant bills that's happened for rural America in quite some time. And I think it's reflected in the strong bipartisan vote in both the House and the Senate to pass it.

We will begin implementation immediately. I can show you the sheet of rules and regulations that will have to be instituted, and we will begin as soon as the ink is dry today. We're excited about this opportunity and excited to come to the first land-grant university in the country at Michigan State.

Q Can I follow up on what you said the other day at the White House on food stamps? I wasn't really clear -- do you think that this bill is going to have a noticeable impact on recipients of food stamps? Can you kind of explain to them, will they see a change, or do you think you're going to be able to provide a safety net for all of them?

SECRETARY VILSACK: First of all, this administration has done a good job of outreach, so now we're reaching an historic number of people who are eligible for the food stamp program who heretofore weren't getting the benefits of the program. This farm bill doesn't change that. It could have changed it if the House version was passed, but it wasn't.

It does two things -- three things, actually. Number one, it creates an opportunity for us to pilot with states a better way of connecting people who are able-bodied, in need of work and in search of work with jobs that state economic development officials are aware are being created; allows us resources to incent a better connection between SNAP beneficiaries and job opportunities. That's really critical. That's going to be beneficial to SNAP beneficiaries.

Secondly, it does raise the bar for LIHEAP, for qualifying automatically. But in doing so, it probably makes the program even more legitimate than it was. And to the extent that it impacts and effects people who would otherwise be qualified for SNAP, we can do the job of making sure that they apply through the normal process, and they won't lose their benefits. So I would expect and anticipate not a significant impact on the overall availability of SNAP.

And then, finally, it provides a new incentive to encourage SNAP beneficiaries to be able to access fruits and vegetables through farmers' markets. We've, this administration has basically instituted and installed in over 3,000 farmers' markets, the electronic benefit transfer machinery that allows SNAP benefits to be redeemed. This now will allow for every dollar someone spends at one of those farmers' markets, they'll get an extra dollar of SNAP benefits by virtue of this, so it will encourage more fruit and vegetable purchases, which is a good thing.

Q Mr. Secretary, as you said, it's a bipartisan bill. Why are there no Republican members of Congress on the flight today with you and the President to celebrate the signing of the bill?

SECRETARY VILSACK: Well, I have not had a chance to speak to any member of the committee. I know that invitations were extended.

Q To Republicans?

SECRETARY VILSACK: Yes. And for whatever reason, they chose or are unable to come here. But I think it clearly is -- was a bipartisan effort, had to obviously be a bipartisan effort because of how the House and the Senate split. And I think there was a good relationship between the chairwoman, Chairwoman Stabenow, and then Chairman Lucas. They worked very closely together. I think the ranking members Collin Peterson and Thad Cochran assisted, as well. It was a good bipartisan effort, and I'm proud of the work that we did at USDA to provide technical assistance, creative ideas that got this bill to where it is today, the President signing.

Q How much support in the farm bill is there for the bio-based companies or projects that you were talking about?

SECRETARY VILSACK: So the energy title of the farm bill and the commitment of mandatory money is \$800 million -- \$80 million a year. Now this money can be leveraged several times, because it's in the form of loan guarantees. So that \$80 million can probably be lent out three or four times, so it will have a \$300-million- to \$400-million-a-year impact on small manufacturing facilities and bio refineries and bio processing.

This is an amazing new opportunity. Ford Motor Company, every single car they now manufacture in North America has seats made from soy foam made from soybean. Coca-Cola is now using plastic bottles that are made in part from corn cobs. I was in a facility in Ohio last week that basically every time you get an envelope that's got one

of those clear windows, that can be made and is being made now from bio-based products, moving away from a reliance on petroleum and fossil-fuel-based petroleum. It's just an amazing opportunity here to bring manufacturing back; 14 percent of all the manufacturing jobs in the United States are connected to agriculture. I think this is going to increase that number.

Q Can I ask you about the Subway controversy and the bread. Is that chemical something that is okay for Americans to eat in their food? Is it safe?

SECRETARY VILSACK: We are -- at USDA, let me be very clear about this, our responsibility in terms of food safety is meat, poultry and processed eggs. The Food and Drug Administration has to make decisions on every other aspect of food.

I'm reasonably confident that FDA is doing its job. I know we're doing our job. And Subway has obviously made a decision from a marketing perspective, and it's probably a good thing for them to do from a marketing perspective. But I don't think the folks who have been eating foot-long Subway sandwiches have had anything to really be concerned about. But it's a marketing move on their part, and I think it's probably a good one.

Q Can I ask you a trade question? I'm just wondering if there have been any developments on that corn by Syngenta that China is blocking, I wrote it down, MI-162.

SECRETARY VILSACK: Well, this is a biological event or trait in corn that has not been approved by China's regulatory process. And the reality is that we have been working with the Chinese to try to get their regulatory process to be more accepting of biotechnology. There are two reasons why I don't think it is today. One, it is that their regulatory processes are not as mature as ours in terms of examining the safety of various products. And, two, I think there's a pushback in China, the belief that some of this technology is an effort by the Western influences to gain a foothold in China. We're trying to educate the Chinese on the fact that this is in the long-term best interest of their own producers and their own people.

We face an enormous challenge here as a people. We have to increase food production in the next 40 years by roughly 70 percent to be able to feed 9 billion people. We're going to do that with more intense weather patterns, with changing climates, with less water, with more water in some places, more intense storms. To do that, you're going to have to embrace science. In fact, the science you have to embrace is so significant that in the next 40 years, that science equals the science in agriculture for the preceding 10,000 years.

So there's an enormous effort on our part to get them to do a regulatory process that will allow these new technologies to get into China. This particular one, I think there's an issue involving the Chinese officials and the company. But we just recently saw the Chinese approve a number of renewals allowing other corn products and other soy products into the country.

Q So are you anticipating the U.S. corn containing trace elements of that corn will continue to be blocked for the foreseeable future?

SECRETARY VILSACK: Until China basically makes the decision to approve it, they may not accept it. But that corn is also being sold in a number of other venues, and I've been told and I've been advised that they basically have sold out -- Syngenta has basically got commitments for the entire crop.

Q On the "Made in Rural America" initiative that the President is announcing today, you mentioned that farm exports are at an all-time high, so what's the need for this program?

SECRETARY VILSACK: Well, this program is not limited just to agricultural products. This program is also going to focus on the fact that in rural America there's a lot of manufacturing, a lot of small manufacturing. And we need to do a better job of creating new market opportunities for those small manufacturing facilities so they can add jobs and expand, just in the way agriculture has seen an expansion.

So the forums that will be jointly sponsored by Commerce, USDA, the trade representative's office, the Export-Import Bank will do a better job of educating people in rural America about the opportunities. The ability for us to have an invested rural conference is really about drawing more capital into rural America and equating people with the opportunities. Let me just give you some examples.

Because of the farm bill, this administration has invested in over 3,700 water projects that impact and affect over 20 million Americans with clean water. Those are infrastructure projects the private sector ought to be thinking about investing in as well. We did over 6,200 community facilities -- schools, hospitals, fire stations, police stations -- infrastructure that the private sector could be interested as well.

The demand is out there. The fact is that folks in investment banks are not fully aware of those opportunities. This investment conference will give them a chance to learn about those as well as the bio-based product manufacturing, the bio refinery opportunities to invest in.

So it's just enormously helpful to have the President's focus on this, because it's going to reawaken the need for small business to think globally. It's going to allow us to get information out about various programs that this administration has launched, including an insurance program that the Ex-Im bank has that basically says to the small manufacturer, look, don't worry about selling something overseas -- you don't need to be concerned about not being paid, we'll guarantee you payment, we'll assume the risk of nonpayment, it's going to make it a lot easier for small businesses to export and that's going to create jobs.

Thanks, folks.

MR. CARNEY: I'd like to thank Secretary Vilsack for again joining me in in my briefing. I don't have any other -- well, I do have one announcement to make. It's related to exports and that is that 50 years ago today, the United States received a British export in the form of four young men from Liverpool, and I think many Americans remain eternally grateful for that to our friends in Great Britain. And I would also note something that a lot of people don't know, which is that when you get on the Amtrak and head north, a few blocks out from Union Station on the east side, you pass a building with a domed roof that is the first place -- then known as the Washington Coliseum -- that the Beatles played in the United States on February 11th, 1964. Pretty cool piece of history.

With that, I take your questions.

Q Jay, the Vice President said on CNN this morning, talking about the immigration bill, that a bill without a pathway to citizenship is clearly "not our preference," his quote, but he didn't close the door on that. Is it increasingly looking to the administration like the best you're going to get out of the House this year is a bill without a pathway to citizenship?

MR. CARNEY: No, our principles remain exactly as they have been spelled out for many years now and as they are reflected in the bill that passed with bipartisan support through the United States Senate, and that includes a pathway to citizenship. The President's view is that we should not have a society with two classes of people, and he strongly supports a pathway to citizenship.

The fact is we don't have legislation from the House. We have standards or principles that House leaders put forward last week and as was noted yesterday in my briefing, the Speaker of the House spoke yesterday about the difficulty of even moving forward with that. In an odd bit of diversion, he suggested that the internal problems in the Republican Party are the President's fault when it comes to the challenges that the GOP faces in dealing with immigration reform.

I would note that if it were an issue of trust, why did the Republicans block immigration reform in 2006 when the occupant of the White House was Republican President George W. Bush? Was it because they didn't trust him? I think no. I think the issue is because of the well-known and documented challenges that dealing with this issue presents the Republican Party. Having said all that, we remain hopeful and optimistic that the progress we've seen in the House and overall in the Congress will continue, and that we can get a comprehensive immigration reform bill through Congress and signed by the President this year.

Q Can I follow up on something the Secretary said? He said that invitations were extended to Republican members of the conference committee today. Can you confirm that, and did you get what were the responses back?

MR. CARNEY: Fifty members of Congress were invited to the signing -- approximately 50, a bipartisan group. And everyone invited has to speak for himself or herself about their decision to attend or not attend.

Q Was the President disappointed that there were no Republicans there?

MR. CARNEY: This was a bipartisan effort. And everyone involved in it deserves credit. The President is happy to share the credit for that. The members who are on board today were deeply involved in helping this come about, and the President is very glad to have them join him on this trip to Michigan where he will sign the farm bill.

Q And on the jobs report, just another week -- month. Did the President speak too soon in talking about a breakthrough year? Was he overly optimistic in his recent economic speeches?

MR. CARNEY: I think the report we saw today reflects two things. One, that we continue to make steady progress -- 8.5 million jobs now in the private sector have been created in the last 47 months. But there is still more work to do. And the report elucidates the challenges that we face. It's also the case that the unemployment rate in the household survey is at its lowest level now in five years. And what we know is that there are things that we can do to keep the progress moving and to accelerate that progress. And that includes extending unemployment insurance so that those who are actively in the job market looking for work are able to put food on the table and continue to look for work.

It's unconscionable that Republicans again blocked a bill in the Senate that would extend those benefits in the way that they were extended five times under President George W. Bush. So raising the minimum wage is another way that we can expand opportunity and security for the middle class.

So the job report today, again, reflects the progress we've made but the challenges we still face, which is why we have to make sure that this is a year in which we continue the growth, expand it, and solidify the economic foundation that we've been building over these past five years.

Q On the Ukraine leak yesterday, you had mentioned in the briefing that Russia, the Russian government had tweeted it out. Are you certain that it was Russia that did the eavesdropping in that conversation, was involved in that?

MR. CARNEY: I explicitly said I was not saying that. I was saying a statement of fact, which is that Russian officials went to Twitter to publicize and draw attention to the leaked call. Assistant Secretary Nuland gave a press conference earlier today in Ukraine and addressed that issue, and our support for a stable, democratic Ukraine and our support for a peaceful resolution to this crisis and for the government and the opposition to come together to resolve the crisis.

Q Does the President plan to offer any new help with Detroit --

MR. CARNEY: Well, the President will receive an update on the ongoing efforts to ensure that the federal government is an active partner in Detroit's revitalization. But that role that the federal government plays has not changed. We're not making a change to them.

Q On the possibility of extending non-confined insurance policies for the next three years, Boehner had said that House Republicans didn't trust that this administration would implement immigration reform the way they wanted to. So how does that bring the President any closer to gaining that kind of trust?

MR. CARNEY: That's a very angular approach. First of all, there have been no decisions about extending that ability for people to stay on their previous plans. Back in November, I think CMS said that this would be reviewed as to whether or not an extension was -- another extension was necessary.

Again, I think, as many have noted, it doesn't hold up to scrutiny to suggest that the well-documented, well-known, amply covered conflict within the Republican Party about immigration reform is the President's responsibility. Again, if that were the case, why did Republicans block comprehensive immigration reform in 2006 when there was a Republican President? We all know the answer. Now, so that's just setting the record straight.

We still believe that there is an opportunity here, and that not because President Obama insists that we should pass comprehensive immigration reform, but so many stakeholders across the country insist that we should, including business, including law enforcement, faith communities and labor. So we're hopeful that those voices will be heard within the Republican conference in the House and among Republican leaders.

Q Thanks, Jay.

Q One more, is he going to watch the Opening Ceremony tonight of the Olympics?

MR. CARNEY: I haven't asked him. He's a pretty avid sports fan, so I wouldn't be surprised if he did.

Q Thanks, Jay.

END 12:10 P.M. EST