

# **An Interview with Outgoing Secretary of Agriculture Tom Vilsack: Reflections on His Legacy & Challenges Facing a New Era in American Agriculture Policy**

**Lauren Manning\***

## **Introduction**

Former USDA Secretary Tom Vilsack served for eight years as President Obama's Secretary of Agriculture. Secretary Vilsack's eight-year legacy witnessed many diverse and significant events impacting food and agriculture. From the piquing of consumers' curiosity and the momentous rise of the good food movement to the increasing attention surrounding agriculture's impact on the environment. During those eight years, the U.S. food system was both praised for its efficiency and criticized for promoting an unhealthy diet and spawning environmental problems. Secretary Vilsack is generally credited as walking deftly between the two worlds. He famously referred to conventional agriculture and organic agriculture as like his two sons—different from one another, but loved the same.

In October 2008, prominent food policy journalist Michael Pollan penned an open letter to Secretary Vilsack discussing the current state of food policy and outlining a proposed agenda for reforming the US food system.<sup>1</sup> Pollan's letter, entitled *Farmer in Chief*, centered on one goal: "...we need to wean the American food system off its heavy 20<sup>th</sup>-century diet of fossil fuel and put it back on a diet of contemporary sunshine." In

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\* Lauren Manning is a food and agriculture lawyer based in Fayetteville, Arkansas. She joined the LL.M. Program in Agricultural and Food Law and the University of Arkansas School of Law after four years in private practice. Manning interviewed former Secretary Vilsack as a means of capturing his thoughts on his administration's accomplishments as well as food law and policy in the Trump era. This article is based on that interview and on the Exit Memo provided to President Obama at the end of his presidency.

1. Michael Pollan, *Farmer in Chief*, *New York Times* (Oct. 9, 2008) available at <http://www.nytimes.com/2008/10/12/magazine/12policy-t.html>.

Pollan's vision, the Secretary of Agriculture would promote a healthful diet that considers the quality and diversity of food and foster policies that promote resiliency, safety, and security in our food supply. Monocultures would be converted back to polycultures, where animal agriculture, specialty crop production, and commodity crop production happened synergistically instead of compartmentally and food production returns to a regionalized system.

Although neither President Obama nor Secretary Vilsack adopted Pollan's proposed agenda, advancements were made in nutrition policy, rural development, small scale agriculture, and beginning farmer initiatives during the Obama administration. School lunches came to be judged not just by calorie count, but by nutrition value; "Know Your Farmer, Know Your Food" was created; and small, sustainable farms were at least provided with a seat at the table.

The following interview with Secretary Vilsack was designed to capture his personal reflections on his legacy and to identify what he views as the greatest challenges facing the future of American agriculture. It explores Secretary Vilsack's view of the incoming Trump administration and what it could do for American agriculture. Vilsack was close to the Democratic nominee, former Secretary of State Hillary Clinton, and was even considered to be a strong candidate for her vice-presidential pick. As an attorney, he is qualified to address not only the policy implications but the underlying legal issues that will be impacted by the new President's administration.

The transcript of the interview follows, interspersed with excerpts from his final exit memo to former President Obama.

### **Transcript**

#### ***Lauren Manning:***

On behalf of the University of Arkansas School of Law and the Agricultural and Food Law LL.M, program, I'd like to thank you for taking the time to share your thoughts on your tenure as

the Secretary of Agriculture and for this wonderful opportunity to reflect on some of the key developments during that time. I'm going to start by asking you about one of the cornerstones of your administration. Although there were many focuses during your tenure, one of the most pervasive themes was rural development. You focused on increasing connectivity in rural economies, home financing programs, substance abuse programs, and more. Looking back, how did these rural development programs impact agriculture and agribusiness?

***Tom Vilsack:***

When you look at a family farming operation in this country, those operations that are not large-scale commercial operations that sell more than \$350,000 in sales, those that sell less than that, one thing that was fairly obvious is that those operations were very dependent on outside income; that either the farmer, himself or herself, or their spouse or other family member had off-farm income to help supplement the farm income that allowed them to maintain the farming operation. So, anything having to do with creating new and better and more diverse economic opportunity is a direct benefit to those operations because it continues to provide employment opportunities that are critically important to maintaining the farm, and so many of the investments were made to make sure that those opportunities exist.

Secondly, as we looked at the long-term future for rural America, it was obvious to me that we needed to replace the extraction economy of the past with a sustainable economy of the future. That involved establishing local and regional food systems and jobs connected to that, to the supply chain that involved expanded opportunities in conservation and the contracting work that is done by small contracting firms in terms of conservation practices, and establishing bio-based manufacturing opportunities, whether it's biofuel or bio-chemicals or biomaterials made from agricultural products providing additional market opportunities for farm families. And all of that we contributed and invested in in record amounts during the Obama administration to help begin to create the

foundation for a new sustainable economy that I think over the long haul will provide more opportunity and more income and the ability to stem the population loss that rural America had experienced for a number of years.

*Many of the programs targeting rural development were administered through the White House Rural Council, which former President Obama established by Executive Order on June 9, 2011.<sup>2</sup> These programs included cooperative services, community facilities, home financing programs, electric and telecommunications expansion initiatives, and environmental support programs.<sup>3</sup> The Local Food Promotion Program and Farmers Market Promotion Program, both administered through the Agriculture Marketing Service, also offered opportunities to spur local food system growth in rural areas.*

*In a 2016 Rural America At a Glance publication, the USDA reported that unemployment rates had fallen to levels that were unprecedented since before the Great Recession.<sup>4</sup> The report also indicates that rural household incomes were generally increasing, as well as labor force participation and median earnings.*

*In his Exit Memo, Secretary Vilsack encouraged the continuation of the White House Rural Council.<sup>5</sup> Specifically, the memo underscores the importance of continuing to reduce barriers to federal programs and resources, help rural communities leverage local assets, and to allocate federal resources to the areas that need them the most.<sup>6</sup>*

**Lauren Manning:**

In the same vein, your administration was dedicated to

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2. Executive Order 13575 - Establishment of the White House Rural Council, available at <https://obamawhitehouse.archives.gov/the-press-office/2011/06/09/executive-order-13575-establishment-white-house-rural-council>.

3. See <https://www.rd.usda.gov/programs-services/all-programs>

4. See USDA Rural America at a Glance 2016 Edition, available at [https://www.ers.usda.gov/webdocs/publications/eib162/eib162\\_forprinting.pdf?v=42684](https://www.ers.usda.gov/webdocs/publications/eib162/eib162_forprinting.pdf?v=42684)

5. Exit Memo, p. 14

6. Exit Memo, p. 14

supporting and creating new opportunities for beginning farmers, including young folks from farming backgrounds and people of all ages who are new to farming. Why were beginning farmers a priority for your administration, and what do you consider to be some of the most successful policies you implemented to advance their interests?

***Tom Vilsack:***

Well, it's really a matter of survival here. If you take a look at the average age of an American producer, it's 58 and continuing to age fairly rapidly, and we had three times the number of producers over the age of 65 than under the age of 35. That's not a prescription for long-term survival of what we like to think of as a diverse agricultural opportunity in America, so it was important for us to recognize that. It was also important for us to recognize that both traditional and nontraditional folks in the farming business were considering a farming opportunity. We were seeing more women interested in farming. We were seeing people of color interested in farming. We were seeing returning veterans who had rural backgrounds interested in agricultural opportunities.

So, one of the first things we did was to create a micro loan program that was designed to provide some startup money at a reasonable rate with less paperwork and a requirement that didn't require that you have some long-term experience in the agricultural field to be able to apply for those micro loans, and we saw great interest in those micro loans. We then made the determination that it was important to look at ways in which we could incentivize conservation programs for beginning farmers. Many of those farmers weren't in a position to provide as much cost share as we normally require from a more mature farming operation in order to utilize the NRCS programs, so we provided some flexibility on cost share for beginning farmers.

We created a slightly less expensive crop insurance and risk management set of tools for beginning farmers to make it a little bit easier. And in a very small way, but we think an important beginning, we looked for ways in which we could

potentially create access to land, whether it's the transition program with CRP or whether it was, as we were closing antiquated labs, working with land grant universities, as we do with Florida A&M. We add as a condition of transferring the land and the lab facilities to Florida A&M a requirement that they utilize those lands to facilitate beginning farmers. So, all that was designed to send a message that we're open for business, that we wanted people to consider farming as an option, whether they were fortunate enough to be part of a farm family or whether they were just simply interested in getting into the business. We wanted to make it as easy as we could.

Obviously that work has to continue, and I think there are going to have to continue to be very creative ways to encourage beginning farmers. I think one that one of the big issues that we looked at, we don't necessarily have all of the answers to it, but we recognize that there was going to be a tremendous transfer of land taking place over the next ten to 15 years as these aging farming families basically get out of the business, and the question is how are we going to facilitate the transfer of that land potentially to younger farmers. And I think as the country begins a debate on tax policy, it may be a good time to focus not just on the estate taxes, as often the case, but to focus on the income tax and the ability to unlock some of the land that's been held by absentee landowners for a considerable period of time that has appreciated in value and can potentially result in fairly significant tax payments if transferred today, but once the landowner dies, their estate gets a stepped-up basis and their heirs are able to sell it without any tax liability. So I think it's important for us to have those kind of conversations.

***Lauren Manning:***

And what's one thing that lawyers can do in private practice or through nonprofits to help beginning farmers?

***Tom Vilsack:***

Well, the first thing would be to familiarize yourself with the USDA website for beginning farmers because it contains a

very good template, a very good set of resources so that beginning farmers can be directed to the right programs, the right USDA programs to get started. I think also for lawyers to recognize that farming doesn't necessarily have to be limited to a rural area, that there is now urban farming operations that are being developed and we have a very comprehensive—or USDA has a very comprehensive website for urban farming as well. So lawyers could be very familiar with those websites, very familiar with the tools and programs identified in those websites and direct their clients to utilize and assist their clients in utilizing those programs.

*Indeed, the 2012 Census of Agriculture reported the average age of the American farmer as 58.3 years, reflecting a steady increasing trend from an average age of 50.5 years-old in 1982. It also reports that only 14 percent of principal farm operators are women and only 30 percent of total operators.<sup>7</sup> Regarding minorities, the Census concluded that “[a]ll categories of minority-operated farms increased between 2007 and 2012,” with Hispanic-owned farms increasing 21 percent.*

*Current statistics regarding farmland tenure underscore Secretary Vilsack's concerns regarding land access for beginning farmers and an impending mass transfer of wealth. Regarding tenure, the USDA's 2014 Tenure, Ownership, and Transition of Agricultural Land Survey (TOTAL) indicated that 39 percent of farmland acres in the U.S. are leased and that the average age of a farmland lease landlord is 66.5 years. Thirteen percent of these landowners identified as farmers, while 87 percent identified as non-operators. Additionally, 45 percent of landlords reported that they have never farmed.<sup>8</sup>*

*Since the microloan program's inception in January 2013,*

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7. See 2012 Census Highlights Farm Demographics – U.S. Farmers by Gender, Age, Race, Ethnicity, and More, available at [https://www.agcensus.usda.gov/Publications/2012/Online\\_Resources/Highlights/Farm\\_Demographics/](https://www.agcensus.usda.gov/Publications/2012/Online_Resources/Highlights/Farm_Demographics/)

8. 2012 Census of Agriculture Highlights Farmland Ownership and tenure ACH 12-27/September 2015, available at [https://www.agcensus.usda.gov/Publications/2012/Online\\_Resources/Highlights/TOTAL/TOTAL\\_Highlights.pdf](https://www.agcensus.usda.gov/Publications/2012/Online_Resources/Highlights/TOTAL/TOTAL_Highlights.pdf)

*the USDA has issued over 21,000 microloans and reports that 70 percent of those financings involved beginning farmers.*<sup>9</sup>

***Lauren Manning:***

Switching gears a bit, during the eight years that you were at the helm of the USDA we saw a shift in the role that consumers play when it comes to shaping food policy. We saw this with GMO food labeling, with the demand for more local food and the recent increase in awareness about food safety. From your perspective, what was the catalyst for this shift? And based on what you saw during your administration, how might consumers continue to impact the ongoing dialogue about food policy?

***Tom Vilsack:***

Well, I suspect that there are a number of reasons for why there was greater focus. One, certainly not necessarily the only reason, I think is that people were looking on the marketing side, on the retail and production side, looking for either a value-added opportunity or a way to distinguish their product from a competitor's product. And I think that the rise in social media and the ability of individuals to easily start a conversation that can go viral and can impact a substantial number of people relatively inexpensively. It's not like you have to buy a 60-second ad at the Super Bowl to impact lots of folks. You can just simply set up a blog and, you know, the next thing you know, you've got a number of followers and they are listening to what you have to say and thinking about what you have to say.

I think the millennial generation in particular is utilizing food as sort of a connector. I think my generation used music as a connector and as a community builder, and I think this millennial generation is using food. That's why you've got a lot of millennials meeting up in restaurants and taking pictures of what they're eating and letting folks know about what they enjoy and what they don't enjoy. That's why you've got the

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9. Exit Memo, p. 5.



establishment of companies like Blue Apron and others that are delivering potentially ready-to-cook meals to make it easy for folks. So there's a lot going on. The Food Channel. I mean, there's just an awful lot of activity in this space, and I think it's a good thing because it's helping to reconnect people with their food and it's helping to potentially reconnect them with the people that produce their food. And I hope over the long haul it creates a better appreciation for the hard work and the risk that people take in producing food in this country.

I would add one caution, however. I think that with the speed of social media that there are times when the demands that are being made by consumers may be outpacing the capacity of producers and the capacity of the industry to meet those demands, and because there's such fierce competition in food, people are anxious to make the latest and greatest commitment to try to maintain market share or try to gain market share.

I think we need a better system, and I don't know what that system is, but a better system that would allow us to thoughtfully approach what consumers' needs and demands are to make sure that consumers understand and appreciate that there are costs associated with what they're requesting, and making sure that they are prepared to pay more for their food on a general proposition if the producers and processors adopt many of the steps that people want to see. And I've been using the example of cage-free eggs where over a hundred organizations, businesses, entities, make commitments to commit to cage-free eggs. No one stopped to ask the question, well, how many layers is that going to take and how long is it going to take for the industry to change and what's the cost associated with that and what assurances do those who are going to incur those costs, what assurances do they have that they're going to get money back or that they're going to be able to make a profit. And I think there's now real concern in that space that perhaps there is not as much demand on the retail side for that as some might have thought, and that's making it more difficult for producers to make the change that some consumers want. You'll pay a penny or two more for an Egg McMuffin, but when you pay 50 cents, 75 cents, a dollar per carton more for eggs when

you go to the grocery store, that's the question that I don't think often gets asked and answered in a thoughtful way in these conversations, so that could potentially slow the process down over time.

*Several studies have reflected a growing interest among consumers in learning about where their food comes from, how it is produced, and what it contains.<sup>10</sup> During Secretary Vilsack's tenure, several states voted on ballot initiatives that sought to provide increased protections for farm animals. The use of battery cages for laying hens, gestation crates for hogs, and veal crates in the dairy industry were the primary targets. Currently, California, Massachusetts, Michigan, and Ohio have enacted laws that prohibit use of all three of these confinement practices, while a handful of other states have enacted prohibitions against either one or two of them.<sup>11</sup> According to a*

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10. 2016 U.S. Grocery Shopper Trends Survey, The Food Marketing Institute, available at <http://www.fmi.org/docs/default-source/webinars/fmi-2016-us-grocery-shopper-trends-overview-webinar5ce7030324aa67249237ff0000c12749.pdf?sfvrsn=2>. The survey is used extensively by the retail grocery industry.

11. California  
[https://ballotpedia.org/California\\_Proposition\\_2,\\_Standards\\_for\\_Confining\\_Farm\\_Animals\\_\(2008\);](https://ballotpedia.org/California_Proposition_2,_Standards_for_Confining_Farm_Animals_(2008);)  
 Massachusetts  
[https://ballotpedia.org/Massachusetts\\_Minimum\\_Size\\_Requirements\\_for\\_Farm\\_Animal\\_Containment,\\_Question\\_3\\_\(2016\);](https://ballotpedia.org/Massachusetts_Minimum_Size_Requirements_for_Farm_Animal_Containment,_Question_3_(2016);)  
 Michigan  
[http://www.legislature.mi.gov/\(S\(wkt4d3jk13zxcbnl4avsmue3\)\)/mileg.aspx?page=GetObject&objectname=mcl-287-746;](http://www.legislature.mi.gov/(S(wkt4d3jk13zxcbnl4avsmue3))/mileg.aspx?page=GetObject&objectname=mcl-287-746;)  
 Ohio  
<http://codes.ohio.gov/oac/901%3A12>.  
 Arizona  
<http://www.azleg.state.az.us/FormatDocument.asp?inDoc=/ars/13/02910-07.htm&Title=13&DocType=ARS;>  
 Colorado  
<http://www.lexisnexis.com/hottopics/colorado/?app=00075&view=full&interface=1&docinfo=off&searchtype=get&search=C.R.S.+35-50.5-102;>  
 Florida  
<http://www.leg.state.fl.us/statutes/index.cfm?submenu=3#A10S21;>  
 Maine  
[http://legislature.maine.gov/statutes/7/title7sec4020.html;](http://legislature.maine.gov/statutes/7/title7sec4020.html)  
 Oregon  
<https://www.oregonlaws.org/ors/600.150;>  
 Rhode Island  
<http://webservice.rilin.state.ri.us/Statutes/TITLE4/4-1.1/4-1.1-3.HTM;>

*number of studies, increasing the minimum space requirements for livestock translates to increased production costs for producers. One study from the University of California Agricultural Issues Center estimated that the non-traditional cage-free systems increase the cost of production by at least 20 percent.*<sup>12</sup>

***Lauren Manning:***

Over the course of your administration the USDA implemented two farm bills. Given your unique insight and experience in this area, in your view what does it take to successfully execute each farm bill? And as Congress begins working on the 2018 farm bill, what key issues or most impactful components are under consideration?

***Tom Vilsack:***

Oh, my heavens. Well, I think first of all, it's going to be important to have a farm bill, and that's by no means a given. And I think in order to make sure that there is a congress capable of passing what I refer to as a food, farm and jobs bill because it's a lot more than just a farm bill, there has to continue to be, in my view, a continued coalition between the nutrition community, the conservation community, the research community, the farming community, the rural development community and the forestry community and the trade community, all of which make up components of a farm bill, and so it's going to be important for that coalition to be retained and to strengthen.

Secondly, there are obviously going to be things that have to be addressed, but before the discussion gets serious, I hope it doesn't start the way the previous farm bill started, which is focusing on saving money as opposed to meeting need. I think it's incredibly important that we define the needs that exist in

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Washington <http://app.leg.wa.gov/RCW/default.aspx?cite=69.25.065>.

12. Sumner, et al, Economic Effects of Proposed Restrictions on Egg-laying Hen Housing in California, University of California Agricultural Issues Center, July 2008, <http://aic.ucdavis.edu/publications/eggs/egginitiative.pdf>

rural America that is serviced by a food, farm and jobs bill, and be able to define what that need is before we start talking about what the federal budget might be able to contribute to that need. Because if you start talking about cutting money initially, if that's your first objective, then basically you begin pitting all of those competing interests against one another in a farm bill and you basically fracture the coalition and you make it harder to get a bill through the process. I think if you create a dialogue about what the need is, you can then begin to challenge all of us to be creative, whether it's in government or outside of government, to figure out creative ways to meet that need and leverage resources.

I think we saw an example of that with the Regional Conservation Partnership Program that essentially said, look, we're going to put money aside, we're going to put CSP acres aside, EQIP money aside, and we're going to try to leverage that into more outside the federal government resources committed to conservation, and we saw a two-for-one advantage from that kind of approach. So, I think if you define the need and challenge folks to be creative about how to meet the need, you're going to get a lot more done and you're going to keep the coalition together and you're going to make it easier for the politicians to get a bill through the process.

In terms of implementing it, first and foremost, the USDA needs a secretary and it needs undersecretaries and it needs administrators and it needs to set up a system, as we had, that basically creates the expectation that it will be implemented in a thoughtful, considerate, and efficient way. And if you set up a task force as we did, oversee that on a weekly basis and to funnel decisions through the secretary that have to be done in a very orderly fashion and efficient fashion, you can get the bill and the rules implemented. I'm not sure in this new environment though, when it is required to eliminate two rules for every new rule that you institute, I'm not sure how that's going to work with a new food, farm and jobs bill because you have to have a lot of rules that are written in implementing a bill and if you have to eliminate two for every one that you introduce, I'm not sure what rules we're going to be eliminating at USDA. I don't

know whether it's going to be food safety rules or conservation rules or risk management rules or farm service agency rules. I'm not quite sure what rules are not beneficial to the farming community at USDA. And so, I think it's going to be very interesting to see how that unfolds, and I think we'll probably get a glimpse of that when the GMO labeling bill, the rules for that come in to play. There are going to be many rules associated with that, and the question is what rule are you eliminating in order to comply with the executive order.

*Passed every five years, the omnibus Farm Bill comprises trillions of dollars in programs and financing for American agriculture. President Trump nominated Sonny Perdue, former Georgia governor and state senator, to lead the USDA, representing his final cabinet pick. Although Perdue's senate confirmation hearing was completed on March 23, 2017, as of April 17, 2017, a vote on Perdue's nomination had yet to be scheduled.*

*On January 30, 2017, President Donald Trump signed Presidential Executive Order on Reducing Regulation and Controlling Regulatory Costs.<sup>13</sup> On July 29, 2016, former President Obama signed the National Bioengineered Food Disclosure Standard into law, which requires foods containing certain bioengineered ingredients to provide a disclosure on the product label, constituting historic shifts in both food labeling and agriculture biotechnology. The statute requires the Secretary of Agriculture to promulgate rules enforcing its provisions within two years from the date of enactment, a timeline that has been called into question given the rapidly shifting regulatory climate.*

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13. See Presidential Executive Order on Reducing Regulation and Controlling Regulatory Costs  
EXECUTIVE ORDER, REDUCING REGULATION AND CONTROLLING REGULATORY COSTS, (Jan. 30, 2017), available at <https://www.whitehouse.gov/the-press-office/2017/01/30/presidential-executive-order-reducing-regulation-and-controlling>.

***Lauren Manning:***

Your administration also addressed discrimination in agriculture in many ways, including the Intern to Career Program and improving access to credit for minority farmers. In your view and based on your insight, what are some of the continued challenges that minority farmers face and how can lawyers be advocates for advancing the rights of minority farmers?

***Tom Vilsack:***

Well, I think it's important for lawyers to know what the rules are and to work with their clients to make sure that they follow the rules and comply with the rules. I think it's going to be a lot easier to get things through the system and I think people are going to be able to have documentation that they may request for assistance and help because of the new receipt requirement. So I don't think we're going to have quite the problems we've had in the past where people walk into an office, don't get the help that they need and have a hard time documenting that they, in fact, requested help. I think lawyers knowing what the rules are will also have an easier time because we've changed the county committee system a little bit to make sure that there's representation of—that the county committees reflect the diversity of the producers that they represent by having minority members of those committees either elected or selected, and it will be interesting to see whether the new secretary will continue that process. I hope he does. But, you know, I think it's a slightly different world. I think there's—lawyers also, I think, have a responsibility to explain to producers if they're not successful, when there is a legitimate reason for them not to be successful that they aren't successful. They just can't assume that every time they aren't successful it's because of discrimination. I think there are times and circumstances where credit histories may not be what they need to be or repayment capacity may not be there, and I think you can do a service to your client by not only fighting hard for them, but also explaining why they didn't get the help that they thought they were entitled to, and it wasn't anything to do with

color of their skin or their culture or whatever. It just had to do with this is the way financial decisions are made.

*In his Exit Memo, Secretary Vilsack describes the USDA circa 2009 as “marred by decades of systemic discrimination.”<sup>14</sup> Since then, the USDA has resolved over 23,000 claims, as well as established a consolidated claims procedure for Hispanic and women farmers and ranchers.<sup>15</sup> The agency also engaged in practices that would extend financing opportunities to underserve communities, with annual ending doubling from \$380 million in 2008 to nearly \$830 million in 2015.<sup>16</sup>*

***Lauren Manning:***

As you transition into your new role leading the U.S. Dairy Export Council and focusing more exclusively on international trade issues, what’s your view of the current international trade landscape and what would you like to achieve?

***Tom Vilsack:***

Well, I think it’s uncertain right now. I think comments from the administration, the lack of people in place, secretary of agriculture, for example, make it an unclear and sometimes conflicting situation which creates uncertainty. It’s one of the reasons why I’ll be traveling to Mexico next week, to sort of make sure that Mexican producers and business leaders and government leaders understand how important the dairy industry and our relationship with Mexico is to the dairy industry here in the U.S., and how we work collaboratively together to grow the industry in Mexico as well. You know, I’m concerned that the lack of clarity, the lack of certainty as to what the policies are, the quick actions that have been taken on agreements that were years in the making, has created an opportunity for our competitors to fill the void and could potentially impact and affect business development in the future and trade opportunities in the future. I think the administration has an opportunity, in

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14. Exit Memo, p. 11.

15. Exit Memo, p. 11.

16. Exit Memo, p. 11.

dairy, for example, as they talk about NAFTA, there are areas of NAFTA that can be strengthened and where the deal can be fairer to the U.S., and that's certainly true in dairy and with Canada. Canada's market is very close, from our perspective. But at the same time, there's a terrific opportunity in Mexico that we've developed over the years and we don't want to do anything that would make it more difficult to continue that progress.

*President Trump's prompt withdrawal from the Trans-Pacific Partnership drew sharp criticism from many agriculture groups, with some reports estimating that the withdrawal could cost American farmers a \$4.4 billion annual revenue opportunity. For some in the agriculture industry, however, the withdrawal was a welcome move based primarily on concerns regarding how the agreement would impact American workers.<sup>17</sup> The president has made several comments regarding his intention to renegotiate NAFTA, a 1994 trade agreement between Canada, Mexico, and the U.S. Reports in March 2017 indicated that Trump's administration was preparing two executive orders that would set an aggressive trade reform package into motion, but no such orders have surfaced.<sup>18</sup>*

***Lauren Manning:***

Looking out into the future, based on what you saw during your tenure at the USDA and based on your experience now, what do you view as the biggest challenges facing American agriculture during the next decade, and how can lawyers play an active role in addressing those challenges for farmers?

***Tom Vilsack:***

Well, I think we've talked a little bit about the aging nature

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17. Jonnathan Hettinger, Trump's pull-out of TPP deal prompts criticism, anger from ag industry, Midwest Center for Investigative Reporting, Jan. 23, 2017, available at <http://investigatmidwest.org/2017/01/23/trumps-pull-out-of-tpp-deal-prompts-criticism-anger-from-ag-industry/>.

18. Ylan Mui, Trump plans two new trade-related executive orders: senior official, CNBC, Mar. 28, 2017, available at <http://www.cnbc.com/2017/03/28/nafta-and-trump-president-plans-two-new-executive-orders.html>.



of the farming population and I think that creates a circumstance and a challenge, and I think lawyers, through estate planning, through working with their farmer clients, can think about ways in which their farmer clients could utilize existing programs, whether it's the CRP transition program to benefit a beginning farmer, to mentor a beginning farmer, to create a circumstance that if there's an opportunity for land transfer, to facilitate that. I think lawyers are sort of a good bridge between representing that older farming client and creating new opportunities for the new client. I think lawyers on both ends of that transaction have an opportunity.

You know, I think estate planning is particularly important and I think lawyers have a voice in the political process and they need to use that voice to make sure that policymakers understand what could change with reference to the income tax system that might make it easier for people to consider transferring land while they're alive to beginning farmers. It could be a discounted tax rate, it could be a carryover basis, it could be a variety of things that could encourage the transfer of existing land that's been held by people that's appreciated a significant amount, to transfer it to a beginning farmer with some kind of tax incentive, in addition to looking at the estate tax.

*The White House Office of Management and Budget's 2018 spending blueprint allocated \$17.9 billion in funding for the USDA, down \$4.7 billion from its 2017 funding allotment.<sup>19</sup> This marks a 21 percent reduction in funding, with most of the cuts targeting programs that are considered discretionary spending.<sup>20</sup> This includes rural development, food safety, conservation support, international food assistance, and research grants.<sup>21</sup> Mandatory spending programs like SNAP and*

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19. See America First: A Budget Blueprint to Make America Great Again, Office of Management and Budget, available at [https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/2018\\_blueprint.pdf](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/2018_blueprint.pdf).

20. See America First: A Budget Blueprint to Make America Great Again, Office of Management and Budget, available at [https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/2018\\_blueprint.pdf](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/2018_blueprint.pdf).

21. See America First: A Budget Blueprint to Make America Great Again, Office of

*crop subsidies were not targeted in the budget proposal.*<sup>22</sup>

*Rural voters played a significant role in electing President Trump, with one report indicating that 62 percent of voters cast a vote in his favor and only 34 percent for democratic candidate Hillary Clinton.*<sup>23</sup> *It comes as some surprise, therefore, that the drastic proposed funding cuts target many of the programs that exist solely to boost rural economies, help rural dwellers obtain financing, and to improve rural life come as a surprise.*

*During the first few weeks of his administration, President Trump has garnered both criticism and accolades from the agricultural community. Of primary concern to many agribusinesses was President Trump's controversial Executive Order placing temporary moratoriums on immigration and calling for an overhaul of the country's immigration policies.*<sup>24</sup> *In California's Central Valley, where many agricultural operations depend on undocumented workers, the future smacks of uncertainty.*<sup>25</sup>

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**Lauren Manning:**

Thank you very much. Again, on behalf of the University

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Management and Budget, available at [https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/2018\\_blueprint.pdf](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/2018_blueprint.pdf).

22. See America First: A Budget Blueprint to Make America Great Again, Office of Management and Budget, available at [https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/2018\\_blueprint.pdf](https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/2018_blueprint.pdf).

23. Danielle Kurtzleben, Rural Voters Played a Big Part in Helping Trump Defeat Clinton, NPR, Nov. 14, 2016, available at <http://www.npr.org/2016/11/14/501737150/rural-voters-played-a-big-part-in-helping-trump-defeat-clinton>.

24. Executive Order Protecting The Nation From Foreign Terrorist Entry Into The United States, Jan. 27, 2017, available at <https://www.whitehouse.gov/the-press-office/2017/01/27/executive-order-protecting-nation-foreign-terrorist-entry-united-states>.

25. Caitlin Dickerson and Jennifer Medina, California's Farmers Backed Trump but Now Fear Losing Field Workers, *The New York Times*, Feb. 9, 2017, available at [https://www.nytimes.com/2017/02/09/us/california-farmers-backed-trump-but-now-fear-losing-field-workers.html?\\_r=0](https://www.nytimes.com/2017/02/09/us/california-farmers-backed-trump-but-now-fear-losing-field-workers.html?_r=0).

of Arkansas School of Law and the LL.M. program, this has been a wonderful opportunity and we appreciate the unique opportunity to hear about your insight, and wish you all the best.

***Tom Vilsack:***

Thank you.